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FEDERAL RESERVE BANK of CLEVELAND
D. C. Wills, Chairman of the Board
(COMPILED FEBRUARY 20, 1923)

MEMBER bank borrowings in the Fourth Federal Reserve District are continuing to drop. The apparent reason for this is that the resources of the banks are sufficient to take care of the community needs without calling on their Reserve bank for aid. In fact, reports from 18 representative banks in the district show a gain in deposits of 9.5 per cent compared with a year ago.

Very heavy demands for steel continue, and many of the large mills are sold up for several months. This demand is so heavy, in fact, that the producers are resorting to the tonnage allotment plan in order to protect their trade.

Practically all the reports received this month from the manufacturers reflect the general expansion of business. In place of the small-lot buying which was so much in evidence at this time a year ago, we find quantity buying, and deliveries being urged. In some instances mills are unable to meet the demands for goods, due to the lack of raw materials and the labor shortage.

For the first time in two and one-half years in the crude oil industry the consumption of crude oil by refineries in this country and that going to exports, exceeded domestic production and imported crude from Mexico. By stimulating production and by greater improved processes of refining, the oil industry expects to keep up with the growing demand.

The annual statement of the Burley Tobacco Growers' Cooperative Association reveals some interesting facts. It indicates that 120 million pounds of the 1921 tobacco crop passed through the association with an average expense of 89.8 cents per hundred pounds for physical handling. Another point which the president of the association stresses is that before the organization of the association the 1920 crop of approximately 220 million pounds sold for an average of 12 cents per pound and brought the growers $26,400,000; whereas the 1921 crop of 180 million pounds sold for an average of 21 cents a pound, bringing the growers a total of $37,800,000. In other words, while the 1921 crop was 40 million pounds less than the 1920 crop, and not as good in quality, yet the return to the growers was greater by $11,200,000.

In the textile industry both jobbers and dealers are showing a desire to get prompt deliveries of goods under order. Manufacturers are fairly well supplied with wool but at present, domestic stocks are low. Wool textiles for overcoats and suits show advances of from 20 to 35 per cent, while worsted materials show advances of 10 to 20 per cent.

Perhaps the greatest development in the rubber industry is the increase in the price of crude rubber, which has more than doubled within the last few months. This increase is due to heavier production and the levying of the British export tax. Since the United States consumes from 70 to 75 per cent of all the rubber grown in the world, we necessarily must pay most of this tax.

Member Bank Borrowings Show Little Change Throughout the Past Month; Savings Deposits Gain

The month ending January 20 was marked by a decided drop in member bank borrowings. At that time the total decrease amounted to approximately $29,500,000.

No particular change has occurred during the month ending February 20. While there has been an almost continuous fluctuation, borrowings on February 20 remained near the same level at which they stood on the same date in January. The general trend during the past few months has been downward.

Reports from 18 representative banks in the Fourth District indicate a gain in savings deposits. Deposits of these banks for the month of January as compared with the same month for last year showed a gain of 9.5 per cent. Last month the increase amounted to 7.7 per cent. The gain for January over the previous month was .9 per cent. December deposits showed a gain over the previous month of 3.7 per cent.

There has been a very perceptible improvement in the acceptance market. The demand for bills as well as the offering of bills shows a decided increase. The outlook for a much brighter business is very good. Some of the demand is coming from the country banks which have not been purchasing acceptances for many months. The noticeable improvement, however, does not mean that there is an active market. There is much room for improvement. The rates have remained practically unchanged throughout this period.

Steel Production Compares With Record Years of War Period; Railroad, Automotive, Building, and Oil Industries Are Leading Buyers

Developments in the steel situation during the past month have tended to emphasize the growing shortage of tonnage for all the requirements that are being brought forward. Numerous demands have continued to come out heavily from all directions and many of the leading mills already sold up for several months ahead, and facing difficulties in further increasing production, find themselves obliged to make new commitments with great caution or to decline them entirely. Various producers because of the needs pressed upon them by their regular customers are now resorting to the allotting of tonnage through the second quarter, so that their output may be equitably distributed among the consumers dependent upon them.

The congestion in steel is now becoming more marked. In fact, here and there undertakings now are being held off from closing for the time being because of prolonged and uncertain delivery. Some instances of this are to be noted in the purchase of additional equipment by western railroads who find builders' shops so filled with work that deliveries are far deferred.

Steel prices have reflected the excess of demand over supply and have moved forward sharply. In addition to the lifting of the market uniformly $3 to $5 a ton, premiums of several dollars extra are being paid for early or assured delivery of certain products. Eastern mills which have filled up more slowly than those at Pittsburgh and in the Central West, have been taking business for delivery into western producing centers including Chicago, at attractive prices. General advances which have taken place during the past month are $2 in steel bars; $4 in plates and shapes; $5 to $6 a ton in welded pipe; $2 to $4 a ton in wire products; $5 in strip steel and corresponding increases in other products. Sales have been made in increasing number from $3 to $5 a ton above the general higher level where early delivery has been supplied.

Iron Trade Review's composite of 14 leading iron and steel products as of February 14 was $42.24 representing nine consecutive weekly increases. The composite is now the highest since June 8, 1921 barring the flurry in September, October and early November, which was occasioned by the sharp advance in pig iron, growing out of the effects of the coal strike upon the coke market.

All the major sources of steel consumption have been piling up new demands. The automobile industry continues on a large scale of production with consequent requirements for steel. A recent canvass of the situation shows that pleasure car production in the Detroit district at present is from 10,000 to 11,000 cars daily and some further increases are planned if the steel can be obtained. During January the railroads placed orders for 13,390 additional cars and for 586 locomotives. Awards for motive power have been especially brisk and some large orders have been placed since the first of the present month. The building situation continues very active and to call for large tonnages of steel. Fabricating awards in January have continued to show an unusually large volume for the season. The vigorous condition of the oil industry is bringing forth steadily large requirements in tanks, pipe lines and other facilities of extension.

The pig iron market has not been as active or as buoyant as that of steel. Consumers, however, due to recent buying are in a comfortable position on their first quarter requirements. At present, buying for second quarter delivery is being done on an increasing scale. Prices are showing a gradual upward tendency.

Production of steel in January reached a surprising level in view of the current obstacles to full tide operations. Steel ingot production in January was at an annual rate comparable with the high record output of the war period of 1917 and 1918 and was at the annual rate of 42,800,000 tons compared with an annual rate of 39,500,000 tons in December. At this annual rate, the industry is now producing at 123 per cent greater than the production of all 1921 and but 1.9 per cent below the high record for the full year of 1917. The steel output in January was speeded up in a greater measure than in pig iron, although the latter also showed a fair increase. January production of pig iron according to *Iron Trade Review* was 3,226,065 tons compared with 3,083,520 tons in December and was the largest since October, 1920. Furnaces in blast on the last day of the month had increased to 261 compared with 253 on the corresponding date in December.

General Expansion of Business Continues; Shortage of Raw Materials Delays Plant Operations; Passenger Car Production Gains

Practically all the reports we received this month reflect the general expansion of business. In place of the small-lot buying which was so much in evidence at this time a year ago, we find quantity buying and deliveries being urged. In some instances mills are unable to meet the demands for goods, due to lack of raw materials and labor shortage.

Automobiles—The automobile trade continues active and plans for production for the current year indicate a heavy output.

Motor car builders, because of the reduction of prices on finished cars, are forced to buy their materials as cheaply as possible. On the other hand, prices of lumber, steel, aluminum, glass, and other raw materials which are used in the making of cars, are advancing. Thus while there is a good volume of orders in the auto body and various other auto parts trades, manufacturers report that they are finding it difficult to make a reasonable margin of profit between the costs of goods and the prices at which they can be marketed. There has been a disposition, however, on the part of some to make such adjustments as are believed necessary in order to put their business on a sound and profitable basis.

Trucks—Conditions in the truck field are reported to be showing improvement. A large truck manufacturer reports that deliveries in January, with one exception, were the best they had ever been in the history of the company. Orders were almost 100 per cent over those for January of last year. In addition to the main factory operations practically all of the branches throughout the country reflected the general improved condition. He believes the improvement of marketing organizations by the farmer will increase the demand for trucks and that the demand will be for heavy duty rather than for light service trucks. This is because the individual farmer is best served by the light truck, whereas the heavy duty models are of more use to the organizations, the available load for the organization being so much larger than for the individual farmer.

Automobile production increased in January to the highest point reached since last August, according to reports received by the Department of Commerce through the Bureau of the Census, in cooperation with the National Automobile Chamber of Commerce. Output of passenger cars increased from 206,372 cars in December to 221,697 in January, while output of trucks declined from 20,035 cars in December to 19,206 in January. Passenger car production was almost three times as large as in January, 1922, while truck production was more than double the January, 1922, output.

Total revised production for the year 1922 amounts to 2,334,790 passenger cars and 242,975 trucks.

The following table gives the total production for each of the last seven months, with the corresponding figures for the same months of the previous year. With few exceptions, the reports each month are from identical firms and include approximately 90 passenger car and 80 truck manufacturers.

Automobile Production
(Number of Machines)

	Passenger cars		Trucks	
	1922	1921	1922	1921
July	224,770	165,574	21,739	10,766
August	248,118	167,705	24,420	13,080
September	187,637	144,669	19,173	13,648
October	216,099	134,734	21,466	12,813
November	215,297	106,042	21,656	10,010
December	206,372	70,690	20,035	8,307
	1923	1922	1923	1922
January	221,697	81,693	19,206	9,416

Electrical Goods—Business during the past month has been much the same as it was a month ago. Some difficulty is being experienced as a result of the general labor shortage.

Small Tools—The volume of sales has continued at a steady pace, near what may be called the normal rate. A slight tendency to increase has been shown. A moderate increase in the prices of some lines—inaugurated at the beginning of the year—is reported to have been of much advantage. Purchasing of this product is usually more active in the spring than at other seasons.

Hardware—Conditions in this line are much more satisfactory at present than they were a few months ago. There appears to be a more healthy demand for materials in all parts of the country. Shipments are heavier than in January. Orders are coming in freely from all directions and the agricultural trade is doing much better than for the past several months.

Paint—Among the many optimistic reports which we have received this month, those from paint manufacturers stand out prominently.

Present business is exceptionally good for this time of the year and shows big gains over last year and the year before. Manufacturers generally are ordering in much heavier quantities than they did a year ago. Advances in prices as well as prospective advances have, no doubt, served to stimulate buying to some extent. Increasing difficulty in getting important raw materials at factory points to supply the strong demand, and to keep plants running at their present rate, is reported.

Paint men believe the farmer will be an important factor in buying this year. The American Farm Bureau Federation estimates that farmers spent $55,303,200 for paints and varnishes in 1922.

The continued increase in the cost of virtually everything entering into the manufacture and production of paints, varnishes, and insecticides, has made it necessary for practically all important manufacturers to advance their prices. The trade, however, seemed to be expecting it, as they are familiar with the price advances in the basic materials.

Pottery—There has been no particular change in this business since our last report. While there is no large accumulation of orders, manufacturers have plenty of work to keep them busy. In the Wheeling district of West Virginia, the industry is reported to be recovering nicely from the effects of the long strike. Plants are operating at 100 per cent capacity and plenty of orders are on hand to assure the continuation of that percentage for some time. Transportation conditions have not affected this industry to the same extent as it has many others.

Glass—February business is proceeding at about the same rate as January although the total volume will naturally be a little smaller due to the shorter month. Labor is scarce in the Pittsburgh district. This is not much of a handicap to the glass industry at this time, however, for manufacturers are now able to secure men who are ordinarily employed in outside work. Owing to the openness of the winter is most sections, business has been maintained on a very satisfactory basis and there is evidence of an increasing demand with the opening of spring.

An item of special interest in the plate glass situation during the past month was the announcement of plans for the erection of a new plate glass plant to meet the increasing consumption of this product. An output of from 12 to 15 million square feet per year is planned.

Another item of interest is the negotiation by two important automobile manufacturers for the purchase of plate glass plants to supply their current and urgent requirements.

Pulp and Paper—The mills are reported to be running at almost maximum capacity. The past few weeks have brought a very considerable strengthening in the demand for the product of this industry accompanied by a firmer price situation. The effect of rising costs of production is that selling prices on fine papers are being advanced from 7½ to 10 per cent. Orders for practically all grades of papers are being placed in heavy volume. Manufacturers report that orders are coming in so rapidly as to more than offset the increased production of most mills.

Bags—Business is continuing very satisfactory. Values on all lines are firm with change, if any, in an upward direction. Collections are good.

Cork—There have been no developments of special interest since our last report. Business as compared with the same month in 1922 shows a slight increase. Orders are coming in fairly well and the outlook is encouraging.

Stoves and Ranges—January as a rule is a very slow month in this industry, but business this year was better than usual. In comparing business for that month with January, 1922, one manufacturer reports sales 300 per cent greater. Customers seem to feel the necessity for anticipating their future needs, and manufacturers are advising the trade that this is a wise move to make at this time. Unfilled orders are heavy. It is difficult to determine whether this is due to the long-time deliveries of steel or to the general belief that 1923 will be a good year. More stock orders are being placed than heretofore which would indicate that the accumulation of high priced stoves and ranges carried over from the previous years has been disposed of. For some time past most of the orders received indicated that the dealer was ordering only for sales which had been made and not with a view of placing goods in stock to meet anticipated demands.

There are some interesting facts in connection with the use of the combination coal and gas range in this part of the country to which we referred last month. The popularity of the combination coal and gas range is due largely to the uncertain gas supply, as we stated in the February issue of the *Monthly Business Review*. The shortage of natural gas, however, is not the only factor which enters here.

The gas pressure seems to be better this winter than for some years past. Up to this time, with the exception of one cold spell, the weather has not been very severe, which naturally means a smaller demand. In addition to this, more plants are using oil fuel in their factory operations, partly because of the kind of work and partly because they are afraid that they might be short of fuel at a critical period. The rates charged must also be taken into consideration, but whether the increased pressure is due to fewer people using gas because of the high rates, or a better supply, is difficult to determine.

Another reason for the popularity of the combination range is the type of people who live here. The population of Cleveland, and also other large manufacturing cities in this section contains a large percentage of foreigners. They like this type of stove, for they can use different kinds of fuel; they use it for heat and cooking; and they use it to burn rubbish which collects about the house.

There is also a third reason, of lesser importance, perhaps, but a factor nevertheless. Cleveland claims that she is the home of this type of stove. A Cleveland firm is the originator. It is only natural that stoves which have proven their worth should be popular in that part of the country where they were first placed on the market.

Total Crude Oil Stocks About 265,000,000 Barrels or 140 Days' Supply; National Petroleum News Says Gasoline Consumption This Year Will Exceed That of 1922

During December consumption of crude oil by refineries in this country and that going to exports, exceeded domestic production and imported crude from Mexico. This is the first time this condition has resulted in the past two years and a half, when stocks were added to consistently each month. Total crude stocks now stand at about 265,000,000 barrels. Two years ago this surplus of crude above ground would have been considered sufficient almost to swamp the oil producing business. Considered in the light of current daily consumption, however, they amount to only about 140 days' supply, were other sources of supply to be shut off, and this reserve is not considered by the trade as being more than the industry should carry for its own protection.

The large interests which are purchasers of crude oil for refinery needs evidently see the need for further stimulating production, particularly of the high gravity, high gasoline-content crude, if these above-ground reserves are not to be cut into this year below the point of safety to the business. The price of Pennsylvania grade of crude has so far advanced to $4 and $4.25 a barrel, as compared with $3 up to December 30, when the first of the series of recent advances took place. Mid Continent crude has advanced, from a price of $1.25 a barrel last fall for all gravities, to $2.60 for the lightest grades with the most gasoline content.

The surplus production of crude in California, due to the opening in the past year of several fields of high flush production, is being drawn on by the Atlantic Coast refiners, who are bringing this oil in tankers through the Panama Canal. This state alone is now producing around 550,000 barrels a day. Prices there have advanced only once in this recent general upward movement. Atlantic Coast refiners are using the surplus production there, over and above what the California refiners use and what is carried to local storage, to take the place of the Mexican crude, supplies of which have been cut down due to the encroachment of salt water in the principal fields there.

This California crude can be looked upon only as a temporary expedient, and the large interests see the need for stimulating production in the domestic fields nearer their own plants and east of the Rockies. *National Petroleum News* believes that in view of present automobile registrations, gasoline consumption this year will be in excess of that in 1922. By keeping production of crude up and by using to a greater degree improved refining processes for manufacturing a greater proportion of gasoline from the crude oil, the oil industry anticipates keeping up with this automobile demand without excessive advances in gasoline prices.

Price advances to the consumer through the tank wagon and service station markets have not been rapid in view of the extent of the advance in crude prices. No territories have reported to *National Petroleum News* tank wagon advances of more than two cents a gallon to date.

Annual Statement of Burley Tobacco Growers Cooperative Association; Crop and Livestock Summaries for States of Ohio and Pennsylvania

Conditions in the Burley belt are moving along in a very satisfactory manner. The Burley Tobacco Growers' Cooperative Association distributed the checks for the final payment for the 1921 crop of tobacco to its members early in February. This places several million dollars in the hands of the growers of Burley tobacco who are members of the organization. A statement by President Stone of the Burley Association, was mailed to the growers with their checks. This statement indicates that the Association received 120 million pounds of tobacco of the 1921 crop. The statement shows that the total expense of the physical handling of the business averaged 89.8 cents per hundred pounds of tobacco handled and that the insurance on tobacco and interest on borrowed money averaged 31.7 cents per hundred additional. The organization plan provides for the taking over of warehouses and paying for them over a period of years by deductions from returns of tobacco sold, and the statement shows an average of 32.7 cents employed for the redemption of the bonds and interest on the properties purchased, making a total deduction of $1.54 per cwt. The statement also indicates that the salaries of all executive officers, directors and committees amounted to only 3.7 cents per one hundred pounds of tobacco handled. The statement also shows the net grade price per hundred pounds for each of the 52 grades of the Association.

The statement also compares the return for the 1920 crop and that of 1921. It is stated that the 1920 crop of approximately 220 million pounds was sold for an average of 12 cents per pound and brought $26,400,000. The 1921 crop of 180 million pounds sold for an average, both in and out of the Association, of around 21 cents per pound and brought a total of $37,800,000. The statement also indicates that the 1922 crop is estimated to bring $75,000,000.

A large proportion of the 1922 crop controlled by the Association has already been marketed. The independent sales on the loose leaf floors have continued and the average of these sales is running close to 30 cents. The Dark Tobacco Growers' Cooperative Association in western Kentucky, which started operations with the handling of the 1922 crop, is making satisfactory progress and reports having sold a large quantity of tobacco. These large cooperative marketing developments among the tobacco growers of Kentucky and adjoining states are being watched with a great deal of interest and their progress is stimulating an interest in cooperative marketing among the producers of other products with the result that other organizations for marketing purposes no doubt will be formed. Such enterprises that are properly planned and directed should be very helpful in placing the agricultural industry on a more stable and prosperous basis.

CROP AND LIVESTOCK SUMMARY FOR PENNSYLVANIA

Horses and Mules—Reports received from 744 township correspondents indicate that the number of horses on the farms of Pennsylvania has declined about two per cent during the past year. In this connection it is well to note that there has been a steady increase in the number of automobiles, motor trucks, and farm tractors, which in a large measure, accounts for the decrease in the number of horses. The total number of horses at the present time on the farms is estimated at 475,625, compared with 486,607 one year ago; and the total value $44,636,879.50, compared with $47,477,943.50 one year ago. The average price of horses per head, including horses of all ages and classes is estimated at $93.85, compared with $97.50 one year ago.

The number of mules is estimated at 54,510 and is approximately the same as one year ago. The average price per head is estimated at $106.35, compared with $113.00 one year ago; and the total value of the mules on the farms is approximately $5,796,445.00 compared with $6,180,855.00.

Dairy Cows and Other Cattle—There is no apparent change in the number of dairy cows on the farms of Pennsylvania, but it appears that the number of other cattle has declined about one per cent. The whole number of cows kept principally for milk is estimated at 862,467, compared with 862,868 one year ago; and the total value of the cows on the farms is estimated at $49,861,263.45, compared with $50,946,852.00 one year ago. The average price or value per head is placed at $57.80, compared with $59.00 one year ago. This estimate is based on the census showing 885,855 cows on the farms in January, 1920, two years old and over, and classed as dairy cows.

The whole number of other cattle is estimated at 607,140 compared with 614,372 one year ago. The average price is estimated at $31.70 compared with $32.00 one year ago; and the total value is placed at $19,260,590.45, compared with $19,645,303.75 one year ago.

Sheep—The number of sheep in Pennsylvania is estimated at 455,510 compared with 456,870 one year ago. Reports show that the price of sheep and wool has materially improved during the past year and the industry has more of an optimistic outlook. The average price per head is estimated at $6.20 compared with $4.90 one year ago; and the total value is estimated at $2,825,930.10 compared with $2,239,209.75 one year ago.

Hogs—The number of hogs has apparently declined two per cent. Hogs on the farms of Pennsylvania are estimated at 1,068,180, compared with 1,096,884 one year ago. The average price per head is placed at $13.75, compared with $12.80 one year ago; and the total value is estimated at $14,691,111.95, compared with $14,036,928.25 one year ago.

Chickens—The livestock market in Pennsylvania during the past year has been inactive but was in better condition than during the year 1921. The poultry industry, however, has been more active. There has not been the deflation here that was experienced in other branches of farm activity. The whole number of chickens on the farms of Pennsylvania is estimated at 15,310,082, compared with 14,854,575 one year ago. This shows an increase in number of four per cent. The average price per fowl is placed at $1.02, compared with $1.03 one year ago; and the total value of chickens is placed at $15,647,411.48 compared with $15,270,179.00 one year ago.

Bees—The whole number of hives of bees is approximately 113,276, compared with 115,259 one year ago. The average price per hive is estimated at $5.76, compared with $5.67 one year ago; and the total value of bees is placed at $652,380.45, compared with $653,896.70 one year ago.

Estimated Total Value of Livestock—The total estimated value of the horses, mules, cattle, sheep, hogs, and also chickens and bees, on the farms of Pennsylvania is estimated at $153,372,012.38 compared with $156,451,167.95 one year ago. This is an approximate decrease in value of two per cent, compared with sixteen per cent during the year of 1921.

Corn—Reports indicate that the corn in the crib is in 100 per cent condition. It appears that about three per cent of the crop was standing in the field unhusked on January 1. The entire crop was estimated at 65,561,475 bushels, of which eighty-five per cent, or approximately 55,995,226 bushels, will be fed on the farms where produced.

Winter Grain—Notwithstanding the drought that prevailed during the past fall, the condition of the wheat in the ground is estimated at 89 per cent of normal and rye 90 per cent. The condition of each of these crops one year ago was 98 per cent.

Automobiles—Reports received and carefully compiled show that approximately 65 per cent, or 132,693 farmers in Pennsylvania are using automobiles for business and pleasure. This is an inincrease of five per cent during the past year and and corresponds exactly with the increase during the year 1921.

Motor Trucks—Seven hundred and forty-four townships report 9,761 motor trucks in use on the farms of these townships. If the other townships have as many pro rata, and it is reasonable to assume that they have, then the whole number in use on the farms of Pennsylvania is approximately 21,791 compared with 17,047 one year ago.

Farm Radios—Seven hundred and forty-four townships report 1,056 radios. If the other townships have as many pro rata, then the whole number in use is approximately 2,225. Allegheny, Westmoreland and Washington counties, in the order named, lead in the number of farm radios.

CROP AND LIVESTOCK SUMMARY FOR OHIO

The total value of livestock on Ohio farms is estimated at $215,000,000. If the value of the livestock not on farms be added to this, the total will be between $225,000,000 and $250,000,000. The number of chickens on farms is variously estimated from 15,000,000 to 25,000,000 so that when the value of poultry is added to that of farm animals, the total is around a quarter of a billion. The greatest increase in numbers is for hogs and sheep, and horses alone show a decrease. Horses are lower in price than a year ago and hogs and sheep are higher.

The total number of hogs in the state is estimated at 3,031,000, which is from 8 to 10 per cent above last year. The number of sheep in the state is 2,094,000, which is 7 per cent above the number a year ago. The number of milk cows is placed at 1,059,000 as compared with 1,048,000 last year. The number of cattle other than milk cows is estimated at 857,000, which is a 3 per cent increase over last year. The number of mules on farms is estimated at 32,000, an increase of 1,000 during the last year. Horses are estimated at 771,000 in number, which is 2 per cent less than on January 1, 1922.

The decrease in use of the horse has been much more rapid in the cities and towns than in rural areas, as shown by the fact that while the number of horses on farms decreased 7 per cent in the decade ending with 1922, the number "not on farms" decreased 46 per cent in the decade ending with 1920.

This big fall-off in the number of horses would probably have been even greater but for the fact that the people of the United States do not regard the horse as a food animal, and the present generation of horses is thus permitted to pass out of existence by the natural process rather than by slaughtering them for food as is often done in certain other countries.

That the decrease in the number and value of horses is closely related to the increased use of the automobile in its various forms is evidenced by the fact that the number of motor vehicles registered in the United States has increased from 1,711,339 in 1914 to 12,281,245 in 1922.

Taking prices of all products together, prices are somewhat above a year ago, though the increase is not great. Corn, hogs, and sheep show the most marked changes. Hay is lower in price than a year ago and the prices of feeds, which farmers of Ohio are compelled to buy, have advanced something like 15 per cent over last year. The price of milk has increased perhaps 15 per cent and the state average butter price is more than 25 per cent higher than a year ago. Eggs and poultry products on the other hand are slightly lower, if anything.

The state average price for corn is 75 cents per bushel as compared with 68 cents last month and 45 cents a year ago. The oats price is naturally influenced by changes in the price of corn and the state average is now 45 cents compared with 34 cents a year ago. Wheat is about 16 cents a bushel higher. Hay prices are running about $1.00 a ton below last year's prices. The state average potato price is about 60 per cent of last year.

Coal Industry Reflects Optimism Following Wage Agreement; Anthracite Production Decreases Slightly

The recent cold weather, the scope of which is reported to be nation-wide, is causing a noticeable increase in the demand for coal for heating purposes. Some reserve supply, however, has been built up, and up to this time no particular difficulty in securing sufficient fuel has been reported.

Since the signing of the wage agreements which is to remain effective until April 1, 1924, thus removing the possibility of strikes in the bituminous fields this spring, the industry in general seems to be showing a gradual improvement.

Traffic conditions with reference to coal shipments are reported to be showing improvement in many sections of the country. This improvement, however, has been largely counteracted by increased transportation disability in the Pittsburgh and adjoining districts. Unfavorable weather conditions have also caused coal shipments to be delayed.

Preliminary estimates on the production of soft coal by the Geological Survey for the week ending February 10, indicate that the total tonnage of soft coal was 10,836,000 net tons, which is an increase of 150,000 net tons over the revised estimates for the week ending February 3.

Production of anthracite coal showed a small decrease in the week ending February 10. The total output is estimated at 2,023,000 net tons as compared with 2,056,000 tons for the previous week. The total output for the month of January is placed at 8,713,000 net tons.

The output of beehive coke which has been increasing steadily for many weeks showed further increase in the week ending February 10. The total output is estimated at 359,000 net tons against 348,000 tons the week before.

The production of by-product coke in January was practically the same as in December. Complete reports from all active plants show a total output of 3,100,000 net tons in January against 3,063,000 tons in December. The output in January represented 83.2 per cent of capacity as compared with 51.9 per cent for the same month in 1922.

Revenue Freight Loadings Move Upward; Weather Conditions Handicap Freight Movements

When the railroads throughout the country did such an extraordinarily heavy business during the month of December, a part of the improvement was attributed to better business conditions, and a part to the release of goods which had been held up by the prolonged rail and coal strike. By this time it is fair to assume that the effect of the latter is wearing off and that the former is the proximate cause.

The difficulties surrounding the movement of freight to and from New England which were preferred to in our last report, continue to be a serious handicap. This is felt particularly by those concerns which handle seasonal merchandise and who should be completing their spring stocks. Weather conditions have been particularly adverse east of Buffalo, though at present, freight is beginning to move somewhat more readily than a month ago.

On December 31 there was a shortage of approximately 83,000 cars. By January 22 this number had been reduced to 72,754, but on January 31 the number had increased again to 73,269. A gradual decrease in the shortage of cars is, as a rule, to be expected at this season of the year.

The slight increase noted between January 22 and January 31 possibly indicates an unusually heavy movement for this season of the year. It is difficult to determine just what this might indicate with reference to the car shortage for a later period. On the other hand, it is quite possible that severe weather conditions in some parts of the country have so seriously retarded the freight movement as to account for the failure of a continual reduction of the shortage.

During the week ending January 27, the railroads as a whole received 871,164 revenue loads. For the same week in 1922 they received 740,386 loads and in 1921, 701,605 loads. For 1923 this is an increase of 5,586 cars over the previous week; of 130,778 cars over the same week of 1922; and of 169,559 cars over 1921. These figures as to revenue loads for January 27 also show an increase over the week of December 23 and would tend to explain to some degree the situation in regard to car shortage.

Figures have recently been given out showing that the Class 1 roads of the United States during December were operating on a basis, which if it had been maintained throughout the year, would have yielded them five per cent on the value assigned to the carriers by the Interstate Commerce Commission. Preliminary figures for the year make it appear entirely probable that the net will exceed four per cent and may approximate four and one-half per cent. This figure is not as small as it first appears, for it is an aggregate earning of about 90 per cent of the country's roads and includes the operating results of carriers so situated as to earn nothing at all. The highest return on investment, shown by figures of the Interstate Commerce Commission since 1908, was 5.93 per cent for the calendar year 1916. In 1921 they earned an aggregate of 2.95 per cent. Considering the question of dividends, it should be mentioned that since 1908 the highest average payment of dividends from railroad stock was made in 1911 when 5.42 per cent was declared. In 1921 the figure was 5.11 per cent. These figures again take into consideration all railroad stock, whether dividend paying or not. The average payments, excluding non-dividend paying stock in 1911 were 8.03 per cent and in 1921, 9.05 per cent.

Clothing Prices Follow Advances in Raw Material Costs; Manufacturers Optimistic on Present Outlook

In the textile field both jobbers and dealers are showing a desire to get prompt deliveries of goods under order. Manufacturers are fairly well supplied with wool but at present domestic stocks are low. Large stocks of foreign wool are reported, more than 55,000,000 pounds having arrived in Boston since the beginning of January.

The Department of Commerce reports that stocks of wool in and afloat to the United States on January 1 totaled 515,543,585 pounds, grease equivalent, or a decrease of 9,630,033 pounds since September, 1922. Stocks held by dealers decreased 17,923,523 pounds, but this was partly offset by an increase of 8,293,490 pounds in the hands of manufacturers.

The newest development in the men's ready-to-wear business is the opening up of woolen lines for the fall season. Wool textiles for overcoats and suits show advances of from 20 to 35 per cent. Worsted materials show advances of from 10 to 20 per cent.

While it is difficult to anticipate the buyers' reaction to advancing prices, manufacturers appreciate the importance of keeping their prices down as low as possible in order to counteract the increase in the price of materials.

Merchants recognize the rising market, particularly the small merchants who deal in piece goods, and there is not so much question about price as there has been for the past two years.

The manufacturers of women's outer garments are practically unanimous in optimistic reports concerning the present outlook. The season has opened most favorably in women's apparel lines. There have been some sharp advances in the prices of raw materials and many of the most popular fabrics are highly difficult to secure. Following losses in inventory which retail merchants took very largely in the deflation period of 1920-1921, extra caution was manifested in buying. Many retailers adopted the policy of purchasing from hand to mouth, but it was obvious that such a policy could not long continue for it would result in a loss of business to the merchant, particularly in the garment line where all customers make purchases at about the same time. The increased business of the present season reflects the retailer's confidence in the future and his willingness to carry a stock in anticipation of demand.

In the fancy knit goods business, prices of worsteds and cottons have advanced considerably during the last month and there appears to be an unusually good demand for both these lines. Deliveries are difficult to secure.

The customary clearance sales, which were held shortly after the beginning of the new year, left many stores with unbalanced stocks of various staple goods, thus necessitating the purchasing of new materials.

Advance in Crude Rubber Prices Causes Increased Production and Sales; Tax Problem Commands Attention of Government

The price of crude rubber has more than doubled within the past few months. This advance is believed by authorities to have resulted in an increased production and sale for this time of the year, due to the fact that every rubber manufacturer solicited business for immediate delivery on the spring dating basis, indicating to the trade that the marked advance in the price of crude rubber as well as fabric would necessarily cause an advance in the price of finished goods. In some instances, also, retailers have sold tires to their customers—especially commercial accounts—in anticipation of the advance in prices, thus encouraging larger orders for spring delivery.

On the other hand, the consumption of tires during the winter months was unusually heavy due to the increasing use of cars for winter travel; to the increased number of cars in use; to greater mileage per car, and to large automobile production. All of these factors tend to uphold and bring in new orders.

There appears to be a general belief that crude rubber inventories, and particularly those of the larger concerns, are heavy. Manufacturers began to cover their needs when the price began to advance and continued their buying on the rising market.

According to authorities on the rubber situation, the British export tax is presenting a serious problem. It affects the manufacturer who has to buy the high priced raw material and the consumer who buys the finished goods. Since the United States consumes from 70 to 75 per cent of all rubber grown in the world we necessarily pay most of the tax.

Two things are needed and essential to solve the problem, according to the *India Rubber Review.* They are: (1) Repeal or modification of the tax law, and (2) America must grow her own rubber. The second suggestion is now under the consideration of the United States Department of Commerce.

Rubber can be grown successfully in the Philippines and also in the Amazon Valley of South America. In addition to good rubber land there is plenty of common labor.

At one time Brazil possessed a natural monopoly of crude rubber and it was estimated that as late as 1910 she produced nine-tenths of the world's rubber output. At present the output is estimated at one-fifteenth of the world's supply.

In a leading article in the January *India Rubber Review,* a leading authority on the rubber situation says: "The South American countries—Brazil, Ecuador, Columbia and Venezuela—are the natural habitats of rubber, and their geographic locations recommend them for future development, and this is an opportune time further to cement our close relations with the South American Republics."

Some idea as to the importance of the situation can be gained from the following figures published by the National City Bank of New York:

"Our imports of crude rubber in the fiscal year 1914, all of which preceded the war, were 131,000,000 pounds and in the fiscal year 1922, 568,000,000. Meantime world production advanced from 120,000 tons in 1914 to 344,000 in the high record year 1920, dropping to 209,000 in 1921, this reduction in out-turn being due to concerted action by the rubber growers of the world.

"The total quantity of rubber imported into the United States in the decade ending with 1922 was in round terms 3½ billion pounds against less than 1,000,000,000 in the decade ending with 1912. That this enormous increase in importation meant a corresponding increase in actual use, is evidenced by the fact that the value of rubber manufactures produced in the United States was recorded by the census of 1920 at $1,137,000,000 against $203,000,000 a decade earlier. Meantime the exportation of rubber manufactures increased with equal rapidity, the total value of rubber manufactures exported aggregating $85,000,000 in the calendar year 1920 against $10,000,000 in 1910. Automobile tires are the largest single item and form about half of the grand total of rubber manufactures exported and they go to all parts of the world having been sent in 1920 to 94 different countries and colonies."

The rubber industry is also confronted by another problem which could be easily overlooked when viewed from the angle of production. It is necessary to look at it squarely, however, to see the rubber situation as it is. It is the retail situation as regards tires, which is not any too encouraging in spite of higher retail prices for 1923, put into effect by the manufacturers on account of the increased cost of rubber.

It is the belief of the National Tire Dealers Association that the dealers are at present carrying large stocks, this condition being the result of the manufacturer influencing the dealer, through the spring dating and payment plan and the assurance that prices would advance, to order beyond his ordinary requirements.

Activity in Construction Work Continues; Material Costs Show Upward Tendency

Construction work in the Fourth Federal Reserve District is going on rapidly. There is a good demand for building materials with prices showing an upward tendency.

According to the report of the F. W. Dodge Company, January construction activity was 31 per cent greater than last year and 1 per cent above the December figure. Contracts awarded in 36 states totaled $242,755,000, and about three times as much contemplated work was reported. Residential construction comprised 51 per cent of the total, an unusually high figure for this season of the year.

The following figures compiled by the F. W. Dodge Co. show the volume of building in this District by states for the past year. [Note—The Fourth District includes only a part of Pennsylvania, Kentucky, and West Virginia.]

TOTAL CONTRACTS AWARDED
Year 1922

States	No. Projects	New Floor Space	Cost
Ohio	11,960	48,061,000 Sq. Ft.	$292,087,100
Pennsylvania	9,814	62,096,300 Sq. Ft.	361,257,900
Kentucky	1,930	8,884,600 Sq. Ft.	49,459,500
W. Virginia	1,173	5,853,300 Sq. Ft.	38,437,600

There is a good volume of building in Cincinnati, Ohio. Construction costs are being watched closely.

The building situation in Pittsburgh, Pennsylvania, is reported to be as active as ever. During the past few weeks sales of vacant property have been heavy and many contracts for buildings costing from $10,000 to $20,000 have been let. Building materials and labor are expensive and we are reliably informed that builders are being required to pay premiums for help.

Contractors are estimating on quite a little building to be done in and near Braddock, Pennsylvania, provided the costs are not excessive.

Indications point to a busy year in the Columbus, Ohio, building industry. As is the case in practically all centers, the costs of materials and labor are being taken into consideration. At present the attitude of certain of the building craft has caused an interruption thus influencing a large company to postpone a million dollar building program.

Building operations in Youngstown are believed to be showing a little improvement but they are still at low ebb.

Several substantial building projects are now under contemplation in Toledo, Ohio. Residential construction also looks promising.

There is a good deal of activity in public building operations in Dayton, Ohio.

In Marion, Ohio, home builders have made arrangements to start on about 135 houses just as soon as the weather is favorable.

The building situation in Steubenville, Ohio, is very active and further developments in residence and commercial work are expected.

In Hillsboro, Ohio, several new buildings are in the course of construction in the residence section.

Contractors in Wheeling, West Virginia, report that they are now figuring on more estimates than at any time during the past six months.

Wholesale Grocers Report Healthy Business; Sugar Prices Advance Rapidly

A general brightening of business conditions in the wholesale grocery and food lines is reflected in reports this month. The tendency on the part of buyers to act cautiously in the matter of purchases has not entirely disappeared, however. The advance in sugar prices is attracting attention, but wholesale grocers believe there is a chance for this situation to adjust itself very shortly since there is no big demand at this season of the year. Unsettled markets have given way to firm prices which show an inclination to move upward from day to day. Prices on practically all canned goods are holding up well and there have been some stiff advances since last fall, particularly on tomatoes.

The following report gives some interesting facts with reference to various departments in the wholesale grocery business:

Sugar—Prices advancing. Demand poor due to between-season slump.

Tobaccos—Normal consumption, with market generally firm, but occasionally unsteady.

Cigars and Cigarettes—Sales very satisfactory. Markets steadier.

Cereals—Prices firm. Little demand.

Pickles—Market firm. Little consumption due to dull buying period.

Fish—Good demand due to Lenten season.

Coffee—Prices very firm and advancing. Sales good. Spot stocks scarce.

Tea—Demand normal. Markets firm.

Olives—Splendid demand, with advancing market.

Crushed Fruits and Syrups—Good future order sales.

Cheese—Sales very good with markets firm. This item is also influenced by the Lenten season.

Preserves—Show great improvement in sales. Prices firm.

Condiments—Good seasonable demand.

Candy—Sales show a big increase over those for last year. Sales appear to be quieter now, however, due to the after-holiday drop and to the fact that Easter business is not yet under way.

Baker's Supplies—Business shows satisfactory increase. All market prices are firm.

Soap—Business very good with general market advances.

Dried Fruits—Market, with the exception of prunes, is dull. Eastern markets are somewhat unsteady on certain varieties of raisins.

Canned Milk—Sales are good.

Macaroni Sundries—Good demand owing to Lenten season.

The stocks of canned goods at this time are less than a normal supply, with the possible exception of canned corn. Canned peas (although the pack of 1922 is reported to have been the largest in the history of the industry) are largely sold out of canners' hands and the jobbers' stocks are not excessive. The pack of tomatoes is reported to have been in the neighborhood of 2,000,000 cases less than a ten-year average production, but canners' stocks are practically all sold and the market is in a strong position.

Brick Plants Getting Under Way For New Season; Shipments Unusually Large For Winter Months

Paving brick manufacturers are not suffering so much from a serious transportation and railroad equipment shortage as they were a few months ago. But they are not entirely free from this handicap, and it is sufficiently troublesome to be constantly before them.

Labor shortage is also being felt to some extent in various parts of the country. The feeling among the laborers seems to be less settled than it was some time ago, but as a general rule, men employed in this industry are quite constant and do not shift about as do those in many other lines.

Production is reported to be heavy. Plants are enlarging their operations to meet the spring demand and some brick making establishments which have been closed down are again getting under way.

Shipments have been larger during the winter months than they were a year ago, due largely to the fact that manufacturers were not able to meet the unusual demand last fall, and winter shipments were necessary in order to make up for this shortage.

In the winter season when paving operations are not carried on, manufacturers build up their reserve stocks. Although they are doing this at present, the winter shipments are tending to keep stocks fairly low.

Many cities whose paving programs were eliminated during the war period are now back on the job. Consequently they are planning to repair many streets where needed repairs have been postponed, and also to build and extend new streets.

What manufacturers believe to be a large but conservative program has been mapped out for the coming season. At a recent convention of the National Paving Brick Manufacturers Association particular emphasis was placed on the need for constructive advertising policies.

Quite a number of the common brick plants closed down during the winter months. However, due largely to the favorable building weather, the demand for building brick has continued active with the result that the manufacturers have not built up their usual reserve supply. A report of the Common Brick Manufacturers Association says that the industry is looking forward hopefully; that this type of building material is in good demand; and that the conservatism made necessary by high prices is working to the advantages for all permanent building materials.

The advertising of this Association, carried in popular and trade magazines, since January 1 has produced a large number of inquiries from those interested in building homes either for themselves or to sell, and the manufacturers feel that it is a very good barometer as to what the actual situation is. They have received 20,000 inquiries up to date since January 1 for books etc., issued by the Association, from those who say they are going to build, and these come from all over the United States and Canada. In addition to these at least 30,000 have been received by an agency at Washington which distributes this literature. The Association has issued something like fifty or sixty thousand books to their members who are also answering the inquiries coming to them.

Farm Implement and Tractor Industry More Optimistic; Price Advance of Approximately 10 Per Cent Goes Into Effect

Increased activity throughout the industry and an advance of about ten per cent in prices have characterized the implement and tractor industry during the last thirty days. Orders received from dealers have exceeded earlier estimates to such an extent that the manufacturers are compelled to increase production schedules, and accordingly are in the market for bars and other equipment. Manufacturing costs are advancing steadily, due to the constantly increasing prices for raw materials and the shortage of dependable labor. The coal situation is also affecting production expenses.

Because of the increasing production costs which follow two years of poor business, the manufacturers have adopted the only alternative of business preservation and have put into effect an advance on most lines of implement, which approximates ten per cent. This action was taken reluctantly, largely in the fear of an adverse effect on the part of the farmer. But the farmer has shown only moderate interest in this latest announcement. Dealers who have gotten under cover for their requirements for the first half of 1923 have given assurance that the recent advances will not be reflected in retail prices until late in the summer months, and they believe that the price situation will stimulate rather than retard sales. It is a foregone conclusion that the farmer is greatly in need of new machinery for starting his 1923 operations, and the recent report of the Department of Agriculture clearly reflects his improved position. This would seem to indicate that the farmer is now better able to finance his machinery requirements.

The Chilton Tractor Journal says the spring selling season is opening with a feeling of confidence founded largely upon the mental attitude of the farmer, and that while this may be due to the fact that the farmer has bewailed his lot until he is tired of gloom, as some believe; more likely it is due to the fact that market prices throughout the winter have been maintained at levels which have made the increase of $2,000,000,000 in the 1922 crop valuation a reality instead of a prophecy. Dealers find farmers in a buying spirit and manufacturers are viewing the situation with greater confidence and satisfaction than for two years or more. During the last ten weeks most of the state and interstate retail associations have held their annual meetings, which have been marked with renewed optimism.

Dealers have shown considerable interest in a proposed plan for placing the implement business upon the basis of established resale prices with the dealer's profit provided in a discount from the established list price. Under the present plan by which most implement lines other than tractors are sold, the manufacturers established only wholesale prices, f.o.b. factory of branch house. The dealer makes his own retail price. As the methods of cost accounting and computing overhead vary greatly among dealers in all sections, the result is a great diversity of retail prices in the same products even within such narrow limits as counties. This often leads to one dealer demoralizing the trade in certain sections by pricing his goods out of line with profits.

Manufacturers have shown little interest on the surface, although it is reported that one company will give the plan a trial in 1924. But dealers, generally, consider it a measure for their own welfare and are pushing it. Twelve associations have indorsed the plan, while but two have opposed it, and one association has gone so far as to appoint a committee to confer with manufacturers.

An interesting angle of the tractor situation for 1923 is the discontinuance on the part of a number of the larger producers of their smaller models, or those which have a capacity for handling a 2-bottom plow in plowing. The largest producer in the field concentrates on a tractor of this size priced low because of his large production, and the tendency of the others, as shown by their lines for 1923, is toward a general withdrawal from this field to compete for more profitable business on the larger sizes.

Debits to Individual Accounts

	Week Ending Feb. 14, 1923 (327 Banks)	Week Ending Jan. 17, 1923 (325 Banks)	Increase or Decrease Amount	Increase or Decrease Per Cent	Week Ending Feb. 15, 1922 (331 Banks)	Increase or Decrease Amount	Increase or Decrease Per Cent
Akron	$16,420,000	$ 15,324,000	$ 1,096,000	7.2	$ 11,446,000	$ 4,974,000	43.5
Butler, Pa	2,320,000	2,440,000	— 120,000	— 4.9	2,051,000	269,000	13.1
Canton	9,296,000	9,989,000	— 693,000	— 6.9	5,787,000	3,509,000	60.6
Cincinnati	63,192,000	84,226,000	— 21,034,000	—25.0	53,962,000	9,230,000	17.1
Cleveland	123,748,000	145,347,000	— 21,599,000	—14.9	114,280,000	9,468,000	8.3
Columbus	29,507,000	35,919,000	— 6,412,000	—17.9	45,690,000	—16,183,000	—35.4
Connellsville	1,322,000	1,540,000	— 218,000	—14.2	956,000	366,000	38.3
Dayton	13,251,000	15,099,000	— 1,848,000	—12.2	11,445,000	1,806,000	15.8
Erie	6,426,000	7,621,000	— 1,195,000	—15.7	5,133,000	1,293,000	25.2
Greensburg	4,702,000	5,171,000	— 469,000	— 9.1	3,464,000	1,238,000	35.7
Homestead	547,000	886,000	— 339,000	—38.3	479,000	68,000	14.2
Lexington	8,779,000	7,974,000	805,000	10.1	5,989,000	2,790,000	46.6
Lima	3,059,000	3,817,000	— 758,000	—19.9	3,301,000	— 242,000	— 7.3
Lorain	1,042,000	1,204,000	— 162,000	—13.5	989,000	53,000	5.4
Middletown	1,657,000	2,145,000	— 488,000	—22.8	....	....	....
New Brighton	2,234,000	2,553,000	— 319,000	—12.5	1,585,000	649,000	40.9
Oil City	2,536,000	3,147,000	— 611,000	—19.4	2,001,000	535,000	26.7
Pittsburgh	177,993,000	186,362,000	— 8,369,000	— 4.5	118,335,000	59,658,000	50.4
Springfield	4,381,000	5,588,000	— 1,207,000	—21.6	3,285,000	1,096,000	33.4
Toledo	31,047,000	44,316,000	— 13,269,000	—29.9	29,933,000	1,114,000	3.7
Warren, O	2,705,000	2,923,000	— 218,000	— 7.5	2,664,000	41,000	1.5
Wheeling	8,474,000	15,618,000	— 7,144,000	—45.7	5,959,000	2,515,000	42.2
Youngstown	12,166,000	14,555,000	— 2,389,000	—16.4	8,892,000	3,274,000	36.8
Zanesville	2,375,000	2,913,000	— 538,000	—18.5	2,010,000	365,000	18.2
Total	$529,179,000	$616,677,000	—$87,498,000	—14.2	$439,636,000	$87,886,000	20.0

Comparative Statement of Selected Member Banks in Fourth District

	Feb. 14, 1923 (84 Banks)	Jan. 17, 1923 (84 Banks)	Inc.	Dec.
*Loans and Discounts secured by U. S. Government obligations	$ 31,807,000	$ 31,537,000	$ 270,000	$........
*Loans and Discounts secured by other stocks and bonds	369,598,000	367,791,000	1,807,000	....
*Loans and Discounts, all other	657,876,000	648,112,000	9,764,000	....
U. S. pre-war Bonds	48,128,000	47,486,000	642,000	....
U. S. Liberty Bonds	121,163,000	120,778,000	385,000	....
U. S. Treasury Bonds	9,279,000	9,494,000	....	215,000
U. S. Victory Notes and Treasury Notes	55,670,000	56,481,000	....	811,000
U. S. Certificates of Indebtedness	11,890,000	16,019,000	....	4,129,000
Other Bonds, Stocks, and Securities	290,407,000	295,055,000	....	4,648,000
Total Loans, Discounts, and Investments	1,595,818,000	1,592,753,000	3,065,000	....
Reserve with Federal Reserve Bank	114,863,000	114,376,000	487,000	....
Cash in Vault	31,526,000	31,629,000	....	103,000
Net Demand Deposits	933,893,000	931,804,000	2,089,000	....
Time Deposits	548,677,000	543,483,000	5,194,000	....
Government Deposits	5,893,000	15,046,000	....	9,153,000
Total Resources at date of this Report	2,035,574,000	2,054,737,000	....	19,163,000

* Includes rediscounts.

Wholesale Trade

Percentage Increase (or Decrease) in Net Sales During January, 1923, as Compared with December, 1922, and January, 1922

	Dry Goods	Hardware	Drugs	Groceries
Net Sales (selling price) during January, 1923, compared with December, 1922	14.2	2.4	16.6	—6.6
Net Sales (selling price) during January, 1923, compared with January, 1922	29.6	55.1	22.8	15.7

Department Store Sales

	Cleve.	Pitts.	Cin.	Akron	Canton	Col.	Dayton	Toledo	Youngs-town	Dist.
Percentage of net sales (selling price) during January, 1923, over net sales (selling price) during same month last year.	22.0	19.8	3.1	16.8	20.3	18.2	14.0	15.6	34.0	18.0
Percentage of stocks at close of January, 1923, over stocks at close of same month last year	11.3	—0.2	—4.6	14.1	2.0	24.4	12.9	9.4	10.6	5.6
Percentage of stocks at close of January, 1923, over stocks at close of December, 1922.....	—13.4	—5.1	1.4	—1.1	—2.7	—1.9	—4.9	2.0	—10.2	—5.5
Percentage of average stocks at close of each month this season (commencing with January 1, 1923) to average monthly net sales during the same period................	322.1	336.7	462.8	342.9	682.9	290.5	472.0	406.6	235.6	356.5
Percentage of outstanding orders (cost) at close of January, 1923, to total purchases (cost) during the calendar year 1922.	10.5	11.5	12.9	8.7	9.0	10.8	11.5	8.6	8.2	10.8

Building Operations for Month of January, 1923-1922

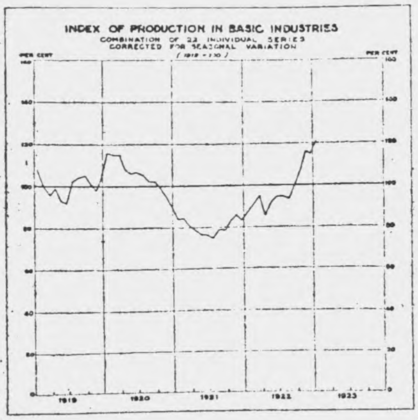
	Permits Issued				Valuation					
	New Construction		Alterations		New Construction		Alterations		Increase or Decrease	
	1923	1922	1923	1922	1923	1922	1923	1922	Amount	Per Cent
Akron.......	110	33	13	22	$ 258,129	$ 28,260	$ 13,800	$ 9,435	$ 234,234	621.4
Canton......	77	44	29	15	217,952	89,875	29,915	6,000	151,992	158.5
Cincinnati...	222	133	171	135	1,040,330	375,110	325,440	153,485	837,175	158.4
Cleveland*...	683	287	441	327	7,137,095	1,574,252	629,625	224,765	5,967,703	331.7
Columbus....	279	160	54	61	904,055	628,005	241,745	49,395	468,400	69.1
Dayton......	153	66	50	37	1,006,282	546,624	45,218	20,325	484,551	85.5
Erie.........	29	40	27	14	108,160	183,525	95,660	307,255	—286,960	—58.5
Lexington....	34	20	13	22	243,445	58,885	11,790	7,782	188,568	282.9
Pittsburgh...	234	160	58	40	2,380,252	1,139,295	80,305	46,166	1,275,096	107.6
Springfield...	27	17	14	6	65,495	32,325	16,500	2,795	46,875	133.5
Toledo......	117	69	82	67	968,105	205,788	221,720	50,430	933,607	364.4
Wheeling....	28	28	29	5	94,515	315,809	17,320	1,550	— 205,524	—64.8
Youngstown..	65	32	13	13	540,785	71,075	12,750	5,575	476,885	622.2
Total....	2,058	1,089	994	764	$14,964,600	$5,248,828	$1,741,788	$884,958	$10,572,602	172.4

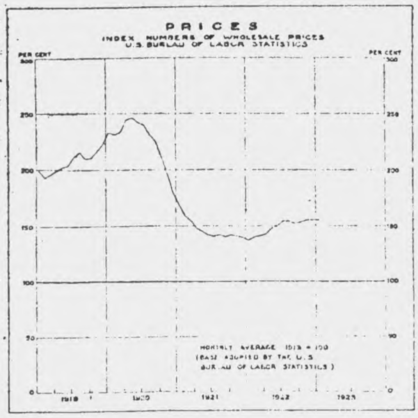
* Includes figures for East Cleveland, Lakewood, Cleveland Heights, and Shaker Heights.

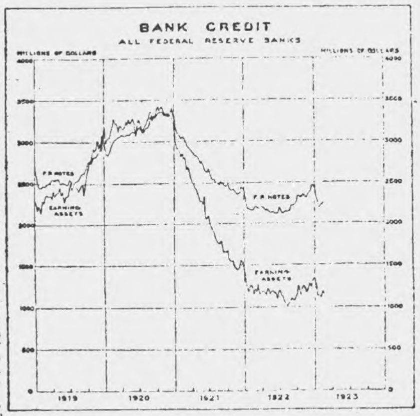
Movement of Livestock at Principal Centers in Fourth Federal Reserve District for Month of January, 1923-1922

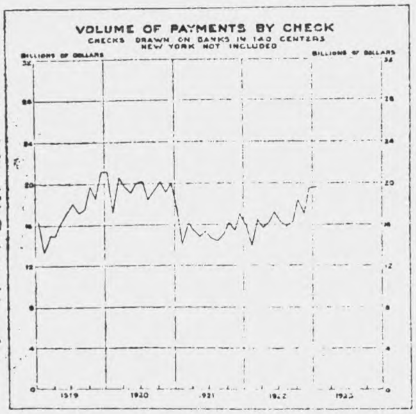
	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922
Cincinnati.....	19,600	24,124	108,408	130,957	3,480	8,838	9,889	11,719	1,671	2,049
Cleveland......	10,649	9,978	86,280	63,658	23,617	30,831	8,800	9,083	1,630	1,471
Columbus......	38	90	6,252	4,004	309	50	94	168	7	19
Dayton........	1,990	1,824	12,972	11,568	228	203	692	666	.....	.....
Fostoria.......	343	387	8,025	8,334	1,007	1,256	551	571	20	24
Marion........	49	113	6,359	4,916	646	705	118	92	.....	.....
Pittsburgh.....	31,171	43,071	304,442	270,813	66,196	106,636	29,706	24,736	4,819	4,990
Springfield.....	333	57	3,852	4,316	770	56	176	170	.....	.....
Toledo........	734	751	11,776	6,985	1,225	2,028	585	681	147	118
Wheeling......	310	272	3,199	2,584	16	209	715	584	36	44
			Purchases for Local Slaughter							
Cincinnati.....	13,398	19,367	69,936	77,974	3,038	7,436	4,601	7,113	.....	.....
Cleveland......	10,283	9,442	62,990	43,166	15,590	14,989	8,507	8,848	.....	.....
Columbus.....	38	8	570	735	19	20	56	64	.....	.....
Fostoria.......	38	80	250	1,325	10	5	25	40	.....	.....
Marion........	49	113	2,702	2,584	7	104	110	35	.....	.....
Pittsburgh.....	5,682	5,575	57,118	48,921	7,476	9,196	7,110	6,254	.....	.....
Springfield.....	153	....	686	711	....	....	32	33	.....	.....

Summary of Business and Credit Conditions in the United States By the Federal Reserve Board









Further increase in the volume of production in basic industries to a level higher than in 1919 or 1920, a continued advance in the prices of many basic commodities, additional borrowing from banks for commercial purposes, and somewhat higher money rates are the principal recent developments in the business situation.

PRODUCTION

Production in basic industries, as measured by the Federal Rseerve Board's index, was 6 per cent higher in January than in December, and reached a volume exceeded only once in the past, in May, 1917. Production of steel ingots and of anthracite coal and mill consumption of cotton showed particularly large advances, and most other important industries increased their output. Building operations have been maintained on a large scale.

The expansion in production during January was accompanied by a substatial increase in freight shipments. Car loadings of forest products, reflecting the continued building activity, reached the highest monthly total on record, and loadings of merchandise and miscellaneous commodities were higher than in any January of the past four years.

Industrial employment continued to increase during January, and shortages of both skilled and unskilled labor were reported by textile mills, steel mills, and anthracite coal mines. More wage increases at industrial establishments were announced than in December. There is still some unemployment in states west of the Mississippi. In industrial and commercial centers there has recently been a larger demand for office workers, although throughout the country there is much unemployment in this group.

WHOLESALE PRICES

The index number of the bureau of labor statistics, computed from the wholesale prices of about 400 commodities, including finished and semi-finished products as well as raw materials, showed the same average level of prices in January as in November and December. Between December and January the prices of clothing, fuel, metals, building materials, chemicals, and house furnishings advanced, but these advances were accompanied by declines in farm products and food, so that the combined index remained unchanged. During recent weeks the prices of a number of basic commodities advanced rapidly and in many cases reached the highest points since 1920 or the early part of 1921. Among commodities reaching new high levels for the current movement were corn, beef, cotton, wool, silk, hides, lumber, rubber, linseed oil, copper, lead, and pig iron.

TRADE

An active distribution of goods for this season of the year is indicated by reports to the Reserve banks, both of wholesale and retail dealers for the month of January. Sales of department stores in over 100 cities were 12 per cent larger than in January, 1922. Inventories for January show that there has been no large increase in stocks of goods held by department stores, and the rate of turnover continued rapid. In wholesale lines there were particularly large sales during January of dry goods, drugs, hardware, and farm implements.

BANK CREDIT

The larger volume of commercial borrowing at member banks in recent weeks has been contrary to the usual trend of the season. Commercial loans of reporting member banks on February 14 were $243,000,000 or 3 per cent larger than at the end of December and 7 per cent above the level at the end of July, when the general demand for credit first showed an upward turn.

This increased demand for credit at the member banks has resulted recently in an increased volume of borrowing by the member banks at the reserve banks, chiefly Boston, New York, and Philadelphia. On February, 21, the loans to member banks were $628,000,000 or $248,000,000 higher than in mid-summer. During the same period the volume of government securities and bankers' acceptances held by all Federal Reserve Banks declined $160,000,000 resulting therefore in a net increase of $87,000,000 in the loans and security holdings of the Reserve banks. The volume of Federal Reserve notes in circulation which showed the usual post-holiday decline in January, began to increase on January 31, a week earlier than last year.

Money rates also showed a tendency to become firmer, especially in recent weeks. The open market rate for commercial paper, which was 4 per cent last summer, rose during February from a range of 4¼ to 4½ to a range of 4¾ to 5 per cent.

On February, 23, the discount rate on all classes of paper at the Boston and New York Reserve Banks was advanced from 4 to 4½ per cent.