

# *The Monthly Business Review*

Covering financial, industrial, and agricultural conditions  
in the Fourth Federal Reserve District

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## Records Which Have Been Established In Industry During The Last Few Months:

1. Largest pig iron production.
2. Largest cotton consumption.
3. Largest steel ingot production.
4. Largest crude oil production.
5. Largest automobile and truck production.
6. Largest residential construction.
7. Largest production of locomotives.
8. Largest volume of mail order sales.
9. Largest volume of retail sales.
10. Largest volume of railroad car loadings.

**FEDERAL RESERVE BANK of CLEVELAND**

D. C. Wills, Chairman of the Board

(COMPILED SEPTEMBER 22, 1923)

## An Editorial

**J**UST what effect the recent Japanese disaster will have on American business is a question which has been uppermost in the minds of many of us during the past few weeks. Japan has started to rebuild. The ashes of the great fires which followed the quakes had scarcely cooled before plans were under way to bring a new and more up-to-date Japan out of the ruins; a Japan more in keeping with the progressive spirit of her people. Such a comeback requires pluck and courage and the Japanese are showing that they have these qualities.

While the loss of life and property was staggering, suffering was undoubtedly minimized by the prompt action of relief agencies.

The outside world necessarily has been viewing the situation through smoked glasses but these are beginning to clear. Wild rumors are being replaced by conservative estimates.

The Government, according to recent advices from Tokio, is taking steps to provide the funds necessary for a great reconstruction campaign through local and foreign loans. While insurance companies and their underwriters have, of course, suffered losses, Japan's financial system as a whole remains firm and it is quite generally conceded that her credit is unimpaired.

Reconstruction is necessary as a result of this disaster. The United States has many of the things Japan needs. Just how much of the calamity-made demand will come this way is still a problem. There will, of course, be a limited immediate demand for materials like steel, nails, wire, pipe, and roofing to house the multitudes that have suddenly been left without protection from the elements at a season of the year when colder weather is on the way. The permanent replacement of properties destroyed, however, will be done largely upon credit and the buyers of materials will naturally look for the market that can give them what they want.

Business over here continues on a sound basis.

As the basis for sound business is the purchasing power of the people and as the purchasing power is produced by a condition

of general employment, the following records which have been established in industry during the last few months, as cited by Julius H. Barnes, President of the Chamber of Commerce of the United States, furnish several good reasons for this practically undisturbed business routine:

1. Largest pig iron production.
2. Largest cotton consumption.
3. Largest steel ingot production.
4. Largest crude oil production.
5. Largest automobile and truck production.
6. Largest residential construction.
7. Largest production of locomotives.
8. Largest volume of mail order sales.
9. Largest volume of retail sales.
10. Largest volume of railroad car loadings.

To this we might add that according to the September crop forecasts of the Department of Agriculture, the corn crop this year will be 185,074,000 bushels above the 1922 estimate; the oats crop will be 110,251,000 bushels higher; and there will be 1,026,000 more bales of cotton. The estimate of the wheat crop shows a decline being placed at about 72,800,000 bushels less than last year.

Back of all this is the sound financial condition of the country.

After all, the successful development of modern industry and commerce is possible only when all the fundamental factors in the situation perform their respective parts in the work of the whole. It is obvious that no matter what the consumer's demand for goods may be, if through lack of transportation facilities the goods cannot be delivered to him, or if the manufacturers are unable to receive sufficient raw materials, the natural working out of the law of supply and demand is impeded. Fortunately there has been a surplus of equipment for several months which enables the roads to perform their part of the program well. It is equally clear that were it not for the smooth working of our financial machinery, as for instance the par clearance and quick collection of checks which are made possible through the Federal Reserve Banks, the vast volume of business which we have at present could not be handled so expeditiously.

### ***Loans To Banks in Agricultural Sections Show Upward Trend; High Postal Savings Attributed to Healthy Employment Conditions***

The banking situation in most respects remains practically the same as it was a month ago. Loans to banks in industrial sections continue to show the usual seasonal fluctuations with no special tendencies. There has been some shifting of public funds.

Bankers in this District express the nearly unanimous opinion that finances are in a healthy condition and that fears arising as a result of the recent Japanese disaster have been largely dispelled.

One change since last month, however, is the upward trend of accommodations extended to country banks. The need of funds for crop moving purposes is becoming more apparent and more livestock is being purchased.

On August 20 the reserve ratio of this bank was 78.6 per cent as compared with 80.0 per cent on September 20. The reserve ratio of the System on August 20 was 78.2 per cent as against 77.4 per cent on September 20.

Savings deposits continue to gain in this District. Reports from member banks for August, 1923, show a gain of 13.7 per cent as compared with the same month last year while the gain over the previous month was .8 per cent.

The largest increase since December, 1920, was re-

corded in postal savings accounts during the month of August over that of July, according to figures received by the Postmaster General from postal savings depositories all over the country. The increase is attributed to more healthy employment conditions, especially among the foreign classes.

The number of commercial failures in the Fourth Federal Reserve District was larger in August than in July but the total liabilities were less, according to figures compiled by R. G. Dun & Co. During the month of August there were 116 failures as compared with 91 in July. Liabilities for August totaled \$1,870,656 while in July the total reached the high point of \$5,763,981. A decline of \$3,893,325 or 67.5 per cent is here shown. The average per firm for August was \$16,126 as against \$63,340 for July, a decrease of \$47,214 or 74.5 per cent. Comparing August with the same month a year ago, a drop of 25.6 per cent in the number of failures is shown. In the same comparison total liabilities are 47.7 per cent less and the average per firm 29.6 per cent less.

With reference to the acceptance situation there appears to be no bill market here. The few purchases of bills which are made are acquired in outside markets, chiefly in the east.

### ***Sentiment in Iron and Steel Industry Develops Less Confident Tone; Deliveries More Dependable; Cancellations Unusually Few; Japanese Disaster Causes Emergency Buying***

Sentiment in the iron and steel market has developed a less confident tone during the past week or two as the expected expansion of fall business has come along slowly. Some overdrawn reports on the conditions in the industry and exaggerated significance given to the falling off of new orders have been quickly reflected in the attitude of buyers, many of whom have been extremely sensitive toward any indications of future prospects. It is questionable whether this turn of sentiment correctly reflects the outlook for the industry over the balance of the year since fundamental conditions have undergone no appreciable change. Until this check on buying appeared, the moderate gains of July and August had been continued up to mid-September, and the recent rate of bookings of such large interests as the Steel Corporation had been double that of 30 days ago.

Large unfilled orders have remained upon the books and production, while on a moderately reduced scale as compared with two or three months ago, has been at 80 to 85 per cent of capacity for the whole industry. The consequent large shipments with the restricted volume of new buying has cut rather deeply into mill bookings, and deliveries have shortened considerably in numerous lines. The industry has been working itself into a position where deliveries of material have become more definite and dependable as

contrasted with the drawn-out situation that prevailed well through the summer. As a result, buyers have been more certain of their supplies and have seen less need for discounting the future.

The wholesome side of the picture has been the high degree in which steel has been taken out and absorbed in accordance with original orders, for suspensions and cancellations have been unusually few and consumers have continued to follow closely the execution of their commitments by the mills.

During the past week some hold-ups of material have been received by the mills. The most notable case of this has been the Pennsylvania railroad which because of recent heavy steel receipts at its Altoona, Pennsylvania, shops, has ordered shipments held back until the congestion can be cleared. Some other buyers have made similar requests but such cases are exceptional and steel producers are continuing on heavy shipping schedules.

Whether the present halt of new buying is only a temporary one and has been induced by policies of extreme conservatism, is not possible to be determined at the moment. The prospects, are, however, that the expansion of fall buying is likely to be deferred. Some high authorities in the industry are inclined to believe that substantial improvement cannot be expected before October. The steel market has been largely free of

price weakness and origination of new requirements is going ahead fairly well in certain fields. Structural buying has continued active. The pipe mills remain heavily sold while wire and tin plate demand has been in good volume. With minor exceptions, no mills have shown an urgent need of tonnage that would impel them to make price concessions to obtain it.

The Japanese disaster has presented the probability of large tonnages of steel being required ultimately for reconstruction purposes. This demand, however, is not likely to be early and urgent but will be spread over a considerable period of time, as definite plans for permanent rebuilding are not yet worked out. A considerable amount of emergency buying of steel products for temporary needs, particularly in wire nails, galvanized sheets, pipe, etc., has been done in the past several weeks.

Buying of pig iron has been increased but buyers are not covering needs freely to the end of the year. Stocks in furnace yards have continued to increase and prices have remained irregular although they are steadier than thirty days ago.

### **Gasoline Stocks Reduced; Marketing End of Industry Still Unsettled; Overproduction of Crude Shows Signs of Regaining Balance**

"Distress" gasoline continues to flow into various sections of the country and up to this time this phase of the oil situation has not been straightened out.

The figures of the Bureau of Mines at the end of July (the latest figures available) showed that gasoline stocks were reduced by more than 98 million gallons during that month and that domestic consumption increased by forty million gallons.

The information obtained by *National Petroleum News* indicates that consumption of gasoline in August was probably heavier than in July while refinery output quite likely showed a drop.

The marketing end of the industry is still unsettled as a result of the cut of 10.6 cents a gallon in the retail price of gasoline in South Dakota and proportionate cuts in ten other states.

There was a steady reduction in drilling operations and daily production of crude fell off, due to the smaller number of new wells brought in. The dominant crude purchasing companies in the Mid-Continent field continue to maintain their posted prices for crude, although practically all other crude buying companies reduced their quotations and even several small refining companies announced prices from 50 to 80 cents below the recognized posted prices as a maximum they would pay for their raw material.

At the same time the big purchasing companies maintained their posted prices, they were taking only

The stability of iron and steel prices is reflected plainly by *Iron Trade Review* composite of fourteen leading iron and steel products. As of September 19, this was \$44.70 compared with \$44.84 on the corresponding time one month previous.

Production of pig iron fell off 7 per cent in August and that of steel ingots 3.3 per cent. Pig iron output as compiled by *Iron Trade Review* in August was 3,442,614 tons or a daily average of 111,052 tons, compared with 3,684,677 tons total and 118,860 tons daily average in July. The high record rate was in May with a total of 3,868,486 tons and a daily average of 124,790 tons. Furnaces in blast on the last day of August numbered 273, a loss of 26 from the corresponding day in July.

Steel ingot production in August was 136,276 tons daily compared with 140,750 tons in July. Total production in August was 2,797,962 tons compared with 2,658,449 tons in July, the larger gross being due to the fact that August had two more operating days than July. The annual rate of ingot production in August was 42,245,560 tons compared with an annual rate of 43,576,700 tons in July.

a small percentage of the oil produced on the leases to which their lines were connected. Many producers, unable to store their oil for lack of tankage and inability to carry the financial burden involved, have been willingly selling their oil to refiners who would take it at considerably below posted prices.

About 60 per cent of the gasoline turned out by the Mid-Continent refiners is being taken by jobbers on marginal contracts which for the most part are based on a margin below the tank wagon market.

It is the excess over this amount which refiners have been unable to store which has been thrown on the market and has kept the gasoline market weak.

A sign that the overproduction of crude is tending to right itself, at least a psychological factor, was discovered in August when a gauge of the Salt Creek field in Wyoming showed that instead of making from 200 to 225 thousand barrels a day, it was making only about 171 thousand. While this had no immediate effect on the rest of the country, it has a more or less reassuring tendency.

Early in September it appeared that the California flush fields had reached their peak of production and while California oil will probably continue for a long time to cut an important figure in the market, the volume of oil available for eastern refineries is looked upon by oil authorities as being less dependable than during the past months.

### **Passenger Car Production Gains in August; New Models Attract Attention; Rural Exhibits Bring Prospects**

The July production of passenger cars which showed a drop of approximately 39,800 as compared with June, has been passed by the August output.

Truck production for August continues near the level at which it stood in July.

New models are attracting attention both from the

manufacturing and selling standpoints. Within the last sixty days many of the manufacturers have announced and are now marketing their new lines and as a result dealers are enjoying improved business.

Price reductions on various models have been announced by several manufacturers during the past few weeks. Up to this time reports as to the result of this move are somewhat indefinite.

Interest in the exhibits of cars and trucks shown at state and country fairs is reported to have been keen. These rural shows are productive of sales and bring out good prospects.

While there is not the freedom of buying that has

been known in the past, it appears to be the general opinion of the trade that business for this time of the year is quite satisfactory.

A temporary seasonal let-down in both the auto body and electric industrial truck lines is reported, but interest is again becoming active. A representative establishment informs us that just recently they have booked orders for automobile bodies sufficiently large to carry them through with a steady production until after the first of next year. They also state that at no time have they experienced greater interest in labor saving machinery or had more live, interesting propositions to work on.

### Automobile Production

The Department of Commerce announces August production of automobiles, based on figures received from 181 manufacturers, 94 making passenger cars and 115 making trucks (28 making both passenger

cars and trucks). Data for earlier months include 10 additional manufacturers now out of business. Figures on truck production also include fire apparatus and street sweepers.

#### NUMBER OF MACHINES

	Passenger Cars			Trucks		
	1921	1922	1923	1921	1922	1923
January.....	43,086	81,693	*223,708	4,831	9,517	*19,533
February.....	68,088	109,171	*254,651	7,830	*13,290	*21,961
March.....	130,263	152,959	*319,637	13,328	*19,919	*34,905
April.....	176,439	*197,222	*344,475	18,070	*22,486	*37,718
May.....	177,438	*232,433	*350,181	18,070	*23,948	*43,228
June.....	150,263	263,027	*337,144	14,328	*26,171	*40,819
July.....	*165,615	*225,079	*297,257	*11,132	*21,956	*30,359
August.....	*167,755	*249,460	304,010	*13,391	*24,601	30,251
September.....	*144,670	187,661	.....	*13,975	*19,333	.....
October.....	*134,773	*217,493	.....	*13,144	*21,698	.....
November.....	*106,081	*215,284	.....	*10,480	*21,803	.....
December.....	* 70,725	*207,932	.....	* 8,589	*20,160	.....

\* Revised.

### Fall Season Brings Pick-Up in Various Fourth District Industries; Many Concerns Operating at Capacity; Labor Supply Grows

*Small Tools*—Small tools are in fair demand and are being absorbed readily. However, considering the large volume of manufacturing and rehabilitation now in progress all over the country, orders coming from dealers are below normal and of a distinctly hand-to-mouth character. Stocks in dealers' hands have been worked down to a low point.

*Glass*—So far as plate glass is concerned little change has taken place since last month. Factories are operating at practically full capacity and the output is being sold. There has been a decided improvement in the window glass business during the past month.

*Hardware*—Hardware manufacturers are fairly busy and orders are reported to be holding up well. The labor phase of the situation is very much improved and it is now possible to get all the help that is needed.

*Paint and Varnish*—Business in the paint and varnish industry is good. Practically all plants are operating full time while a few are reported to be working

overtime. The slowing up of construction during the summer months affected the paint industry to some extent, though this has been largely counteracted by the marked activity in other directions. Plans are now under way for carrying on an intensive campaign for the purpose of eliminating dull periods by extending the painting season over a greater portion of the year.

Since the first of September a marked improvement has been noted in the white lead division and allied lines. Although business for the last two months is reported to have been not much over 80 per cent of the corresponding period for last year, this is looked upon as being natural for spring business was exceptionally heavy with some speculative buying and stocks were carried longer than usual. The raw material market has been active during the past 60 days, pig lead having advanced \$15.00 per ton.

*Bags*—There has been a marked improvement in the bag business during the past few weeks, sales being made not only in considerably greater numbers but

also in larger units and with more anticipation. While this change is doubtless to a considerable extent seasonal, it has unquestionably been stimulated by the sharp advance which has occurred in cotton values and by the more moderate advance in burlaps. While the volume of shipments in the month of August was not quite up to a year ago, September shipments are expected to be equal, while a satisfactory volume of business is looked for throughout the balance of the year.

**Cork**—The cork industry is reported to be in about the same position it occupied a month ago. Business in August was good.

**Tin Cans and Pails**—A good volume of orders is reported to be coming in, and indications are for increasing fall business. Stocks are evidently low and orders are for immediate needs. In some instances

where customers are out of the cans they need they are asking for advanced delivery.

**Boots and Shoes**—Final figures on boot and shoe production in the Fourth District for the month of July show a decrease of 21.9 per cent as compared with the previous month. July production in the United States totaled 25,120,728 pairs, as compared with 28,187,973 pairs for June, a decline for the month of 3,067,245 pairs or 10.9 per cent.

Preliminary reports received by the United States Bureau of the Census show that the output of 34 identical boot and shoe establishments located in the Fourth District was 45.3 per cent greater during August than during July.

Eight hundred and forty-nine establishments in the United States reported an increase of 21.5 per cent in production during August, as compared with the preceding month.

### **Railroad Traffic Movement Climbs to New Heights; Car Surplus Reduced**

The railroads continue to show record-breaking traffic and so far they have not felt the full effects of the crop movement. Merchandise and miscellaneous freight loadings combined during the week ending August 25 were the greatest ever recorded. It is the belief of authorities, however, that since there was a noticeable lull in business activity during July and August, at least a part of the heavy loadings is the result of orders placed earlier in the year.

There is still a surplus of cars, although it has been reduced by some 15 per cent since our last report. On August 31 the surplus was 66,559 cars as against 76,453 cars on July 31. The shortage reported up to this time is insignificant.

During the week ending September 1 there were

1,092,567 cars of revenue freight forwarded as compared with the previous high mark of 1,069,932 cars for the week ending August 25.

In the first eight and one-half months of this year 103,374 cars were placed in service and there are still over 80,000 on order. During the year up to August 15, 2,364 new locomotives have been added. There has also been a slight improvement in the number of cars temporarily unfit for service, so that on August 15 there were 8.2 per cent of the total in bad order.

The operating income and also operating expenses of Class 1 railroads were lower in July than in June, the former dropping from \$541,266,041 to \$535,577,300 and the latter from \$417,010,881 to \$414,333,300. In comparison with July of last year, income increased 20.7 per cent and expenses 21.5 per cent.

### **Recession in Lumber Prices and Growing Labor Supply Aid Construction; Efforts to Promote Continuous Building Program Promise Greater Winter Activity**

There are two developments in the building situation within the last few weeks which are favorable to the owner. One of these is a recession in lumber prices amounting to approximately 10 per cent, and the other is a growing supply of both skilled and unskilled labor. The latter does not come from any outside source but is rather due to a slackening in the demand. The payment of premiums in certain trades which became necessary a few months ago in order to secure workmen for pressing needs is now practically done away with.

From present indications a larger amount of work than is usually conducted during the winter season will be in progress during the coming months. This is due to an effort on the part of various organizations to promote an all-year-round building program as a means of relieving serious conditions in the spring and early summer when the usual rush is in progress.

Statistics prepared by the Builders Exchange of Cleveland indicate a marked falling off in home construction in Cleveland Heights, the largest suburban community, which for many months has been undergoing a marked building boom. The total value of permits issued in August was only \$487,000 as compared with \$1,067,000 for August, 1922, and \$1,114,000 for the preceding month of July this year. The communities of Shaker Heights, Lakewood, and East Cleveland made a better showing, the value of permits equaling or slightly exceeding the records of the corresponding month last year.

While there is an easing off of conditions both from the seasonal standpoint and also from the point of the investor, there is still enough building in progress and in prospect to keep the industry in a healthy condition for some time to come.

### ***August a Record Month in the Cement Industry; Indications Point to Substantial Fall Demand***

All records for the production and shipment of portland cement were broken in August, according to figures just issued by the United States Geological Survey. Several times this year, according to the Portland Cement Association, people who have been in doubt as to the productive capacity of the cement industry have had their guesses shattered by the way the industry has kept pace with demand. Production during August was 12,967,000 barrels, an increase of 350,000 barrels over July, the best previous record, and 1,300,000 barrels over August last year. Production for eight months ending August 31 was nearly 88,000,000 barrels or more than was produced in any one of the entire years 1915, 1918, or 1919.

Shipments from the mills during August were only slightly under 15,000,000 barrels, or more than 600,000

barrels greater than in any previous month. Shipments for the first eight months of the year were nearly 91,000,000 barrels, or more than 19 per cent greater than ever before.

Although shipments exceeded production during August by about 2,000,000 barrels, the stocks of cement in manufacturers' hands at the end of the month were somewhat greater than last year and amounted to slightly over 6,000,000 barrels.

There is a heavy volume of building now under construction and prospects for winter construction are considered good. Many highway officials have expressed a determination to complete this year's road building programs so the amount of cement consumed in concrete pavements will undoubtedly be greater than in any past year.

### ***American Brick Makers Face Foreign Competition; New Business Shows Upward Trend; August Paving Brick Shipments Highest For Any Previous Month in 1923***

For the first time in the history of the brick industry the American manufacturer of brick is having to meet foreign brick competition, according to the Common Brick Manufacturers' Association.

Imported brick so far have appeared only in the port of New York where a number of cargoes have been received from Holland, Germany, and Belgium. The first cargoes were of the European size, which is much larger than American brick, and they were not received with favor here either by contractors or bricklayers. The American importers, however, have taken American molds abroad, so that the brick now coming in are of the standard American size.

It is reported that the brick cost only \$4.00 per thousand at Holland, with a transportation charge to New York of \$4.00 a thousand. This places the brick on board boats in New York harbor at \$8.00. Manufacturers along the Hudson River who supply the greater part of New York's brick cannot produce brick for \$8.00 per thousand; in addition to this the towing charge from the plants to New York averages nearly \$4.00 a thousand. In other words the towing companies get as much for towing barges already loaded as the steamship companies get for bringing brick from Holland to New York.

The labor in the American plants ranges from \$6.00 to \$12.00 a day per man, which is probably the equivalent of a week or more of earnings for the Dutch brick maker.

The product coming from Belgium and Germany has largely been an imitation of brick made from sand and lime, but the Holland importations have been real brick.

Brick men believe that if the surplus brick of the European countries could be diverted to Japan where it is badly needed, it would relieve a situation which threatens the prosperity of the clay industry in America.

General conditions in the brick industry are not unfavorable. There has been a partial recovery from the slump of midsummer, and while activities in the construction field are less marked there is an upward trend to the new business at the present time.

Paving brick shipments for the month of August were higher than for any previous month in 1923, according to statistics just issued by the National Paving Brick Manufacturers Association. Reports from 67 per cent of the industry's tonnage showed that shipments were more than nine million greater for August than for July, 36,446,000 brick being shipped in August and 27,092,000 in July.

Paving brick production for August was 33,457,000 as against 30,529,000 for July. Stock on hand the last day of August was 74,399,000 as against 78,835,000 the last day of July. This reduction of 4,000,000 in stock on hand was due principally to the heavy August shipments.

There was a falling off in unfilled orders amounting to 12,000,000 brick, a natural trend toward the end of the summer paving season.

Ohio led all other states in consumption, 5,781,000 brick going for city streets and 5,784,000 for country highways. Illinois was second with Pennsylvania, Nebraska, and Texas following closely.



## ***Demand For Lumber Somewhat Heavier; Retailers Buy Mostly For Current Requirements; Factory Trade Uses More Hardwood Lumber***

The anticipated fall demand for lumber has set in and so far it has been running true to calculations. About August 20 buying began to show some activity and this has continued with a slight increase in volume, so that now the lumber industry is experiencing a comparatively good demand. Within the last ten days reports from southern mills reflect this condition.

For about two weeks of the past month orders placed with the mills exceeded shipments, but since that time they have again dropped back to near their former position.

From the sales standpoint it is generally conceded that the buyers have no intention of stocking up but that they are buying largely for current requirements. The present low position of stocks is leading manufacturers to anticipate a fairly strong demand for several weeks during the fall building season. Manufacturers believe the demand will be just about sufficient to maintain the present price level with possible slight changes here and there.

The main cause for the attitude of reserve on the part of the retail lumber dealers is the building situation as viewed from the angle of present costs.

### *Hardwood Lumber*

The furniture industry has not yet entered the mar-

ket for the volume of lumber expected according to a recent report. Consumers of boxing and crating lumber are placing orders in fair volume and hardwood flooring sales show some improvement. Manufacturers of oak flooring are continuing their purchases of grades of lumber suitable for their purpose.

The automotive industry still leads in the demand for hardwoods. Dry stocks of maple are scarce but birch is more plentiful.

At this season of the year production of hardwoods in the Appalachian sections naturally declines owing to uncertain weather conditions. Many of the smaller mills close down entirely during the fall and winter months.

Logging operations are virtually at a standstill in southern areas. In this connection we are informed that even with favorable weather conditions it will be several months before a satisfactory supply of logs is in evidence. Production in the south has been retarded during the past four months and is continuing considerably below normal.

Dry stocks of hardwood lumber in the hands of producers are reported to be depleted.

## ***Largest Ohio Corn Crop on Record; Some Damage From Recent Frost Is Reported; Weather Very Unsettled During Burley Tobacco Harvest***

Farmers in this District have been handicapped in their fall work by unsettled weather. Frosts have been reported in some sections, although for the most part the crops were sufficiently matured to avoid any great damage.

The Ohio oats crop is estimated at 55,500,000 bushels which is an indicated yield of about 35 bushels to the acre. The total crop last year was slightly less than 40,000,000 bushels according to the statistician of the Ohio Department of Agriculture.

The corn crop is showing what Ohio farms will produce under favorable weather conditions. The crop is now forecast at a little less than 178,000,000 bushels as compared with 174,000,000 bushels, the previous record crop which was produced in 1912. It is evident, therefore, that if present forecasts are fulfilled, this year's crop will be about 4,000,000 bushels larger than the previous record. The 1920 crop was only about 2,000,000 under the high mark of 1912. The rains have been well distributed throughout the growing season. The temperature was also quite satisfactory. While there is still some danger from early frost, especially in the northern part of the state, most of the crop is sufficiently matured to prevent serious damage. This year's crop is uniformly good over practically all sections of the state.

Potatoes show a slight decline in condition over

last month. The United States crop is forecast at 390,000,000 bushels which is a fairly short crop.

The average state yield for timothy hay is estimated at 1.1 tons per acre as compared with 1.4 tons last year. Apparently there was about 75 per cent of a normal crop of clover hay. Pasture is in fairly good condition for this time of year.

Truck crops show no material change from last month with indications for a fairly good crop.

The apple, peach, and pear crops, according to present indications will be from 65 to 70 per cent of normal, taking the state as a whole.

The Burley tobacco growers have been busy with the harvesting of their crop. The weather has been decidedly unsettled during the harvesting season and this has caused the tobacco growers considerable uneasiness. Damage from houseburn for the tobacco in the barns and the possible further spread of disease in the case of the tobacco not yet harvested has been feared. The September Kentucky Crop Report indicates a total production of all types of tobacco in Kentucky of 565,186,000 pounds as compared to a crop of 446,250,000 pounds in 1922. The fact that this year's crop is larger than last has caused considerable discussion with regard to what prices are likely to be, but as the marketing season will not open until about December, it is too early to know what

price will be paid. At growers' meetings in some sections of the Burley district some sentiment in favor of a cut-out of next year's crop has been expressed, but no action looking to such a program has been taken. The Burley Tobacco Growers' Cooperative Association

has sold a large share of the 1922 crop delivered to it by its members. It has signed up a considerable number of additional growers so that it now includes in its membership almost 90 thousand tobacco growers.

### ***Textile and Garment Industries Reported Generally Active But Retailers and Manufacturers Move With Caution; Preparations Being Made For Spring Openings; Cold Weather Aids Retailers***

The men's wear industry and allied textile trades continue to show a large volume of business although a slight feeling of uncertainty is apparent. While retail business is quite generally reported to be good with retail stocks low, both retailers and manufacturers are moving with caution.

Since our last report lines of woollens for the spring of 1924 have been opened and clothing manufacturers have placed their orders. Prices show advances of approximately 10 per cent over the fall 1923 opening. However, as the buying activities during August progressed and woolen mills became aware of the hesitation of manufacturers to cover any substantial part of requirements, the goods market showed a perceptible weakness. It was expected that this would influence the wool market toward a further decline from the peak of early summer, but this did not occur as wool had apparently reached a point where holders preferred taking a chance on the future rather than accept any lower prices.

The market was marking time to see what would take place at the London sale which occurred about two weeks ago. Instead of the expected decline the sale showed surprising strength, better grades showing an advance of 5 per cent over the previous sale,

### ***Buyers Delay in Placing Their Orders for Paper; Stocks Believed Reduced to Minimum***

Paper manufacturers noticed a drop in the demand for their products during March and in the early summer months the lull became more evident. Many of the paper mills of the country have been running short since that time while the consumption of paper has been going on at a normal or very close to normal rate. It is quite generally believed, therefore, that the paper industry is in a fairly strong position due to the fact that stocks, both in the hands of the wholesalers and printers (and possibly the consumers) have been reduced to a minimum. This naturally results in increased demand.

The anticipated improvement in orders appeared as per schedule, but a sudden cut in the price of bleached sulphite on the part of the larger manufacturers is reported to have caused some uncertainty, with the result that buyers have delayed in placing their orders.

### ***Wholesale Grocery Business Shows Signs of Improvement; Interest Already Shown in Holiday Items; Cucumber Crop Estimated at 5,603,000 Bushels***

During the month of August there were few new developments in the grocery business, but there are signs of improvement. The vacation season is over and

the balance of offerings selling at the same levels. This has, no doubt, improved the tone of the American situation.

Manufacturers are now busy preparing for their own spring openings which should occur within the next three or four weeks. In the meantime all are eagerly watching the developments of fall retail business which will, no doubt, furnish the key to the wind-up of the year and also establish the level of business for the spring of 1924.

Reports from the country at large are generally favorable. The far west and south report good business as do the industrial centers. Some of the central states have no doubt been influenced by the overemphasis placed on wheat prices, but the general abundance of crops leads local merchants to expect a reasonable fall business.

The retail trade is beginning to react to the seasonal demand caused by the arrival of cooler weather, and activity in retail stocks is becoming evident. It is not expected that the cool temperature has come to stay so early in the fall, but it has nevertheless given a stimulus to retail trade.

Regarding the knit goods line, orders for immediate delivery are reported to be coming in rapidly.

It is believed, however, that this is only a temporary situation. Manufacturers do not expect that the reduction referred to above will have any great effect upon manufacturing costs, because of the fact that the cut was made by a few of the larger producers who were forced into taking this action owing to the competition of other manufacturers, and particularly to competition of imported material which had for some time been at lower levels.

So far this has not extended to the standard lines but has been holding strictly to the cheaper grades which are very competitive and are sold on a price basis only.

Most of the raw materials and manufactured articles used by the paper manufacturer are holding steady in price, while a few of them are beginning to advance.

the return of people to their homes always affects the grocery business to some extent.

There have been some changes in prices, particularly

on canned goods such as peas and tomatoes. The market on both of these items during the past thirty days has been upward. Sugar has shown another advance according to recent reports, but the demand does not seem to be very heavy.

Prices on dairy products such as cheese and milk have held quite firm and grocers expect a continuation of this throughout the fall months.

Wholesale grocers are now approaching the holiday season when the merchants will be in the market for the new crop of dried fruits and other items in popular use during that period. Merchants are now placing their orders for California walnuts for delivery on the arrival of the new stock. The walnut crop this year shows signs of being much bigger than the crop a year ago.

Dried fruits such as apricots, raisins, and prunes are lower in price than last year and this fact is expected by the trade to create a good demand.

Stocks in retailers' hands continue low and as a general rule retailers are buying quite close to their needs.

### ***Settlement of Anthracite Controversy Restores Confidence in Coal Industry; Stocks Grow; Coke Production Fairly Steady***

With the strike settlement in the anthracite field the coal industry is again moving at a normal pace. Coal is now available in quantities sufficient to take care of the nation's requirements and there is a quite general disposition to regard the coal problem as settled for the time being.

The United States Geological Survey in its weekly report on conditions in the coal and coke industry states that production during the week ending September 8 was maintained at a high rate in spite of the interruption caused by the observance of Labor Day. The total for the week was estimated at 10,433,000 net tons, a decrease of 1,304,000 tons from the revised figure for the preceding week.

Revised estimates of the Survey place the total output of soft coal in August at 48,864,000 net tons, including lignite, coal coked, mine fuel, and local sales. This was an increase of 3,738,000 tons over the July production, due partly to a slight increase in the average daily rate, but chiefly to the occurrence of more working days in August.

The total production of soft coal in the first eight months of 1923 was 367,260,000 net tons, which was 18 per cent ahead of the average production during corresponding periods of the nine years 1914-1922.

The anthracite mines were completely shut down during the strike. Operations were limited to river

A crop of 5,603,000 bushels of cucumbers for pickles this year, or more than twice the size of the 1922 crop, is forecast by the United States Department of Agriculture. The increase is attributed to larger acreage and a greatly increased yield per acre. Michigan is the leading producing state with a forecast of 2,579,000 bushels.

The tomato crop is always somewhat of an uncertain quality and while the acreage planted was large, the crop has been affected by unfavorable weather, starting first with a late season which retarded the setting out of the plants, and later by the excessive rainfall which came along about the time the crop began to produce. Almost every disease affecting the tomato plant thrives in wet weather and consequently a considerable part of the acreage has felt the result.

According to a recent report the production of canned corn will not be as large as was at first anticipated. The market has held up strong and canners have made very large sales against the present crop.

dredging and culm washing with the result that the output for the week ending September 8 was probably not more than 5,000 net tons. Shipments, however, were considerably larger and included approximately 1,000 cars of steam sizes drawn from storage piles.

Stocks of soft coal continue to grow and on August 1 it was estimated that commercial consumers had on hand approximately 51,000,000 net tons, an increase of about 5,000,000 tons over revised figures for the previous month. Stocks on August 1, 1923, were estimated to be 10,000,000 tons larger than on August 1, 1921.

A month ago we reported that retailers were well supplied with coal and were urging consumers to buy their winter supplies before the fall rush started. This urge is still being sent out.

The production of beehive coke in the week ending September 8 showed a small increase over the revised estimate of the preceding week. Preliminary estimates based on the number of cars loaded on the principal coke carrying railroads place the total for the week at 347,000 net tons, against 333,000 in the preceding week.

The production of by-product coke declined slightly during August. The total output is estimated at 3,239,000 net tons, a decrease of 28,000 tons from the revised figure for July.

**Statement of Bituminous Coal loaded into Vessels (as Dumped by Docks) In Net Tons  
For the Month of August, 1923, as compared with the same period for the Seasons of 1922-1921**

Ports	Railroads	1923			1922			1921		
		Cargo	Fuel	Total	Cargo	Fuel	Total	Cargo	Fuel	Total
Toledo	Hocking Valley . . . . .	677,705	21,173	698,878	254,345	11,515	265,860	615,058	17,402	632,460
	N. Y. C.—Ohio Central Lines . . . . .	191,379	6,211	197,590	37,430	772	38,202	164,647	4,219	168,866
	Baltimore & Ohio . . . . .	566,504	16,752	583,256	125,927	5,020	130,947	318,433	10,002	328,435
Sandusky	Pennsylvania . . . . .	504,792	16,358	521,150	254,390	23,674	278,064	222,047	6,920	228,967
Huron	Wheeling & Lake Erie . . . . .	210,879	8,194	219,073	5,791	2,231	8,022	245,377	7,530	252,907
Lorain	Baltimore & Ohio . . . . .	543,361	30,082	573,443	15,032	8,078	23,110	385,341	16,794	402,135
Cleveland	Pennsylvania . . . . .	248,309	36,883	285,192	52,486	22,473	74,959	265,454	12,871	278,325
	Erie . . . . .	66,834	3,412	70,246	.....	.....	.....	34,697	1,954	36,651
Fairport	Baltimore & Ohio . . . . .	163,027	11,232	174,259	.....	.....	.....	.....	.....	.....
Ashtabula	New York Central . . . . .	402,528	37,297	439,825	13,308	4,695	18,003	84,716	10,038	94,754
	Pennsylvania . . . . .	313,291	15,871	329,162	24,809	23,627	48,436	203,437	7,580	211,017
Conneaut	Bessemer & Lake Erie . . . . .	386,917	40,814	427,731	41,707	6,633	48,340	244,575	3,953	248,528
Erie	Pennsylvania . . . . .	84,324	13,762	98,086	.....	11,386	11,386	148,319	9,088	157,407
<b>Total . . . . .</b>		<b>4,359,850</b>	<b>258,041</b>	<b>4,617,891</b>	<b>825,225</b>	<b>120,104</b>	<b>945,329</b>	<b>2,932,101</b>	<b>108,351</b>	<b>3,040,452</b>

**For Season to End of August**

Toledo	Hocking Valley . . . . .	2,992,191	90,429	3,082,620	1,746,575	47,846	1,794,421	2,964,611	78,923	3,043,534
	N. Y. C.—Ohio Central Lines . . . . .	1,008,393	31,639	1,040,032	37,430	772	38,202	811,064	22,425	833,489
	Baltimore & Ohio . . . . .	1,799,619	53,101	1,852,720	1,775,250	45,936	1,821,186	1,684,130	48,591	1,732,721
Sandusky	Pennsylvania . . . . .	1,903,616	58,689	1,962,305	1,230,372	51,553	1,281,925	1,022,312	28,999	1,051,311
Huron	Wheeling & Lake Erie . . . . .	929,100	34,780	963,880	13,403	2,565	15,968	1,265,489	33,712	1,299,201
Lorain	Baltimore & Ohio . . . . .	2,055,327	116,176	2,171,503	32,852	24,147	56,999	1,980,137	75,192	2,055,329
Cleveland	Pennsylvania . . . . .	1,155,136	120,378	1,275,514	97,291	45,016	142,307	1,577,958	57,749	1,635,707
	Erie . . . . .	542,678	24,061	566,739	.....	.....	.....	310,858	10,402	321,260
Fairport	Baltimore & Ohio . . . . .	489,935	43,940	533,875	.....	.....	.....	.....	.....	.....
Ashtabula	New York Central . . . . .	2,256,891	158,990	2,415,881	44,391	20,086	64,477	901,756	43,633	945,389
	Pennsylvania . . . . .	1,333,344	58,592	1,391,936	55,201	40,335	95,536	1,732,874	55,739	1,788,613
Conneaut	Bessemer & Lake Erie . . . . .	1,781,915	139,319	1,921,234	99,846	7,840	107,686	836,695	11,396	848,091
Erie	Pennsylvania . . . . .	395,920	53,604	449,524	28,607	42,534	71,141	859,879	44,747	904,626
<b>Total . . . . .</b>		<b>18,644,065</b>	<b>983,698</b>	<b>19,627,763</b>	<b>5,161,218</b>	<b>328,630</b>	<b>5,489,848</b>	<b>15,947,763</b>	<b>511,508</b>	<b>16,459,271</b>

Note: Tonnages cover coal line hauled into ports by railroads as shown.

**Debits to Individual Accounts**

	Week Ending Sept. 12, 1923 (324 Banks)	Week Ending Aug. 15, 1923 (322 Banks)	Increase or Decrease Amount Per Cent		Week Ending Sept. 13, 1922 (323 Banks)	Increase or Decrease Amount Per Cent	
Akron	\$ 16,758,000	\$ 14,556,000	\$ 2,202,000	15.1	\$ 14,549,000	\$ 2,209,000	15.2
Butler, Pa.	2,884,000	2,483,000	401,000	16.1	2,493,000	391,000	15.7
Canton	11,078,000	8,808,000	2,270,000	25.8	8,921,000	2,157,000	24.2
Cincinnati	69,254,000	60,508,000	8,746,000	14.5	64,756,000	4,498,000	6.9
Cleveland	143,569,000	140,980,000	2,589,000	1.8	132,666,000	10,903,000	8.2
Columbus	38,101,000	34,847,000	3,254,000	9.3	32,443,000	5,658,000	17.4
Connellsville	1,548,000	1,338,000	210,000	15.7	1,576,000	— 28,000	— 1.8
Dayton	19,067,000	13,090,000	5,977,000	45.7	12,053,000	7,014,000	58.2
Eric	7,810,000	7,405,000	405,000	5.5	5,916,000	1,894,000	32.0
Greensburg	5,192,000	3,885,000	1,307,000	33.6	4,830,000	362,000	7.5
Homestead	900,000	904,000	— 4,000	— 0.4	767,000	133,000	17.3
Lexington, Ky.	4,228,000	3,921,000	307,000	7.8	4,223,000	5,000	0.1
Lima	4,284,000	3,498,000	786,000	22.5	3,288,000	996,000	30.3
Lorain	1,644,000	1,415,000	229,000	16.2	1,149,000	495,000	43.1
Middletown*	2,347,000	2,051,000	296,000	14.4	.....	.....	.....
New Brighton	2,805,000	2,617,000	188,000	7.2	2,402,000	403,000	16.8
Oil City	2,738,000	2,466,000	272,000	11.0	2,887,000	— 149,000	— 5.2
Pittsburgh	163,252,000	170,396,000	— 7,144,000	— 4.2	155,861,000	7,391,000	4.7
Springfield	5,681,000	4,161,000	1,520,000	36.5	6,237,000	— 556,000	— 8.9
Toledo	40,902,000	37,970,000	2,932,000	7.7	35,473,000	5,429,000	15.3
Warren, O.	4,460,000	3,517,000	943,000	26.8	3,635,000	825,000	22.7
Wheeling	10,047,000	8,915,000	1,132,000	12.7	8,016,000	2,031,000	25.3
Youngstown	16,003,000	13,922,000	2,081,000	14.9	14,153,000	1,850,000	13.1
Zanesville	3,181,000	2,707,000	474,000	17.5	2,859,000	322,000	11.3
<b>Total</b>	<b>\$577,733,000</b>	<b>\$546,360,000</b>	<b>\$31,373,000</b>	<b>5.7</b>	<b>\$521,153,000</b>	<b>\$54,233,000</b>	<b>10.4</b>

\*Debits for corresponding period 1922 not available.

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

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922
Cincinnati	23,674	26,195	98,207	108,451	82,760	78,723	14,977	12,171	2,267	2,306
Cleveland	10,792	12,345	68,366	77,687	22,463	29,854	14,140	11,387	1,438	1,633
Columbus	45	90	4,987	3,737	78	171	76	108	14	.....
Dayton	2,091	1,969	11,991	10,352	976	969	991	767	.....	.....
Fostoria*	.....	747	.....	6,116	.....	1,837	.....	532	.....	.....
Marion	158	124	4,725	5,881	374	486	190	160	.....	.....
Pittsburgh	44,196	60,571	214,156	187,151	131,369	147,134	38,702	37,216	4,857	5,410
Springfield	810	245	2,885	4,649	846	1,850	245	203	.....	.....
Toledo	1,128	791	7,449	7,670	834	1,537	714	357	.....	.....
Wheeling	511	481	1,144	1,191	1,030	902	2,687	1,273	17	8
Purchases for Local Slaughter										
Cincinnati	15,052	13,567	61,986	48,516	9,872	12,570	6,151	5,438	.....	.....
Cleveland	9,210	11,047	54,872	52,885	17,662	17,189	13,595	10,702	.....	.....
Columbus	21	87	242	706	78	.....	60	61	.....	.....
Fostoria*	.....	26	.....	295	.....	10	.....	33	.....	.....
Marion	154	59	2,677	2,726	7	.....	169	162	.....	.....
Pittsburgh	6,835	6,775	44,036	32,699	12,075	12,215	9,239	8,622	.....	.....
Springfield	318	111	314	278	69	420	44	30	.....	.....
Toledo	917	.....	1,666	.....	9	.....	568	.....	.....	.....

\*No report received for August, 1923.

**Wholesale Trade**

**Percentage Increase (or Decrease) in Net Sales During August, 1923, as Compared with July, 1923, and August, 1922**

	Dry Goods	Hardware	Drugs	Groceries
Net Sales (selling price) during August, 1923, compared with July, 1923	46.1	—3.1	7.1	3.6
Net Sales (selling price) during August, 1923, compared with August, 1922	25.0	7.7	14.3	5.2

**Comparative Statement of Selected Member Banks in Fourth District**

	Sept. 12, 1923 (81 Banks)	Aug. 15, 1923 (82 Banks)	Increase	Decrease
Loans and Discounts secured by U. S. Government obligations.....	\$ 30,342,000	\$ 29,422,000	\$ 920,000	\$ .....
Loans and Discounts secured by other stocks and bonds.....	399,182,000	399,865,000	.....	683,000
Loans and Discounts, all other.....	696,592,000	700,521,000	.....	3,929,000
U. S. Pre-War Bonds.....	47,829,000	47,822,000	7,000	.....
U. S. Liberty Bonds.....	116,604,000	116,767,000	.....	163,000
U. S. Treasury Bonds.....	4,913,000	5,455,000	.....	542,000
U. S. Treasury Notes.....	56,825,000	58,137,000	.....	1,312,000
U. S. Certificates of Indebtedness.....	6,871,000	7,358,000	.....	487,000
Other Bonds, Stocks, and Securities.....	298,257,000	298,107,000	150,000	.....
Total Loans, Discounts, and Investments.....	1,657,415,000	1,663,454,000	.....	6,039,000
Reserve with Federal Reserve Bank.....	111,273,000	105,459,000	5,814,000	.....
Cash in Vault.....	33,267,000	32,522,000	745,000	.....
Net Demand Deposits.....	919,827,000	922,367,000	.....	2,540,000
Time Deposits.....	595,334,000	580,496,000	14,838,000	.....
Government Deposits.....	5,588,000	7,522,000	.....	1,934,000
Total Resources on date of this report.....	2,104,176,000	2,094,918,000	9,258,000	.....

**Building Operations for Month of August, 1923-1922**

	Permits Issued				Valuation				Increase or Decrease	
	New	Construction	Alterations		New	Construction	Alterations		Amount	Per Cent
	1923	1922	1923	1922	1923	1922	1923	1922		
Akron.....	255	155	74	64	\$ 435,245	\$ 602,945	\$ 31,335	\$ 22,525	-\$ 158,890	-25.4
Canton.....	199	168	73	55	325,785	433,512	186,969	48,260	30,982	6.4
Cincinnati...	365	404	244	298	1,129,550	2,165,950	339,245	434,700	-1,131,855	-43.5
Cleveland*..	784	690	1,265	893	5,532,740	6,712,358	1,429,925	1,048,396	-798,089	-10.3
Columbus...	536	463	146	119	1,891,880	2,558,695	412,420	335,405	-589,800	-20.4
Dayton.....	215	218	118	111	717,103	2,248,352	120,902	123,317	-1,533,664	-64.7
Erie.....	94	97	44	29	179,239	291,135	126,607	124,251	-109,540	-26.4
Lexington...	48	52	39	50	54,970	82,905	28,555	66,584	-65,964	-44.1
Pittsburgh..	434	496	123	94	2,723,723	2,812,888	148,914	258,591	-198,842	-6.5
Springfield..	85	76	21	15	95,390	94,345	16,910	10,275	7,680	7.3
Toledo.....	404	267	227	208	1,005,647	1,123,154	338,811	163,918	57,386	4.5
Wheeling....	63	88	42	41	152,803	245,108	51,493	20,240	-61,052	-23.0
Youngstown..	179	134	31	31	373,220	374,875	23,930	115,970	-93,695	-19.1
Total...	3,661	3,308	2,447	2,008	\$14,617,295	\$19,746,222	\$3,256,016	\$2,772,432	-\$4,645,343	-20.6

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

**Department Store Sales**

	No. of Reports	(1) Percentage of Increase or Decrease		(2) Stocks at end of month compared with		(3) Percentage of average stocks at end of each month from July 1 to August 31 to average monthly sales over same period	(4) Percentage of outstanding orders at end of August, 1923, to total purchases during calendar year 1922
		A August	B July 1 to Aug. 31	A August 1922	B July 1923		
Akron.....	3	8.4	7.2	11.5	2.5	519.2	9.7
Canton.....	3	12.7	17.0	4.5	— 0.8	693.8	.....
Cincinnati...	8	15.6	12.3	4.3	4.9	532.7	12.0
Cleveland.....	5	18.1	16.8	16.1	4.6	362.2	11.6
Columbus.....	4	22.5	22.7	30.3	14.0	346.9	6.0
Dayton.....	4	10.0	9.8	16.4	11.1	461.6	11.8
Pittsburgh..	7	24.5	19.4	15.9	6.5	422.1	10.5
Toledo.....	4	34.9	39.6	32.4	26.3	436.4	7.9
Youngstown..	3	43.8	32.7	20.6	5.2	278.4	12.9
District.....	43*	21.7	19.0	16.2	7.5	422.4	10.7
U. S. Average....		13.1	12.0	11.0	7.2	469.0	10.1

\*Includes two reports from other cities.

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

The volume of merchandise distributed during August, as indicated by railway traffic and wholesale and retail trade, was large. Production of certain basic commodities and industrial employment showed further slight decreases.

### PRODUCTION

The Federal Reserve Board's index of production in basic industries declined 2 per cent during August, and was at the lowest point for this year. The August output, however, was 27 per cent larger than a year ago and production in every month this year has been at a higher level than in any month of the previous five years. Lower production index in August reflected reduced output, after a correction for the usual seasonal trend, of pig iron, woolen goods, flour and cement. Cotton consumption, sugar meltings, lumber cut, and bituminous coal production increased. The number and value of new building projects as measured by permits granted in 168 leading cities, increased during August, but actual contract awards were smaller than in July.

Employment at industrial establishments throughout the United States was slightly smaller in August, while average weekly earnings advanced about 1 per cent. Increases in wages amounting to 10 per cent were granted to anthracite coal miners, readjustment of wages and hours in the steel industry continued, but wage advances during August were fewer than in any month since last winter.

The principal changes in crop estimates shown by the September 1 forecast of the Department of Agriculture were a large reduction in the expected cotton crop, slight decreases in the probable yield of wheat, barley, and oats, and increases of yields of corn, tobacco, and potatoes.

### TRADE

Railroad freight shipments were larger in August than in any previous month on record. This was due to seasonal increase in shipments of coal, miscellaneous merchandise, and agricultural products. Wholesale trade, according to the index of the Federal Reserve Board, increased 12 per cent in August which is more than the usual seasonal increase, and sales were the largest of any month in three years. Sales of clothing, dry goods, and shoes showed substantial gains as compared with July and were larger than a year ago. Retail trade also increased in August and sales in all reporting lines were larger than in August, 1922. Department store sales in all sections of the country averaged 12 per cent above last year's level.

### PRICES

The general level of wholesale prices, according to the index of the Bureau of Labor Statistics, remained relatively constant in August, the change for the month being a reduction of less than one fifth of one per cent, compared with declines of about 2 per cent in each of the three preceding months. Prices of building materials, house furnishings, and fuel were materially reduced, while prices of farm products and foods increased. Prices of certain raw materials, particularly cotton and silk, advanced substantially during September while prices of petroleum and copper declined.

### BANK CREDIT

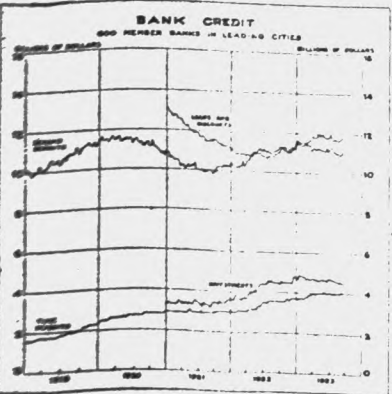
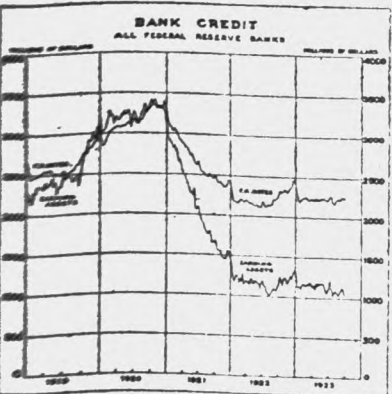
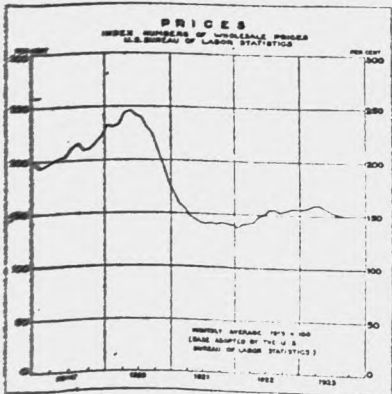
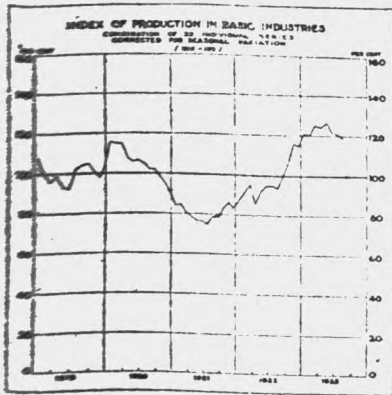
After a decline during July and the first part of August the volume of bank credit in use showed a seasonal increase during the last week of August and the first two weeks of September. Total loans and demand deposits of member banks in principal cities increased during recent weeks, reversing the trend of the preceding two months. Loans chiefly for commercial and agricultural purposes increased by \$122,000,000 and reached a higher point for the year. Investment holdings of these banks, on the contrary, continued to decline and on September 12 were lower than at any time since the middle of October of last year.

Between August 22 and September 19 the amount of accommodation extended to member banks by Federal Reserve banks in industrial districts declined, while in agricultural districts the seasonal demand for credit and currency resulted in a considerable growth of reserve bank credit in use.

The demand for currency arising out of crop moving and fall trade has been reflected in an increase of \$82,000,000 in money in circulation between August 1 and September 1. Of this amount about \$44,000,000 represents an increase in Federal Reserve note circulation.

Money rates were firmer during the first two weeks of September, but eased somewhat after the fifteenth, partly because government disbursements were temporarily in excess of tax collections.

The Treasury issued on September fifteenth \$200,000,000 of six months' certificates bearing  $4\frac{1}{4}$  per cent interest, compared with 4 per cent borne by six months' certificates issued in June.



# FOURTH FEDERAL RESERVE DISTRICT

