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—*Excerpts from Editorial*

FEDERAL RESERVE BANK of CLEVELAND

D. C. Wills, Chairman of the Board

(COMPILED OCTOBER 22, 1923)

An Editorial

BUSINESS has entered into the final quarter of the year with production less active in certain lines than it was a month ago but still large in volume and sustained by the consumptive requirements of a well employed population.

Stocks of manufacturers are showing little accumulation. One reason for this is that people do not care to produce more goods than they are reasonably sure they can sell. Another reason and a very important one is that domestic consumption is big and has shown little evidence of decline. This is encouraging in view of the heavy production facilities of the country as a whole, and also because European countries have not yet reached the place where much dependence can be placed on trade with them.

The purchasing power of a great majority of the people is high. Agricultural conditions are showing a steady improvement and it is the opinion of those in close touch with the farm trade that farmers in certain sections are coming into the market for those necessities which they have needed for the past three years.

Orders in some lines are slowing down but this may be taken as indicating a decline in forward buying rather than a reduction in the buying power of the ultimate consumer. The decline in forward buying may be due to the fact that efficient transportation facilities make possible prompt shipments.

In the light of the present encouraging showing of industry and trade, therefore, and judging by the conservatively optimistic reports received this month direct from our Fourth District manufacturers, there is little evidence of a pessimistic trend of mind.

It is true that business is not rushing as it was last spring. Good business, however, does not necessarily have to be boom business. We are altogether too much inclined to use boom periods as yardsticks.

High production facilities and dependence upon home consumption naturally make for increasing competition. Consequently 1924¹ business plans are being made with a view to greater efficiency.

In this connection various national organizations and industrial concerns are making efforts to level seasonal peaks and hollows to some extent by means of more consistent "year round" business.

Ideas along this line have been developed to their practical limit in certain industries. Changing styles and the whims of the buying public make "year round" business impractical in others. For instance, it would be folly to ignore climatic changes which produce variables in requirements. Interesting experiments, however, have proven that many of these seasonal conditions have been unconsciously magnified at great cost.

Considerable leveling has been accomplished by means of standardization and "straight line" production; also by the introduction of new and improved lines during the off season. Another leveling method is the offering of special price concessions during dull periods.

In some industries greater warehousing facilities are being provided in different sections of the country in order to avoid the redistribution of goods. Notwithstanding the greater investments which are necessary, it is found that this is working toward economies.

Quite probably there will always be seasonal tendencies, but the fact that remedial efforts are being made should work toward at least a partial solution of the problems caused by wide fluctuations.

Material Increase in Number of Borrowing Country Banks; Loans Somewhat Higher

On September 20 borrowings from this bank by city banks totaled approximately \$38,000,000 and on October 20, \$46,000,000, a net increase for the month of \$8,000,000. However, during the period from September 20 to October 15 there was considerable fluctuation in their borrowings, the low point during that period being about \$37,000,000 and the high point \$55,000,000.

Loans to country banks have shown a steady increase since September 20 at which time they stood at about \$13,000,000. On October 20 they were approximately \$15,500,000, a gain for the month of \$2,500,000.

The number of borrowing country banks has also shown a very material gain. About 40 banks located principally in agricultural sections which were not borrowing from us at the end of September have availed themselves of the rediscounting privileges of this bank since October 1. There is considerable evidence of farmers buying live stock for fattening purposes.

On September 20 the reserve ratio of this bank was 80.0 per cent as compared with 79.5 per cent on October 20. The reserve ratio of the System on September 20 was 77.4 per cent as against 76.6 per cent on October 20.

Savings deposits show a further increase. Reports from representative banks in the Fourth Federal Reserve District for the month of September, 1923, show

a gain of 16.5 per cent as compared with the same month last year. Last month the gain reported for August, 1923, as compared with August, 1922, was 13.7 per cent. The increase of 16.5 per cent is partially attributable to a merger affecting one of our reporting banks. As compared with the previous month, September deposits showed a gain of .8 per cent.

More than half a million dollars were added to postal savings accounts during September, according to reports received by the Postmaster General from postmasters throughout the country. On August 31, 1923, there was on deposit in postal savings accounts a balance of \$132,525,971. On September 30 the balance was \$133,100,971, an increase of \$575,000.

According to R. G. Dun & Company, commercial failures in the Fourth District for the month of September totaled 95 as against 116 for the previous month, a decrease for the month of 21. Liabilities for September totaled \$2,741,378 as compared with \$1,870,656 for August. This is a gain for the month of \$870,722 or 46.5 per cent. The average per firm for September was \$28,857 as against \$16,126 for August, an increase of \$12,731 or 78.9 per cent. Comparing September with the same month last year, a drop of 25.8 per cent in the number of failures is shown. In the same comparison total liabilities are 28.8 per cent less and the average per firm 4.0 per cent less.

Sentiment in Iron and Steel Industry Improves as a Result of October Developments; Railroad Buying Outstanding Feature; Steel Production Continues Heavy

Market developments in iron and steel for the month of October to date demonstrated that the unfavorable sentiment recently displayed regarding business prospects has been exaggerated. While the September volume of new business was not up to the expectations of many who had counted upon a sharp revival of demand, business as of the present month has come out very freely and in increased volume. New tonnage still is considerably less than shipments and order books have continued to shrink. With easier deliveries by the mills generally available and with the railroads rendering exceptional transportation service, there is less incentive for buyers to order material very far ahead. Nor is there any disposition of consumers to discount future requirements under prevailing business conditions and caution is still predominating.

Analysis of the situation shows that the low point of new business came in July and August; some recovery appeared in September and the October gain has been on a rising scale and in more substantial proportions. Bookings by the Steel Corporation this month to date are 20 per cent above September which in turn was 40 to 50 per cent over August. The leading interest now is entering about two-thirds as much tonnage as it is shipping and has been maintaining production at about 88 to 90 per cent of capacity. Its position, however, due to sales practice, is superior to that of the

independent companies which are operating at around 70 to 75 per cent.

The outstanding feature of the new business appearing is a return to the market by railroads of large programs of equipment purchases. From 10,000 to 15,000 new cars are now pending and 250 to 300 locomotives are under negotiation. In view of the reported intentions of large systems to bring out heavy inquiries in the near future, it is believed additional purchases of 80,000 to 100,000 cars are in sight. While new equipment inquiries are heavier, however, orders have been few as yet and the railroads are following the same policy of conservatism which characterizes buyers in general. Heavy rail orders for 1924 delivery have continued to appear so that the mills of this class with one exception are now booked full into next June.

Japanese buying, growing out of the reconstruction needs following the earthquake disaster has been active and heavy especially in sheets, pipe, and certain other materials. Reported orders from this source easily total 50,000 to 100,000 tons in recent weeks. A large part of the increase of 116,000 tons, or 91 per cent in independent sheet mill orders in September over August is attributed to this source. New building demands have been holding up well for the season. Automobile activity has been surprisingly maintained with corresponding needs for steel.

Steel prices on the whole have been well sustained. Some shading is being done in major products by the smaller mills and various of the minor lines are soft, but the larger producers are adhering closely to their previous schedules. The price situation is well maintained as shown by *Iron Trade Review's* composite of fourteen leading iron and steel products which for the week of October 18 was \$43.90 compared with \$44.70 one month previously. Most of this decline has been due to pig iron in which a weak market still prevails. Prices of pig iron during the past month have fallen \$1 to \$3 per ton further and have shown a continuing situation of over production although this now is nearing correction through the blowing out of additional furnaces.

Despite the backward condition of buying, production continues heavy. This has been more particularly true

August Production of Crude Petroleum Reaches New High Record but Rate of Increase Slackens; Oil Men See Remedy in Growing Consumption

During August the production of crude petroleum in the United States reached the new high record of 2,119,871 barrels a day, according to statistics compiled by the Geological Survey. It is interesting to note, however, that after many months of rapidly increasing output, the rate of increase materially slackened.

The net change in production for the country as a whole for the month of August was an increase of only slightly more than 15,000 barrels a day, being the smallest increase in production that has been recorded since September, 1922.

Production in California continued to gain, the daily average for the month being 852,903 barrels. This heavy production of crude oil in the California fields is still a question mark to the oil industry. It has been previously estimated that this fall would see the climax of the spectacular development of the new fields in that state which has increased production there to such a high point, and which has brought about shipments by tankers to Atlantic and Gulf Coast refineries of over 200,000 barrels of crude a day, thus upsetting the crude oil market.

There are many factors to be considered in the question of how long California is to give the nation better than a third of its crude supply. Important phases to be considered are new pools and the manner in which they may be developed; rate of decline in yield of present wells; the practicability of pumping wells when they cease flowing considering the great depth of drilling in that state.

A production analyst of *National Petroleum News* as a result of a recent investigation of existing conditions in California fields believes that indications point to a

in steel than in pig iron. Steel ingot production in September was at the annual rate of 41,101,000 tons compared with a corresponding rate of 42,245,000 tons in August, a reduction of 2.78 per cent. Steel production now is down about 18 per cent from its high point in May and at present is at an annual rate of about 94 per cent of the highest ingot year in history, that of 1917. Pig iron production in September again fell, with a daily average of 104,120 tons compared with 111,254 tons in August, a reduction of 6.4 per cent. Total production for September, a 30-day month, as compiled by the *Iron Trade Review*, was 3,123,611 tons against 3,448,886 tons in the 31 days in August. Stacks in blast at the end of September were 257, a loss of 13 in the month. Since May, the high point, operations show a reduction of 65 active furnaces.

continuation of heavy shipments with a possible daily average of from 125,000 to 150,000 barrels.

This amount of crude coming to eastern refineries takes the place of oil produced east of the Rocky Mountains and also of some Mexican crude. Production in these eastern fields which has shown a downward tendency during the past two months has not yet declined sufficiently to bring about much relief from the present high level of output. In addition to this the period of the year is approaching when crude consumption is at a relatively low point.

The unsettled state of the gasoline market is in reality a reflection on the present crude situation.

On the other hand oil men see a stabilizing factor in the steady growth of crude consumption to meet the current needs of the country at large.

Substantial decreases in stocks of gasoline on September 1 are noted in figures recently compiled by the Government. Gasoline stocks on that date amounted to 1,053,956,221 gallons, representing forty-seven days' supply, as compared with a stock of 1,165,389,340 gallons, or fifty-four days' supply, on August 1, according to the Department of the Interior.

The output of gasoline in August was 648,954,706 gallons, as compared with 637,000,000 gallons in July and 550,000,000 gallons in August, 1922. Domestic consumption, it was also announced, amounted to 692,185,610 gallons, an increase of 18,000,000 gallons over the July consumption and an increase of nearly 100,000,000 gallons over that of August of last year. Exports of gasoline were 78,503,475 gallons, a decrease of 5,000,000 gallons from the July figures.

Automotive Industry Slows Down; Prospective Buyers Watch New Developments; Marked Interest in Labor Saving Machinery

Production of passenger car automobiles for September showed a drop of approximately 15,500 cars as compared with August but was still slightly over the July output. There were 28,455 trucks produced in

September as against 30,619 in August, a decline for the month of 2,164.

New patterns and models continue to attract attention. A very important major development which is

going on is the introduction of four wheel brakes. Like all major developments in the industry, such as the self-starter, etc., there is a period when the minds of buyers are disturbed over the question and a certain amount of hesitancy results in reduced sales.

While there has been some curtailment in shipping schedules of closed auto bodies, business in most instances continues good considering the season of the year.

Automobile Production

The Department of Commerce announces September production of automobiles, based on figures received from 183 manufacturers, 95 making passenger cars and 116 making trucks (28 making both passenger cars

and trucks). Data for earlier months include 12 additional manufacturers now out of business. Figures on truck production also include fire apparatus and street sweepers.

NUMBER OF MACHINES

Passenger Cars

	1921	1922	1923	1921	1922	1923
January.....	43,086	81,693	*223,819	4,831	9,517	*19,646
February.....	68,088	109,171	*254,771	7,830	*13,291	*22,067
March.....	130,263	152,959	*319,768	13,328	*19,920	*35,037
April.....	176,439	197,222	*344,639	18,070	*22,488	*37,862
May.....	177,438	*232,457	*350,409	18,070	23,948	*43,452
June.....	150,263	*263,053	*337,359	14,328	26,171	*40,973
July.....	165,615	*225,085	*297,330	11,132	*21,957	*30,494
August.....	167,755	*249,490	*314,372	13,391	24,601	*30,619
September.....	144,670	*187,693	298,910	13,975	*19,335	28,455
October.....	134,773	*217,534	.....	13,144	*21,706	.....
November.....	106,081	*215,340	.....	*10,481	*21,861	.....
December.....	70,725	*208,006	.....	* 8,593	*20,246	.....

* Revised.

Fourth District Manufacturers Report Few Changes During the Past Month; Collections Hold Up Well; Growing Labor Supply Causes Less "Shopping for Jobs"

Small Tools—While the small tool business has shown some improvement over that of midsummer, the increase has been somewhat disappointing. Dealers are continuing their policy of keeping stocks well reduced.

Glass—There have been no marked developments in this business during the past month. The usual good demand incident to the season is reported. The head of a large plate glass company tells us that in a recent meeting of district managers, including those from the northwest and southwest, the opinions of these men as to an optimistic outlook were more unanimous than he had ever known them to be. Sundry glass business is fully up to the average for this season of the year.

Hardware—So far as actual orders are concerned, the hardware situation remains much the same as it was a month ago. There appears to be a growing belief, however, that the country with few exceptions is showing a decidedly better feeling, and particularly the farm trade. Preparations are being made to have stock lines of goods ready for Spring business. This optimism is based upon the belief that the general improvement in the agricultural situation will bring about a resumption of buying of farm necessities which has been very slack for the last three years.

White Lead—Business is holding up near expectations although sales for the last two or three months have been somewhat behind those for 1922. The market for pig lead and linseed oil is firm with an advancing tendency.

Soap—In the soap trade the volume of orders is reported to be very good. Collections are reported to be fair. Stocks in the hands of retailers are low and as a result marketing conditions are considered quite satisfactory.

Bags—In the bag industry, buying is still very much of a hand-to-mouth character. The volume of business at present is quite satisfactory, showing some improvement over August.

Cork—In the cork business September was not quite up to August, but indications are that October will be back to the average. Collections have shown no particular change.

Tin Cans and Pails—Conditions in this line are reported to be very favorable. There continues to be insistence from all parts of the country for prompt deliveries of orders, an indication that stocks are running low. The demands are coming from widely scattered territories and are for very diversified lines of goods.

Storage Batteries—The storage battery business as a whole is reported to be practically the same as it was a month ago. There has been one important development, however, which affects the dealers. Recently a large concern in this District discontinued shipments from their factory and are now making all shipments from branch warehouses. This lessens the investment of the dealers because their stocks are closer to them, and as a consequence their cost of distribution as well as the manufacturer's will decrease.

Molding Machines—Business in this line which was very active in August fell off during September, October, however, started out well and is ex-

pected to show a very noticeable pick-up in general.

Electrical Goods—There are indications that the street railway people are coming into the market more and more for additional equipment to strengthen the facilities which have for so long a time been maintained with very little increase.

Boots and Shoes—Final figures on boot and shoe production in the Fourth District for the month of August show a gain of 40.7 per cent as compared with the previous month. August production in the United States totaled 29,853,373 pairs as against 25,256,106 pairs for July, a gain for the month of 4,597,267 pairs or 18.2 per cent.

Railroads Render Efficient Service; Freight Movements Extremely Heavy; Car Surplus is Gradually Reduced

Freight movements have continued to be extremely heavy for the country as a whole, though there has been some slight decrease in Cleveland. During the week ending September 29 there was a total of 1,097,274 cars of revenue freight loaded, a figure in excess of any previously reached by the carriers. During the week ending September 22 the movement totaled 1,060,436 cars and for September 1,1092,567 cars. Thus far in 1923 there have been 15 weeks in which loadings exceeded a million cars.

Freight earnings are also holding up fairly well. During August the carriers throughout the country earned 4.94 per cent and in the eastern district 5.16 per cent. The Great Lakes and Ohio—Indiana—Allegheny districts showed earnings of 6.18 per cent and 5.70 per cent respectively.

The car surplus is being gradually reduced. On September 30 there were 41,745 cars in excess of requirements as against 59,008 cars on September 23. On the other hand shortages are gradually increasing. On September 30 the total shortage was 15,331 cars as against 13,515 on September 23.

Freight equipment of the carriers is in fairly good condition at this time. On September 15, 7.3 per cent of the freight cars and 16.8 per cent of the locomotives were in bad order.

During the past year the railroads through the American Railway association have been assisting in the organization of Shippers Regional Advisory Boards throughout the country, and early this summer the preliminary steps were taken which have now resulted in the establishment of what is known as the Great Lakes Shippers Regional Advisory Board, which is established to cooperate with individual railroads and the Car Service Division of the American Railway Association to give the shipping public a direct voice in car supply and related transportation problems, to

form a common meeting ground between shippers and railroads for the better understanding of transportation questions, and to adjust informally car difficulties or complaints which may arise between shippers and railroads.

All factions of the shipping public are authoritatively represented upon the board of its committees. The six basic points of organization are:

1. To anticipate car needs as far as possible in advance.
2. To study production, trend of traffic, distribution, and trade channels, with a view to effecting improvements in trade practices and promoting a more even distribution of commodities.
3. To promote car and operating efficiency in connection with maximum car loading.
4. To insure the proper handling of cars by shippers and railroads.
5. To study the seasonal transportation requirements in all sections of the country.
6. To adjust informally complaints on car service directly with the railroads involved.

The Great Lakes Board has jurisdiction over the lower peninsula of Michigan, the northern parts of Ohio and Pennsylvania, and the northwest section of the state of New York. A regional board, known as the Ohio Valley Shippers Regional Advisory Board, has been organized to take care of the country located south of the territory above described and others will be organized in the east.

These boards are an important step toward closer cooperation between shippers and carriers and bid fair to mark the beginning of greater efficiency in the transportation of freight.

Country's Construction Facilities Largely Absorbed by Fall Building; Instability of Costs Cause Prospective Builders to Hesitate

The building industry in general, although somewhat less active than it was a month ago, continues to show a volume of business sufficient to absorb a large per-

centage of the country's construction facilities. The demand for labor and materials is not far from being normal. There is practically no scarcity in either one

of these branches with the possible exception of a shortage in the plastering trade which seems to persist even with the diminishing volume of demand.

At present contractors are taking advantage of the fall days and are rushing projects already under way in order to have them under cover before the winter arrives.

National organizations of builders and dealers are setting forth arguments as to the feasibility of winter construction and are encouraging repairs and alterations during the "off season," with a view to doing away with part of the rush which comes with the active building season.

Business men in many parts of the Fourth Federal Reserve District tell us that while prospects for the winter building program are quite satisfactory, there is evidence of considerable postponement of contemplated projects due to present cost levels. In addition to this the instability of prices is causing prospective builders to hesitate. When contractors are obliged to change their original estimates people quite naturally think it would be wise to wait for more stable conditions.

The month of September registered a falling off in valuation of permits issued in Cleveland proper, the figures being \$3,857,650 as compared with \$6,837,905 for September, 1922. The heavy increase in the first half of the year, however, is offsetting the losses in valuation of permits issued as shown each month since

Production of Portland Cement Again Breaks Record; September Shipments Somewhat Less Than August

According to a late report of the Portland Cement Association the cement industry has made a remarkable record this year in taking care of the demands placed upon it. Starting the year with nearly 2,000,000 barrels less in stock than at the beginning of 1922, it has in nine months shipped about 16,000,000 barrels more than during the first nine months of 1922, and yet stocks in manufacturers' hands are more than 750,000 barrels greater than on September 30 last year.

Figures recently compiled by the United States Geological Survey show that production of portland cement in September eclipsed all previous records for any single month. For the first time the 13,000,000 barrel mark was reached, the exact quantity produced being 13,109,000 barrels. Production for the nine months ending September 30 was slightly over 101,000,000 barrels or more than was produced in any full year prior to 1922. Last year's nine months' record output

Lumber Business is Reported as Being "Spotty;" Country Dealers Show More Interest; Hardwood Conditions Better

As a result of the customary pick-up in fall building operations lumber production was somewhat below orders. Recently this condition has been reversed and production is again in the lead.

Business revived in September according to expectations but the revival was not sufficient to bring about what is considered by the trade as normal fall activity.

and including May. The total valuation of permits issued for the year to October 1 was \$45,733,065 in 1923 as compared with \$44,196,390 for the same period in 1922.

In the suburbs a like decrease is manifest in nearly all the communities with the exception of Lakewood where the valuation was \$1,052,350 for September this year as compared with \$762,060 for the same month last year.

In Shaker Heights the figure of \$465,910 for September was only half of the total for September, 1922; East Cleveland with a valuation of \$223,691 for September was even with the figures for the same month last year; while Garfield Heights also registered about equal in the comparison. There was a difference of about \$50,000 in favor of this year in Cleveland Heights with a total of \$834,565.

The figures for all of the suburbs adjacent to Cleveland indicate about the same relationship as those for the city proper, the totals for this year being \$27,214,000 as compared with \$25,317,000 for the period to October 1 last year.

According to a recent report issued by *Bradstreet's* the total value of construction at 152 cities in September was \$198,942,935, as against \$224,624,218 at identical cities in August, and \$181,369,342 at the same cities in September last year. There is here shown a decrease of 11.4 per cent from August, but a gain of 9.7 per cent over September a year ago.

was exceeded in production by about 24 per cent.

Shipments from the mills during September, although less than in August, were greatly in excess of any corresponding month in past years and were about 10 per cent over those for September, 1922. For the first nine months of this year shipments were substantially in excess of 104,000,000 barrels or 18 per cent greater than during the corresponding months of last year.

The combined production of 11 mills located in Ohio, western Pennsylvania, and West Virginia, for the month of September, 1923, was 1,327,000 barrels as compared with 1,172,000 barrels for the same month last year. Total September shipments for the same number of mills were 1,495,000 barrels as compared with 1,435,000 barrels for the same month a year ago. Stocks at the end of September totaled 301,000 barrels while a year ago they were 416,000 barrels.

A spotty business has been experienced during the past thirty days with buying possibly good one week and poor the next. This is looked upon as being an indication that buyers have no intention of stocking up but are making purchases to meet current requirements only.

In southern sections stocks are reported to be below

normal at the larger mills. These mills show little inclination to make reductions except on some items which are slow sellers and then only when there is a surplus on hand. The smaller mills, aided by good weather and good roads have built up their stocks and are now placing their products (principally rough dimension lumber and boards) on the market at prices which show a weakening tendency. Labor at these mills is plentiful.

Considerable lumber now being sold is for buildings which were contracted for last spring and summer and the trade believes that these will be quite well taken care of by the middle of November.

Country buying has not been particularly active as the farmers have held down construction work until the actual returns from this year's crops were more in

evidence. At present it is reported that country dealers are showing more confidence.

Hardwood lumber conditions are gradually improving and indications are for increased activity. Orders in the hardwood trade are reported to be on the up grade.

Buying by the automotive industry continues in volume. The furniture industry and other industrials are increasing their takings, a large number of sales of such items as sap gum, birch, and maple being in evidence.

The Department of Commerce announces that the total production of lumber during 1922 in the United States was 31,426,922,000 feet. This is an increase of 16.5 per cent when compared with the cut reported for 1921, but a decrease of 9 per cent compared with the cut for 1919.

Paving Brick Orders Increase; Common Brick Makers Object to Imitations Being Placed on Parity with Real Article

An increase in unfilled orders for vitrified paving brick from 88,247,000 the last day of August to 91,048,000 the last day of September is announced by the National Paving Brick Manufacturers Association of Cleveland in its monthly statistical report to the United States Department of Commerce. This increase was accompanied by a similar upward movement of stock on hand. Many of the orders are for delivery next spring and in the early summer.

Production for the month of September increased from 33,457,000, the August total, to 34,457,000. Shipments declined from 36,446,000 to 34,761,000.

Distribution for the month found Ohio in the lead with 9,112,000 evenly divided as to city streets and

country highways. Illinois, Kansas, Nebraska, and Pennsylvania were next in line. Of the unfilled orders 52,216,000 are to go for city streets and 26,535,000 for country highways, the remainder going into miscellaneous markets.

Developments in the common brick situation during the past month have been largely centered in bringing about a more united effort on the part of manufacturers against the use of imitations of brick. This is due to the fact that efforts are being made to have building units which are made in the size and form of brick accepted in the building codes throughout the country on a parity with genuine brick.

Burley Tobacco Crop Somewhat Damaged During Harvest Season; Corn Crop Estimated at More Than Three Million Bushels; Pennsylvania Crop Summary

There is no special activity in the tobacco market at the present time since the time for receiving and marketing the 1923 crop is still more than a month away. The October crop report estimates a total production of tobacco in Kentucky for this year of 507,125,000 pounds as compared to prospects on September 1 for 565,186,000 pounds. Last year's crop amounted to 446,250,000 pounds, and the five year average of 1917 to 1921 inclusive was 445,022,000 pounds. These figures include the dark types of tobacco grown in western Kentucky as well as the Burley tobacco of central Kentucky. Unfavorable weather for a time this year while the tobacco was being harvested and housed resulted in some damage from houseburn and for this reason authorities believe it is doubtful whether the quality of this year's crop will equal the high quality reached last year.

No report of any recent sale has been issued by the Burley Tobacco Growers' Cooperative Association. The Association is reported to have received approximately 197 million pounds of the 1922 crop and to have sold all but about 40 million pounds of this

amount. The membership of the organization is now about 92 thousand growers. The annual election of the directors of the Association was held some weeks ago and the administration which has been in charge of its business since its organization will continue in charge.

The October forecasts of the Department of Agriculture show a slight drop in estimated crop production, except in a few instances. The estimate for the country's corn crop remains at a high point and indications are for a crop of more than three billion bushels. This is the fourth time in history that a corn crop of three billion bushels or more has been grown.

Some interesting figures have been prepared by the statistician of the Ohio Federal crop reporting service on farm wages during the past year. The present state average farm wage by the month is \$39.00 with board and \$55.00 without board. This is an increase of almost 20 per cent since a year ago. Day wages have not increased.

Pennsylvania Crop Summary

October 1, 1923

Winter Wheat—The average yield of wheat is estimated at 19.1 bushels per acre compared with 18.8 bushels last year and the ten year average of 18 bushels. The total crop is estimated at 24,060,000 bushels compared with 24,634,000 bushels last year and the ten year average production of 24,311,000 bushels. In rank, Lancaster and York counties as usual take the first and second places, Franklin third, Berks fourth, and Chester fifth. The quality of the wheat is estimated at 96 per cent and is the same as one year ago.

Spring Wheat—The average yield per acre of spring wheat is estimated at 17.1 bushels, and the total production at 278,300 bushels. The average yield per acre last year was estimated at 16 bushels and the total production at 280,000 bushels.

Rye—Estimates show that the average yield of rye per acre was 17.4 bushels compared with 17.1 bushels last year and the ten year average production of 16.7 bushels. The total production is placed at 3,583,410 bushels as compared with 3,660,840 bushels last year and the ten year average production of 4,233,400 bushels.

Oats—The spring and summer drought had a detrimental effect and as a result the average yield of oats per acre is estimated at 29.5 bushels as against 34 bushels last year and the ten year average production of 33.3 bushels. The total production is estimated at 33,793,180 bushels compared with 38,949,525 bushels last year and the ten year average production of 37,356,000 bushels.

Barley—This crop is only sparsely grown in Pennsylvania and the gathering of information relating to the same is rather difficult, but according to the best information available, the average yield per acre this year approximates 23.6 bushels as against 24.7 last year and the ten year average production of 25.6 bushels. The total crop points to 276,955 bushels compared with 301,500 bushels last year and the ten year average production of 286,650 bushels.

Corn—Present indications point to 87 per cent of a normal crop of corn and presage an average yield of 41.6 bushels per acre as compared with 43.8 bushels last year and the ten year average production of 41 bushels. The present condition forecasts a total crop of 61,416,500 bushels as against 65,561,475 bushels last year and the ten year average production of 61,954,000 bushels.

Buckwheat—The outlook for buckwheat is placed at 83 per cent and is indicative of a yield of 19.6 bushels per acre as against 20.7 bushels last year and the ten year average production of 19.3 bushels. The aggregate production this year is estimated at 4,162,600 bushels compared with 4,616,415 bushels last year and the ten year average production of 5,200,000 bushels.

Potatoes—The prospect on October 1 was placed at 77 per cent of a full crop and presages an average yield of 96.2 bushels per acre compared with 110 bushels per acre last year and the ten year average production of 88.6 bushels. Indications point to a crop approximating 21,248,600 bushels. The crop last year was estimated at 24,740,800 bushels.

Tobacco—The October 1 condition forecasts 90 per cent of a normal yield, or 1,362 pounds per acre, compared with 1,323 pounds per acre last year and the ten year average production of 1,363 pounds. The total crop this year, from present indications, is estimated at 55,569,600 pounds as against 53,693,000 pounds last year and the ten year average production of 51,849,380 pounds.

Pasture—Dry weather affected all summer crops but was reflected nowhere more than on pasture. More moisture during September had its beneficial effect and as a result the condition on October 1 was estimated at 88 per cent of normal compared with 71 per cent one year ago. The improved pasture indicates that livestock will go into winter quarters in good condition.

Apples—All fruit shows much larger yields than indicated by the August 1 report. The prospect for apples on October 1 indicates a total or agricultural crop of 72 per cent of normal and presages a yield of 11,542,525 bushels compared with 10,837,940 bushels last year and 8,642,600 bushels, the average for the past four years.

Peaches—The crop of peaches more nearly approaches normal than any other fruit crop, being placed at 94 per cent which indicates a yield of 1,953,700 bushels. The crop last year was estimated at 1,229,670 bushels.

Pears—The production of pears is placed at 78 per cent of normal which indicates a total crop of 657,470 bushels compared with 604,600 bushels last year, and the four year average of 457,575 bushels.

Textile Lines Show Fair Volume of Business; Low Stocks Expected to Stabilize Trade

There have been no particular changes in the textile business since last month.

Uncertainty continues to be in evidence in the cotton goods trade although buying is said to be somewhat more active. The October 1 forecast of the cotton crop by the Department of Agriculture places the total number of bales at 11,015,000, a gain of 227,000

bales over the September 1 forecast, which was 10,788,000 bales.

In the woolen and worsted divisions a fair volume of business is reported. Orders for next spring, however, are reported to be somewhat slow.

Early openings in men's clothing lines for next spring show no substantial changes in price levels in

of the fact that manufacturing costs have advanced. There is a belief that any further advance in the price of clothing would be opposed by the buying public and the trade generally seems to be prepared to operate on a low profit basis for the coming spring season. Retail business, generally speaking, is good and early bookings of advance orders in tropical suitings by manufacturers are reported to be satisfactory.

Cooler temperature the latter part of September and the early part of October has given an impetus to the apparel trade which is reflected in reorders from retailers, a condition which a return of cooler weather will emphasize.

Stocks of women's ready-to-wear garments are not excessive and this fact is expected to prove a stabilizing factor in fall business.

In the knit underwear business present activity is largely dependent upon weather conditions. A cold fall naturally brings about the early purchase of winter underwear and unloads stocks. So far the weather

is reported to have been satisfactory. Several weeks back reorders were more frequent than they are at this writing but that was probably due to the abnormal cold spell early in September which sent the retailers after the jobbers' stocks. Apparently both the retailer and the jobber have come to regard the advanced price of cotton as fairly well established in so far as it pertains to next summer's merchandise. At the beginning of the summer sales season which occurred several months ago, lines were opened at a slight advance. This caused some of the buyers to hold back their orders, but since then they have covered at about a 5 per cent increase. The present basis of prices is about 10 per cent higher than the opening while a total advance of from 15 to 20 per cent is reflected over prices a year ago.

Fancy knit goods manufacturers report plenty of orders to keep them busy. Orders, however, are not coming in as rapidly as they did a month ago. Spring lines for show in the near future are now being prepared.

Fall Expansion in Pulp and Paper Trade Disappointing; Market for Paper Box Board Shows Uncertain Tone

In the pulp and paper industry it appears to be true that the fall expansion which was expected has not developed in the degree previously anticipated. Mills are reported to be running reasonably full in most cases, but there is no great amount of pressure on the part of consumers for goods, and in general manufacturing schedules are not arranged very far in the future. Prices have tended to soften rather than advance.

Since August there has been a noticeable change in the paper box board business. Since then prices have declined and the market is reported to be showing an uncertain tone. So far the market in the East has held up better than in the West. This season of the year is normally a rush period for the paper box board trade for late fall and holiday business means additional buying, but the box makers are hesitating about stocking up under present uncertain conditions.

The following table compiled by the American Paper and Pulp Association shows percentage changes in production and shipments by identical mills in September, 1923, as compared with August, 1923:

Grades of Paper	Production Per Cent	Shipments Per Cent
Newsprint	-14	-11
Book	-15	-14
Paperboard	-15	-14
Boxboard	-19	-17
Wrapping	-4	-1
Bag	-14	-1
Fine	3	-1
Tissue	-3	-7
Hanging	4	16
Felts and Building	-15	-12
Other Grades	-12	-6
Total—All Grades	-12	-10

Market for Canned Goods Very Active; Pea Pack Nearly 1,000,000 Cases Above Previous Record; Wholesale Grocers Report Increased Business

The market for canned foods is reported to be in good condition. With a pea pack of almost 1,000,000 cases larger than ever before known, the market is active and jobbers are having some difficulty in finding the exact grade of peas wanted.

The figures on the tomato and corn packs have not yet been given out but it is believed that neither of these packs is up to the ten year average. The markets on both items are brisk.

Canned goods are being consumed rapidly, the natural result of labor being well employed at good wages.

Stocks for the most part are well depleted and the

trade quite generally is looking forward to a heavy demand for future canned foods of 1924 packing.

A large food products company reports that September sales show the best percentage of increase of any month this year.

Contrary to the improvement in the labor situation which is quite generally reported, canners are experiencing some difficulty in securing sufficient help at their plants. Doubtless this is attributable to the fact that many of the canning factories are located in small communities where much of the surplus labor has been engaged on the farms in cutting corn and doing other fall work.

The wholesale grocery business continues on a steady course. The latter months of the year bring additional business for it is during this season that new canned goods, dried fruits, nuts, holiday goods, etc., come in and the future orders taken several months previous are filled upon their receipt.

Prospects for Higher Prices a Disconcerting Factor in the Farm Implement Trade; Manufacturers Plan Small Schedules; Dairy States Best Market

In practically all divisions of the farm implement industry conditions are reported to be about the same as they were a month ago. The prospect for higher implement prices is still a disconcerting factor in the implement trade even though conditions influencing the buying power of the farmers are showing improvement. Manufacturers are starting production schedules for next year with conservatism. While the need for new machinery, for replacement especially, is great potentially, the manufacturers are disposed to proceed with comparatively small schedules in the belief that the potential volume will become a reality only when they are able to reduce prices to lower levels. As an illustration, one of the large companies is starting a production schedule only 30 per cent of the pre-war normal. This schedule while somewhat flexible will be increased only as appears necessary by bona fide orders. The quantity production which might obviate a price advance or reduce present prices does not seem to be forthcoming.

The farmer has shown an astonishing ability to do his work with old equipment which he keeps going by buying repairs, and possibly by taking better care of his implements than he formerly did.

The attitude of the manufacturers is quite generally reflected throughout the retail trade, according to the *Chilton Tractor Journal*. Dealers generally cognizant of a great latent demand are not pushing sales aggress-

During the fall of 1920 the retailers suffered some losses on account of declines. Through 1921 and 1922 they were not very enthusiastic about buying futures, but this year with the general improvement in business conditions sales of goods for future delivery were exceptionally heavy.

sively either in the belief that farmers are not able to buy or that selling costs may be increased. The element of sales ability, however, is quite prominent in the retail trade. From localities governed by the same general conditions, widely divergent reports are received. Dealers who are making an aggressive selling effort are getting the business.

Business conditions are quite spotted, the dairy states as usual furnishing the best market for farm equipment. From New York and Pennsylvania westward to the states bordering on both sides of the Mississippi River and north of the Ohio River conditions are quite favorable to a healthy volume of trade. The wheat states are less promising for new business. Conditions are also good in the cotton states but cotton raising, despite the negro exodus toward industrial centers, is carried on with considerable cheap hand labor and not a great deal of modern farm machinery is used.

An implement manufacturer who has just returned from a trip through Kentucky and Tennessee tells us that he found conditions in those states decidedly favorable.

While the buying power of the agricultural community is showing improvement from month to month, the fact remains that farm machinery, one of the most indispensable factors in agriculture, is not sharing in the general betterment.

Coal Prices Lower; Soft Coal Production Declines; Stocks Continue to Grow

Coal prices are showing a tendency to weaken. Owing to the surplus which is being mined in excess of actual consumption requirements many companies have placed coal on the market at unusually low prices.

The prompt settlement of the anthracite strike upset the plans of many bituminous operators many of whom speeded up production in the belief that the people would be compelled to burn soft coal. They figured it would be much better for them to continue the operation of their mines even at a loss in order to be in a position to take advantage of the shortage which would result from the anthracite strike. This expectation did not materialize and as a result mines in different parts of the country are closing down.

Another feature of the situation is that the closing down of pig iron furnaces and the lower mill operations have curtailed consumption of both coal and coke. In addition to this the unsettled market, the evidence of potential production in excess of actual requirements and the present heavy stocks are causing large users of coal to hesitate in making contracts for the coming year.

A recent report of the Geological Survey states that the first week of October was marked by a sharp decline in the production of soft coal. The total output, including mine fuel, local sales, and coal coked at the mines, was estimated at 10,782,000 net tons, a decrease as compared with the previous week of 565,000 tons or 5 per cent. Bituminous production for the month of September totaled 46,175,000 tons as against 48,864,000 tons in August.

Due to the strike, anthracite production in September totaled only 2,910,000 tons as against 8,868,000 tons in August.

During August stocks of soft coal continued to increase and on September 1 they amounted to approximately 56,000,000 net tons. The passing of August, 1923, brought to a close a year of practically uninterrupted accumulation of stocks, and the stock-taking as of September 1 revealed many interesting and important facts. Stocks on that date were 4,000,000 tons larger than on August 1, 1923; 7,500,000 tons larger than on November 1, 1923; and nearly 300 per cent larger than on September 1, 1922.

Debits to Individual Accounts

	Week Ending	Week Ending	Increase or Decrease		Week Ending	Increase or Decrease	
	Oct. 17, 1923 (324 Banks)	Sept. 19, 1923 (321 Banks)	Amount	Per Cent	Oct. 18, 1922 (323 Banks)	Amount	Per Cent
Akron	\$15,702,000	\$15,426,000	\$ 276,000	1.8	\$12,814,000	\$2,888,000	22.5
Butler, Pa.	3,082,000	2,938,000	144,000	4.9	2,431,000	651,000	26.8
Canton	9,956,000	10,139,000	-183,000	-1.8	9,905,000	51,000	0.5
Cincinnati	75,206,000	79,510,000	- 4,304,000	-5.4	74,069,000	1,137,000	1.5
Cleveland	150,283,000	167,567,000	-17,284,000	-10.3	164,624,000	- 14,341,000	- 8.7
Columbus	32,575,000	41,032,000	- 8,457,000	-20.6	34,935,000	- 2,360,000	- 6.8
Connellsville	1,334,000	1,291,000	43,000	3.3	1,518,000	- 184,000	-12.1
Dayton	16,220,000	16,532,000	- 312,000	- 1.9	15,632,000	588,000	3.8
Erie	7,940,000	8,235,000	- 295,000	- 3.6	7,003,000	937,000	13.4
Greensburg	5,814,000	4,988,000	826,000	16.6	6,030,000	- 216,000	- 3.6
Homestead	979,000	869,000	110,000	12.7	717,000	262,000	36.5
Lexington, Ky.	4,520,000	4,203,000	317,000	7.5	4,555,000	- 35,000	- 0.8
Lima	4,218,000	4,064,000	154,000	3.8	3,218,000	1,000,000	31.1
Lorain	1,712,000	2,539,000	- 827,000	-32.6	1,551,000	161,000	10.4
Middletown*	2,050,000	2,253,000	- 203,000	- 9.0	.....	.....	.....
New Brighton	2,775,000	2,821,000	- 46,000	- 1.6	2,284,000	491,000	21.5
Oil City	3,035,000	2,731,000	304,000	11.1	3,446,000	- 411,000	-11.9
Pittsburgh	181,641,000	174,623,000	7,018,000	4.0	167,787,000	13,854,000	8.3
Springfield	4,807,000	4,781,000	26,000	0.5	5,764,000	- 957,000	-16.6
Toledo	40,933,000	40,920,000	13,000	0.03	37,700,000	3,233,000	8.6
Warren, Ohio	3,310,000	3,314,000	- 4,000	- 0.1	3,284,000	26,000	0.8
Wheeling	10,010,000	9,806,000	204,000	2.1	11,377,000	- 1,367,000	-12.0
Youngstown	13,740,000	11,076,000	2,664,000	24.1	15,131,000	- 1,391,000	- 9.2
Zanesville	2,799,000	3,037,000	- 238,000	- 7.8	3,146,000	- 347,000	-11.0
Total	\$594,641,000	\$614,695,000	-\$20,054,000	-3.3	\$588,921,000	\$ 3,670,000	0.6

*Debits for corresponding period 1922, not available.

Movement of Livestock at Principal Centers in Fourth Federal Reserve District for Month of September, 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	11,299	12,401	76,307	99,955	35,617	53,072	10,709	11,307	1,598	1,851
Columbus	93	70	3,415	5,011	66	257	51	168	5	10
Dayton	2,289	2,245	11,502	9,897	761	747	768	740	.....	.....
Fostoria	604	1,033	5,287	6,926	2,517	2,899	369	361	19	40
Marion	55	45	4,581	5,539	740	708	182	142	.....	.....
Pittsburgh	38,881	58,212	225,076	296,906	87,812	123,246	42,438	39,392	4,429	6,576
Springfield	754	415	3,521	4,916	714	1,216	181	205	.....	.....
Toledo	2,269	1,039	8,312	9,307	483	1,516	495	345	.....	126
Wheeling	554	520	1,360	1,003	584	590	1,784	852	16	5
	Purchases for Local Slaughter									
Cincinnati	15,052	13,567	61,986	48,516	9,872	12,570	6,151	5,438	.....	.....
Cleveland	9,576	11,447	60,140	61,794	18,505	23,023	10,497	10,909	.....	.....
Columbus	66	68	155	66	66	227	28	29	.....	.....
Fostoria	72	18	877	285	5	10	77	42	.....	.....
Marion	29	45	2,478	2,251	3	30	118	118	.....	.....
Pittsburgh	6,274	6,507	40,135	35,296	10,282	12,285	6,967	6,710	.....	.....
Springfield	343	225	398	400	48	399	29	66	.....	.....
Toledo	1,089	.....	2,256	.....	451	.....	410	.....	.....	.....

Wholesale Trade

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

	Dry Goods	Hardware	Drugs	Groceries
Net Sales (selling price) during September, 1923, compared with August, 1923.....	-4.2	0.7	-0.7	7.0
Net Sales (selling price) during September, 1923, compared with September, 1922.....	8.7	7.8	9.2	9.0

Comparative Statement of Selected Member Banks in Fourth District

	Oct. 10, 1923 (81 Banks)	Sept. 12, 1923 (81 Banks)	Increase	Decrease
Loans and Discounts secured by U. S. Government obligations.....	\$27,965,000	\$ 30,342,000	\$.....	\$2,377,000
Loans and Discounts secured by other stocks and bonds.....	413,995,000	399,182,000	14,813,000	.....
Loans and Discounts, all other.....	695,575,000	696,592,000	.....	1,017,000
U. S. Pre-War Bonds.....	47,896,000	47,829,000	67,000	.....
U. S. Liberty Bonds.....	117,489,000	116,604,000	885,000	.....
U. S. Treasury Bonds.....	4,707,000	4,913,000	.....	206,000
U. S. Treasury Notes.....	59,311,000	56,825,000	2,486,000	.....
U. S. Certificates of Indebtedness.....	9,318,000	6,871,000	2,447,000	.....
Other Bonds, Stocks and Securities.....	296,634,000	298,257,000	.....	1,623,000
Total Loans, Discounts, and Investments.....	1,672,890,000	1,657,415,000	15,475,000	.....
Reserve with Federal Reserve Bank.....	106,991,000	111,273,000	.....	4,282,000
Cash in Vault.....	32,050,000	33,267,000	.....	1,217,000
Net Demand Deposits.....	915,618,000	919,827,000	.....	4,209,000
Time Deposits.....	596,177,000	595,334,000	843,000	.....
Government Deposits.....	20,590,000	5,588,000	15,002,000	.....
Total Resources on date of this report.....	2,097,442,000	2,104,176,000	.....	6,734,000

Building Operations for Month of September, 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.....	271	208	58	67	\$ 874,974	\$ 543,785	\$ 28,985	\$ 374,816	\$- 14,642	- 1.6
Canton.....	231	147	70	61	489,389	342,506	82,665	52,575	176,973	44.8
Cincinnati...	368	380	229	235	1,411,220	2,400,510	226,215	228,540	- 991,615	-37.7
Cleveland*..	726	700	1,208	840	5,744,601	9,065,727	706,965	492,515	-3,106,676	-32.5
Columbus...	509	371	132	106	1,782,530	1,510,765	230,370	194,435	307,700	18.0
Dayton.....	220	218	129	88	377,255	1,556,166	205,324	162,548	-1,136,135	-66.1
Erie.....	115	112	35	39	338,722	1,131,019	50,530	78,321	- 820,088	-67.8
Lexington...	45	59	48	40	87,165	156,040	18,742	10,715	- 60,848	-36.5
Pittsburgh..	372	438	119	104	1,549,926	5,405,350	264,457	194,412	-3,785,379	-67.6
Springfield..	93	65	21	22	140,090	118,035	15,800	7,645	30,210	24.0
Toledo.....	415	268	207	165	963,423	750,047	249,289	146,435	316,230	35.3
Wheeling....	92	78	40	28	215,894	156,615	35,326	21,485	73,120	41.1
Youngstown..	173	133	41	25	443,125	352,895	18,725	17,945	91,010	24.5
Total.....	3,630	3,177	2,337	1,820	\$14,418,314	\$23,489,460	\$2,133,393	\$1,982,387	\$-8,920,140	-35.0

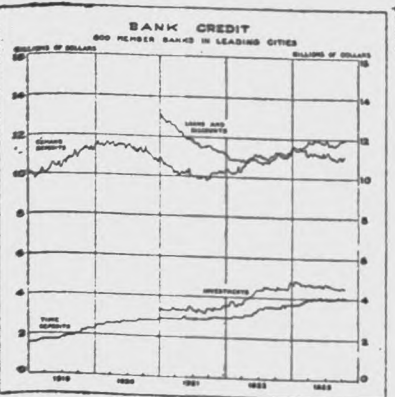
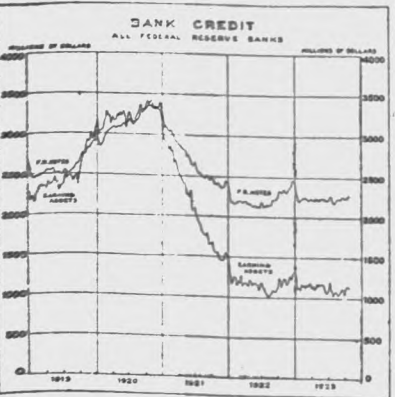
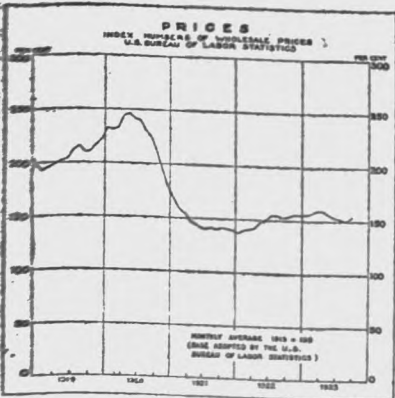
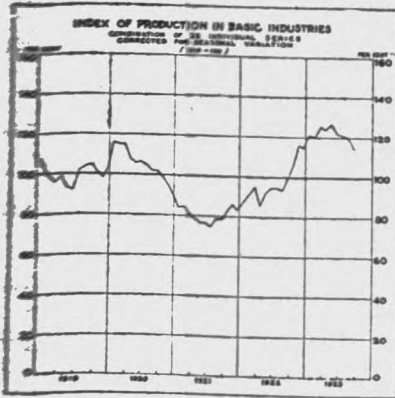
*Includes figures for East Cleveland, Lakewood, Cleveland Heights, and Shaker Heights.

Department Store Sales

	(1) Percentage of Increase or Decrease				(2) Percentage of Increase or Decrease		(3) Percentage of average stocks at end of each month from July 1 to September 30 to average monthly sales over same period	(4) Percentage of outstanding orders at end of September, 1923, to total purchases during calendar year 1922
	Comparison of net sales with those of corresponding period last year		Stocks at end of month compared with		A September 1922	B August 1923		
	No. of Reports	A September	B July 1 to Sept. 30	A September 1922					B August 1923
Akron.....	4	2.6	5.8	6.8	7.8	464.7	8.9	
Canton.....	3	9.3	14.0	6.4	8.3	737.1	.....
Cincinnati...	9	10.9	16.8	16.7	11.9	528.5	10.1	
Cleveland....	5	10.2	13.8	20.4	13.2	388.5	10.1	
Columbus....	6	11.0	17.8	19.1	11.2	474.1	11.1	
Dayton.....	3	7.1	10.8	14.3	7.0	457.0	12.3	
Pittsburgh..	7	14.2	17.2	16.2	9.2	411.9	10.2	
Toledo.....	4	10.6	13.4	19.2	5.5	416.2	10.8	
Youngstown..	3	19.1	27.7	24.3	11.0	293.2	17.9	
District.....	46*	11.6	15.5	17.2	10.2	429.9	10.6	
U. S. Average.		5.8	9.3	13.2	8.2	454.3	9.8	

*Includes two reports from other cities.

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



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

PRODUCTION

Production in basic industries, according to the Federal Reserve Board's index, declined 5 per cent during September, and was 10 per cent below the peak output of May. The principal factors in this decline were the suspension of anthracite coal mining for over two weeks and a substantial reduction in the production of iron and steel. Cement production and sugar meltings were larger than in August. The decline in the production index, which is corrected for seasonal variations and reflects chiefly changes in the output of raw and semi-finished products, was not accompanied by a reduction of employment at industrial establishments. New building construction showed about the usual seasonal decline in September, due to a curtailment in contracts for residences. Contract awards for business and industrial buildings, however, were larger than in August.

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

TRADE

Distribution of all classes of commodities by railroads continued at a high rate throughout September. Wholesale trade, according to the Federal Reserve Board's index, in September reached the largest total in three years and was 9 per cent larger than a year ago. Sales of meat, hardware, and drugs were considerably larger than in last September, while shoe sales were smaller. Retail trade was slightly larger in September, but the increase was much less than is usual at this season of the year. Department store sales were 6 per cent more than in September, 1922, and stocks at the end of the month were 13 per cent larger than a year ago.

PRICES

Wholesale prices increased over 2 per cent during September, according to the index of the Bureau of Labor Statistics, particularly large increases occurring in the prices of clothing, farm products, and foods. Fuel prices, on the other hand, declined in September for the eighth successive month, and prices of building materials and metals were also lower. During the first three weeks of October, prices of certain farm products continued to advance, wheat and cotton reaching the highest points of the current year, while prices of hogs, coal, and metals declined.

BANK CREDIT

Demand for bank credit showed a seasonal increase in September and the early part of October, loans of member banks in leading cities increasing by \$116,000,000 between September 12 and October 10. This increase reflected chiefly the demand for commercial loans, which on the latter date stood at a new high point for the year, almost \$100,000,000 above the total on September 12. Increases in the holdings of government securities by these banks were partly offset by reductions in corporate security holdings.

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

In October money rates showed an easier tendency and after the fifteenth of the month rates for commercial paper in the New York market declined from a range of 5¼-5½ to 5-5¼ per cent.

FOURTH FEDERAL RESERVE DISTRICT

