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“IF YOU ASK A RUBBER MANUFACTURER, A STEEL MANUFACTURER, OR A COAL OPERATOR HOW BUSINESS IS HE IS LIKELY TO REPORT THAT IT IS NOT VERY SATISFACTORY. WHAT HE REALLY MEANS IS THAT HE IS NOT MAKING THE PROFITS HE FEELS HE OUGHT TO MAKE. HE IS STILL EMPLOYING A PRACTICALLY FULL COMPLEMENT OF MEN, HOWEVER, IS NOT REDUCING SALARIES, AND IS DOING A LARGE VOLUME OF BUSINESS. THIS IS TRUE OF MANY LINES OTHER THAN THOSE MENTIONED, AND THE MONEY THAT THE WELL EMPLOYED ARE SPENDING INDICATES THAT BUSINESS IN THE UNITED STATES, TAKEN AS A WHOLE, IS GOOD.”—*EDITORIAL.*

FEDERAL RESERVE BANK of CLEVELAND

D. C. Wills, Chairman of the Board

(COMPILED NOVEMBER 22, 1923)

An Editorial

UNFILLED order books are showing the thumb marks of careful study. The stories they tell vary somewhat but taking into consideration present seasonal tendencies the final pages for 1923 are not generally disappointing.

Smaller-lot but more frequent purchasing is much in evidence. The principal reason back of this policy may be summed up in two words—*efficient transportation*. Buyers know that they can have goods delivered on comparatively short notice; therefore they put off buying longer than was customary a few years ago. Perhaps more than ever before production is being gauged by forward buying while forward buying, in turn, is measured by consumptive requirements.

With the closer relationship between production, distribution, and consumption, there apparently has arisen a sensitiveness to rumors both good and bad, a sensitiveness which possibly has been overdeveloped.

While production in certain lines has slackened during recent months, business certainly is not at a low point. It was not to be expected that production would hold to the activity of the summer season when newly established records became so common as to cause little surprise. Rather it was anticipated that with the fall and winter months would come a slower and probably more enduring rate of speed. Present conditions justify the wisdom of this farsightedness and at the same time they bear testimony to the underlying strength of industry as a whole, to the stability of our financial system, to the ability of buyers to purchase what they need, and to the consumptive requirements of the country in the face of a minimum purchasing power from Europe.

If you ask a rubber manufacturer, a steel manufacturer, or a coal operator how business is he is likely to report that it is not very satisfactory. What he really means is that he is not making the profits he feels he ought to make. He is still employing a practically full complement of men, however, is not reducing salaries, and is doing a large volume of business. This is true of many lines other than those mentioned, and the money that the well employed are spending indicates that business in the United States, taken as a whole, is good.

Loans to Country Banks Show Upward Trend; Number of Commercial Failures Higher

From October 20 to November 10 loans to city banks in the Fourth District showed a gradual upward trend, reaching a total of \$54,439,000 on the latter date. Following that, however, a downward movement occurred until on November 20 they stood at \$42,787,000, about the same figure as on October 20.

Loans to country banks continue to show an increase. On October 20 they were \$15,563,000 as compared with \$17,386,000 on November 20, a gain for the month of \$1,823,000. The buying of live stock for fattening purposes is an outstanding feature.

Total loans to our member banks on November 20 were \$60,173,000 as compared with \$40,405,000 on the same date a year ago, or an increase of \$19,768,000.

On October 20 the reserve ratio of this bank was 79.5 per cent as compared with 79.9 per cent on November 20. The reserve ratio of the System

on October 20 was 76.6 per cent as against 76.9 per cent on November 20.

Savings deposits continue to gain. Reports from representative banks in the Fourth District for the month of October, 1923, show a gain of 16.4 per cent as compared with the same month last year. As compared with the previous month, October shows a gain of 1.3 per cent.

According to R. G. Dun & Company, commercial failures in the Fourth District for the month of October totaled 137 as against 95 for the previous month, an increase for the month of 42. Liabilities for October totaled \$7,706,539 as compared with \$2,741,378 for September. This is an increase for the month of \$4,965,161 or 181.1 per cent. The average per firm for October was \$56,252 as against \$28,857 for September, an increase of \$27,395 or 94.9 per cent. Comparing October with the same month last year, a drop of 9.3 per cent in the number of failures is shown. In the same comparison the total liabilities are 36.3 per cent greater and the average per firm 50.3 per cent greater.

Prospects in Iron and Steel Industry Favorable but New Tonnage Is Slow; Buying of Pig Iron Principal Feature in Market; Production About 70 to 75 Per Cent of Capacity

Prospects for the future in iron and steel have remained favorable but new tonnage as yet has not come out freely and has remained considerably under the rate of recent production. As a result unfilled orders have continued to shrink and production to taper off, although the latter has been in a very gradual fashion. The volume of new business placed for quick shipment has been considerable as buyers apparently have been disposed to maintain a waiting attitude either in the hope or expectation of lower prices or out of an uncertainty concerning future business conditions. The volume of this quick-shipment business plus the movement of tonnage against old orders remains a favorable index to the extent and sustained character of current consumption.

Apparently the use of steel in the country is going forward at a comparatively high rate and any general and large scale buying by a representative class such as the railroads would doubtless quickly stimulate an active market situation. The railroads are buying right along in a way that matches up very favorably in some lines with other years but their promised program of heavy equipment purchases has been shaping up more slowly than expected. At present the situation looks better in this regard, for definite inquiries for cars and locomotives are now reaching the builders. At Chicago 18,000 cars are actually under inquiry with several times as many

reported to be on the verge of reaching the market. The whole steel market apparently seems to be waiting for the railroads to give the key as to the future, and any appreciable revival seems likely to turn on how extensively they release their equipment purchases.

In other major branches of steel consumption the outlook is satisfactory. New contracts and inquiries for steel in the building line are holding up well especially for this season. The volume of work in prospect is very large. The automobile situation offers encouragement as automobile manufacturers are planning a large schedule of production during the first quarter. Shipbuilding is showing some revival. Merchant pipe demand for building and domestic use keeps up heavily though oil field requirements are depressed. The canning and packing industry is looking forward to a big year and tin plate producers expect 1924 to be greater than 1923 which was record-breaking. Indications point to a large demand for cast iron pipe for next year. The farming implement situation looks better than for several years. With Japan having recently placed about 200,000 tons of orders in this country, the export situation has been good.

The outstanding feature of the iron and steel market at mid-November was the inauguration of the heavy buying movement in pig iron after seven months of sluggish and declining market conditions. Fully 700,000 tons of iron were placed

under contract by buyers for the balance of the year and for the first quarter of next year and the activity is continuing at a high rate. Prices in pig iron have fallen \$9 to \$10 a ton since last April until for many producers they apparently are below cost and the attractiveness of the market now has been generally realized by the buyers. Following the heavy bookings, prices have stiffened and some advance is now foreshadowed. Large buyers have set the pace in this buying movement.

General production in iron and steel at present is around 70 to 75 per cent of capacity. This, however, still represents a scale of tonnage that stands up notably with previous large years. Steel ingot capacity in October was at the calculated annual rate of 40,735,000 tons. The high record of ingots for a full year for the country was 43,600,000 tons in 1917. The decline in the October rate of ingot production from August was but 0.93 per cent. Pig iron production in October as com-

pared by *Iron Trade Review* was at the average daily rate of 101,685 tons compared with 103,917 tons in September, a decline of 2.1 per cent. Production in October was at the annual rate of 37,115,000 tons compared with the high record for a full year of about 39,000,000 tons in 1916.

Steel prices have shown some tendency toward softness but this has not been pronounced except in a few lines. The larger producers have been maintaining their schedules and in the major lines at least the market has been surprisingly steady. Whether the leading producers in an effort to revive buying and bring users out of their present waiting mood, will eventually make a general reduction of prices, is an open question. *Iron Trade Review's* composite of fourteen leading iron and steel products for the week of November 22 fell to \$42.63 against \$43.70 one month previously. Most of this decline has been accounted for by the fall in pig iron.

Crude Oil Situation Shows Little Change; Refined Products Market Very Unsettled

Another round of crude oil price reductions has occurred since our last report including the Mid-Continent, Rocky Mountain, and Central States fields. According to *National Petroleum News* this further reduction has brought about the most unsettled condition in the refined product market of recent years.

An encouraging factor in the situation is the slight but continued decrease in the daily output

in the California and Oklahoma districts. In addition to this, consumption which has shown a marked upward trend has reached a very high point and those who have studied the situation carefully see in the greater use a champion which will eventually do away with the evils of overproduction.

The demand for kerosene has shown a noticeable increase due largely to fall and early winter consumption.

Automotive Production and Sales Hold to Good Level; Truck Business Increases Slightly; Department of Commerce Report

An increase in production featured October activities in the automotive industry, due largely to the fact that there were several additional working days during that month. Passenger car output in particular showed a marked advance, reaching a total of 334,966 cars or a gain of more than 36,000 cars over the previous month. While manufacturers do not expect the closing weeks of the year to hold to the high rate of production which was established during the summer and fall, no more than the customary slowing down in either sales or plant operations is antici-

pated. At present plans are being made relative to the annual inventory taking. Sales are holding to an unusually good level, particularly in the closed type of car. Export business with those countries south of the equator is showing an upward trend.

The truck division of the industry is reported to be showing slightly increased activity. At present the inquiries for new motor trucks are quite heavy but many of the prospective buyers are putting off actual purchasing until after January 1.

Automobile Production

The Department of Commerce announces October production of automobiles, based on figures received from 186 manufacturers, 96 making passenger cars and 119 making trucks (29 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			Trucks		
	1921	1922	1923	1921	1922	1923
January	43,086	*81,696	223,819	4,831	*9,576	*19,720
February	68,088	109,171	*254,773	7,830	*13,350	*22,161
March	130,263	*152,962	*319,770	13,328	*20,022	*35,260
April	176,439	*197,224	344,639	18,070	*22,640	*38,056
May	177,438	*232,462	*350,410	18,070	*24,097	*43,678
June	150,263	263,053	*337,362	14,328	*26,298	*41,145
July	*165,616	*225,086	297,330	*11,136	*22,046	*30,663
August	*167,756	*249,492	*314,373	*13,400	*24,692	*30,829
September	144,670	*187,694	*298,911	*13,978	*19,462	*28,632
October	*134,774	*217,566	334,966	*13,149	*21,795	30,141
November	106,081	*215,352	.....	*10,487	*21,949	.....
December	*70,727	*208,010	.....	*8,656	*20,354	.....

*Revised.

Boot and Shoe Production Gains in October

Final figures on boot and shoe production in the Fourth District for the month of September show a decrease of 25.8 per cent as compared with the preceding month. For the country as a whole production figures received by the United States Bureau of the Census show that the total September output was 8.5 per cent less than that of August.

Preliminary figures on October production in

this District, however, show a gain of 4.9 per cent as compared with September. In a similar comparison for the United States the output gained 12 per cent in October as compared with September.

Immediate business in the retail trade, as a rule, is reported to be fairly satisfactory, but there is considerable hesitation in placing future orders, due largely to the uncertainty relative to styles.

Manufactured Goods Principal Feature of Present Heavy Traffic; Equipment in Good Shape to Meet Winter Traffic Demands; Earnings Slightly Less Than Last Month

The movement of revenue, freight continued heavy during the past month with loadings running well over 1,000,000 cars a week, but at no time was the high peak of September 29 reached. In the week ending October 27 the carriers handled 1,073,965 cars, as compared with 1,072,881 cars for the week of October 20. The record for the week ending September 29 was 1,097,274 cars. So far this year there have been 19 weeks which have shown loadings of over 1,000,000 cars.

During the month there was a further decrease in the number of surplus cars while car shortages remained about the same.

Shipments of forest products have shown a pleasing recovery while the movement of manufactured goods continues to be the outstanding feature.

The winter season naturally slows down traffic movement somewhat and as a result more cars are required. In view of the present efficiency of the carriers, however, and also taking into considera-

tion the fact that a seasonal decline in shipments is customary at this time of year, railroad authorities quite generally believe that no severe shortage will be experienced.

From January 1 to October 1 the railroads placed in service 134,636 new freight cars and 2,963 locomotives. The Department of Commerce announces that shipments of locomotives from manufacturers in October totaled 310 as against 335 in September and 145 in October, 1922. Unfilled orders at the end of October amounted to 977 locomotives as compared with 1,178 for the previous month and 1,538 for October a year ago.

Railroad freight earnings during September were at a somewhat lower rate than in August, the country as a whole showing 4.46 per cent. August earnings were 4.94 per cent. During the first nine months of the year the Great Lakes district roads earned an average of 5.8 per cent and that Ohio-Indiana-Allegheny district roads 5.35 per cent.

Building Curve Turns Upward; "Off Season" Building Considered Good Sign; Permits Gain Over Last Year

The curve of building operations took an upward turn in October as compared with the decided

downward tendency during the previous two months. While the edge may be off the demand

for construction work in some places, building permit records show that much new work is being carried on. It appears to be the general belief of contractors and architects that a considerable amount of activity is in sight.

This tendency of revival in building activity as winter approaches is regarded as a good sign by those who constantly observe the trend of the industry. It seems to indicate that there will be a large amount of construction going forward during the time designated as the "off season" for building. This may be attributed in part to the campaign being conducted by the Government aided by such organizations as the Builders Exchange, recommending that work be done in the construction of buildings through the winter season so as to avoid the big rush in the spring when the demand for both men and materials naturally is at its height.

Transportation facilities for moving building materials are good, funds are obtainable for legit-

imate construction, the supply of labor is more in harmony with the demand than was the case six months ago and while high building costs are still an important factor in holding up construction work, building apparently goes on in spite of existing high costs. Taking the above facts into consideration those in close touch with the industry believe that the immediate future is brighter in outlook than it was in August and September.

In Cleveland proper the valuation of building permits in October this year was \$5,733,300 as compared with \$2,928,875 for October, 1922. With the returns for November and December yet to be received the total valuation of permits issued in the Fifth City of the country aggregates \$51,500,000 this year in comparison with \$47,000,000 for the period to November 1, 1922.

A similar surplus exists in the valuation of permits for the suburban communities adjacent to the city proper, the valuation for 1923 to November 1 being \$30,679,000 in comparison with \$27,635,000 for the ten-month period in 1922.

Portland Cement Production Sets New Record in October; Increased Efficiency of Railroads Material Aid

Production of portland cement in October was the largest for any month this year and incidentally broke all records for a single month. A report of the United States Geological Survey just issued places the total production for the month at 13,350,000 barrels compared with 13,100,000 in September and less than 12,300,000 a year ago. For the ten months ending October 31, over 114,000,000 barrels were produced exceeding last year's record output for the same period by 20,000,000 barrels or 22 per cent.

Shipments from the mills in October were 14,285,000 barrels, an increase of about 11 per cent over October, 1922. Shipments for the ten months were close to 119,000,000 barrels or more

than was shipped during the entire banner year of 1922.

Stocks of cement in manufacturers' hands at the end of October were about 4,600,000 barrels or 450,000 barrels more than a year ago. Consideration of the facts that stocks of cement at the beginning of the year were very much lower than at the beginning of 1922, and that the ten months' shipments have been 17,000,000 barrels greater than last year indicates how successfully the industry has coped with the heavy demand. The greatly increased efficiency of the transportation systems has helped materially in making this record possible and recent increases in productive capacity have given the industry a substantially greater output.

Lumber Buyers Manifest Cautious Attitude; Trend of Prices Downward; Furniture Manufacturers Anticipate Heavier Demand

The lumber industry experienced a slight flurry during the early part of October but the increased buying activity was of short duration. At the present writing the mills are not getting orders enough to cover production and are gradually curtailing their output. November and December naturally are slack since much of the outdoor construction work is completed by that time, and buying therefore becomes a hand-to-mouth affair for the winter months.

The trend of prices during the last month has been downward. In the average fall season there is no slowing down of the lumber business until

after the first of December, and this leads to the maintenance of high prices. The fall season this year, however, opened with a cautious attitude on the part of the buyers and they have naturally followed the policy of buying for current requirements only. As these requirements grow less with the advent of winter, prices have softened gradually.

The industry in general anticipates a good volume of business for next year. Furniture manufacturers are increasing their stocks in anticipation of a bigger demand for house furnishings. The automobile industry is calling for closed models and this is expected to increase the demand for hardwood

Brick Trade Optimistic; Paving Brick Shipments Continue Heavy

The brick industry is showing healthy activity. According to the Common Brick Manufacturers Association this industry at present is more substantial than at any previous time in the past ten years and is gradually working toward an even firmer basis.

Winter construction is bringing in a considerable volume of business. As a result of this and in view of the status of the industry as a whole, many manufacturers are reported to be planning an extension of their product. There is also a marked trend toward consolidation and centralization of production.

That the paving season, because of a wet spring generally and a late start, is running later in the

fall this year than is customary, is indicated by the continued heavy shipments of vitrified paving brick as reported by the National Paving Brick Manufacturers Association. Shipments for the month of October were 34,287,000 as against 34,761,000 for September. The total number of brick manufactured was 34,317,000 for October and 34,457,000 for September. Stock on hand was reported at 76,613,000 for October as against 86,530,000 for September.

Ohio led all other states in the purchase of paving brick, buying 6,763,000 for city streets and 4,950,000 for country highways. Illinois, Minnesota, and Pennsylvania followed closely in the order named.

Burley Tobacco Growers Look Forward to Opening of Selling Season; November Crop Estimate Shows Reduction

The tobacco growers in the Burley section are looking forward to the opening of the sale season for the 1923 crop. It is expected that the independent loose leaf warehouses will start the season about the first week in December, and that the Burley Tobacco Growers' Co-operative Association will begin to receive tobacco from its members soon thereafter.

The November crop report for Kentucky estimates a production in Kentucky of 476,280,000 pounds of tobacco of all types. The October estimate was 507,125,000 pounds, while the production of all types in 1922 was 446,250,000 pounds. These

totals include both the dark types in western Kentucky and Burley since separate estimates are not made. The report indicates that the quality this year is 83 per cent as compared to 88 per cent in 1922. It also indicates that the acreage of both Burley and the dark types was increased in 1923 but that the yield per acre for the state as a whole is less this year.

The report of the Bureau of the Census on stocks of tobacco indicates that 342,884,760 pounds of Burley were in the hands of dealers and manufacturers on October 1, 1923, as compared with holdings of 280,856,317 pounds on October 1 of last year.

Holiday Buying Active in Wholesale Grocery Lines; Heavy Consumption Anticipated

Holiday buying is showing increased activity in the wholesale grocery trade. Present indications point to a healthy demand for items such as dried fruits, nuts, and new canned goods which are always popular at this season of the year.

From a production standpoint the past canning season is quite generally considered to have been satisfactory. Both producers and wholesale gro-

cers refer to the quality of the goods and also to the comparatively small number of unemployed throughout the country as being good reasons for anticipating a heavy consumption. The markets are reported to be active. Future prices on peas have been named by a number of interests and increasing business has resulted. This early naming of prices is pointed out as an index of the present strong position of the market.

Farm Implement Men Decide to Tell the Public More About Their Product; Immediate Activity Seasonably Quiet

The farm implement industry has had three discouraging years, years which have engaged not more than 40 per cent of its productive capacity. It has accepted this as an inevitable result of what was believed to be a lack of buying power on the part of the farmer.

But during the last few months it has been

studying facts with a view to finding the weakness in this important link of the country's chain of progress. It has found that the mail order houses whose principle business is with farmers have built up the largest volume in their history. It has learned that farmers in many sections of the country have been reducing their indebtedness to

banks. In short, while the farmers have more money and are in the market for goods, implement men are not sharing in the buying movement to any great extent.

"Why isn't the implement industry getting its share of the farmer's business? What can be done to induce farmers to buy the machinery which is the actual foundation of their business?"

These questions were uppermost in the discussions at the annual convention of the National Association of Farm Equipment Manufacturers held in Cleveland a short time ago. Their solution was aided by the president of a large automobile company who told the implement manufacturers that one reason why automobile manufacturers were able to sell to the farmers while the implement makers had little success was because the automobile manufacturers had spent \$60,000,000 in advertising in 1922 while during the same year the implement industry had spent but \$825,000.

A meeting of the national implement dealers organization was held at Chicago recently. At that meeting it was stated that dealers are handicapped in selling because the farmers do not fully appreciate what improved implements mean to them in the way of reduced production costs and labor saving, and that they are thinking principally of the prices they have to pay for machinery. More publicity was urged at the meeting; not publicity of the competitive type but general publicity regarding the industry and its products and their meaning to the farmer. These messages together with the serious thought which was given to the subject by other manufacturers resulted in a decision to advertise the industry to the public in an institutional way. The necessary machinery for such work was authorized to be set up at their headquarters in Chicago.

Paper Production Holds Up Fairly Well; Holiday Buying Brings Better Business to Box Board Makers

During the past month there have been no particular developments in the pulp and paper industry. While production has been holding up fairly well the tonnage has not been sufficient to keep the mills fully occupied and as a result some reductions in price have taken place. Writing paper has been fairly firm in price but the merchants are delaying their orders in an effort to reduce stocks on hand. Consequently the mills are operating at less than full capacity, which is unusual at this time of year.

Apparently the developments of the past month have been meeting previous anticipations in most respects, namely a fair volume of business but

Both dealers and manufacturers in their respective conventions devoted considerable time to discussing the cost of goods. It was the general belief, according to the *Chilton Tractor & Implement Journal*, that manufacturing costs cannot be materially reduced, but there was a feeling that the costs of selling, which approximate the cost of manufacturing, might be lowered.

Immediate activity is seasonably quiet. The demand for lines sold at this time of year such as feed mills, corn shellers, manure spreaders, and dairy equipment is slightly ahead of last year. Advances which range from 5 to 10 per cent and which probably average about 7 per cent have been announced by most companies for 1924 goods. This is resulting in conservative buying on the part of the dealers who are not disposed to contract for more than apparent requirements and who are making a close comparison of prices.

Naturally this is backing up on the manufacturers and is holding up manufacturing schedules. While it is conservatively estimated on the basis of pre-war purchases that the farmers are a billion dollars short in their purchases of farm machinery since 1920, it is not evident that the business of 1924 will be greatly in excess of 1923. The industry, however, is generally hopeful and in a measure confident that general conditions between now and the opening of spring work will accelerate buying.

The Department of Commerce has recently issued its report on implement production for 1922, showing a production for that year valued at \$209,640,000 or 36.1 per cent less than that for 1921. This is far below the high mark of \$536,945,000 which was reached in 1920. Production for 1923 is generally considered about 25 per cent greater than for 1922, although the figures will not be known until late in 1924.

below normal, with a price situation somewhat weak. With the approach of the inventory taking period a further decline in the volume of orders is expected.

There exists today in the book paper business a considerable surplus of production capacity as compared with an absolutely normal consumption, and no doubt this is largely responsible for the present price situation. However there have been price reductions in raw materials to an extent sufficient to at least partially counteract the lower prices for the finished product.

The paper box board trade is reported to be in a fairly satisfactory condition at present. Shipments for the holidays are going forward in fair

volume while frequent requests for quick **delivery** indicate that consumption has been well **maintained**. Stocks are generally reported to be

low. The demand at present covers practically all grades and sizes, with fancy boxes for display and containers for stores and factories moving freely.

Colder Weather Provides Incentive to Heavier Coal Buying; October Anthracite Production About Three Times That of September

As usual colder weather has strengthened the demand for soft coal. Consequently a larger coal business is being transacted, a considerable part of which is being moved on a contract basis, at fair prices. In the case of new business which does not carry with it the guarantee of future shipments, prices are much lower. Companies doing a stabilized business, however, appear to be showing good returns.

The course of stocks since September 1 is not accurately known but the available information indicates that production has exceeded consumption and that reserves have increased. Production, therefore, has not yet been affected to any great extent. The total output of soft coal in October is now estimated at 49,171,000 tons, an increase over September of 2,955,000 tons or 6 per cent. During both the first and second weeks in November, however, the total weekly output was below the average weekly output of 10,800,000 tons for the four weeks in October, and preliminary reports for the week ending November 17 indicate that total production for that week will not be much over 10,000,000 tons.

The average daily production during the past six weeks has hovered around the 1,800,000-ton

mark which is slightly below that of 1922. At no time, however, has the rate this year dropped below 1,600,000 tons per day. Production during the first 266 working days of 1923 was approximately 478,000,000 tons, which places 1923 far ahead of the recent years of depression and only 32,000,000 tons behind the record year, 1918.

Final returns on the production of anthracite coal in October indicate that 8,724,000 tons were produced. This was about three times the output in September when production was greatly reduced by the strike of the anthracite miners, and was but 144,000 tons less than August. Production for the week ending November 10 is estimated at 1,967,000 tons which represents a decrease of 102,000 tons when compared with the most recent full-time week, that ending October 27.

A summary of the data received by the Geological Survey up to October 15 shows a total of approximately 666,000,000 tons of coal produced during the first half of 1923. This is an increase of about 79,400,000 tons or 13.3 per cent over the corresponding period last year. The most notable increases in production were in the United States, United Kingdom, and Poland, the proportion contributed by the United States being 44 per cent of the total.

Debits to Individual Accounts

	Week Ending Nov. 14, 1923 (324 Banks)	Week Ending Oct. 17, 1923 (324 Banks)	Increase or Decrease Amount Per Cent		Week Ending Nov. 15, 1922 (323 Banks)	Increase or Decrease Amount Per Cent	
Akron.....	\$ 15,375,000	\$ 15,702,000	\$-	327,000 - 2.1	\$ 14,287,000	\$ 1,088,000	7.6
Butler, Pa.....	3,739,000	3,082,000	657,000	21.3	2,533,000	1,206,000	47.6
Canton.....	9,563,000	9,956,000	- 393,000	- 3.9	8,928,000	635,000	7.1
Cincinnati.....	69,049,000	75,206,000	- 6,157,000	- 8.2	69,696,000	- 647,000	- 0.9
Cleveland.....	148,777,000	150,283,000	- 1,506,000	- 1.0	139,114,000	9,663,000	6.9
Columbus.....	31,000,000	32,575,000	- 1,575,000	- 4.8	31,939,000	- 939,000	- 2.9
Connellsville.....	1,222,000	1,334,000	- 112,000	- 8.4	1,565,000	- 343,000	-21.9
Dayton.....	14,843,000	16,220,000	- 1,377,000	- 8.5	13,800,000	1,043,000	7.6
Erie.....	7,543,000	7,940,000	- 397,000	- 5.0	7,260,000	283,000	3.9
Greensburg.....	4,172,000	5,814,000	- 1,642,000	-28.2	4,179,000	- 7,000	- 0.2
Homestead.....	875,000	979,000	- 104,000	-10.6	711,000	164,000	23.1
Lexington, Ky.....	4,180,000	4,520,000	- 340,000	- 7.5	7,401,000	- 3,221,000	-43.5
Lima.....	3,729,000	4,218,000	- 489,000	-11.6	4,016,000	- 287,000	- 7.1
Lorain.....	1,600,000	1,712,000	- 112,000	- 6.5	1,568,000	32,000	2.0
Middletown*.....	1,856,000	2,050,000	- 194,000	- 9.5	.....	.....	.....
New Brighton.....	2,717,000	2,775,000	- 58,000	- 2.1	2,582,000	135,000	5.2
Oil City.....	2,988,000	3,035,000	- 47,000	- 1.5	3,365,000	- 377,000	-11.2
Pittsburgh.....	176,342,000	181,641,000	- 5,299,000	- 2.9	178,053,000	- 1,711,000	- 1.0
Springfield.....	4,897,000	4,807,000	90,000	1.9	4,897,000	.....	.....
Toledo.....	42,276,000	40,933,000	1,343,000	3.3	49,706,000	- 7,430,000	-14.9
Warren, Ohio.....	3,174,000	3,310,000	- 136,000	- 4.1	3,024,000	150,000	5.0
Wheeling.....	10,276,000	10,010,000	266,000	2.7	10,048,000	228,000	2.3
Youngstown.....	14,782,000	13,740,000	1,042,000	7.6	12,972,000	1,810,000	14.0
Zanesville.....	2,824,000	2,799,000	25,000	0.9	2,975,000	- 151,000	- 5.1
Total.....	\$577,799,000	\$594,641,000	\$-16,842,000	- 2.8	\$574,619,000	\$ 1,324,000	0.2

*Debits for corresponding period 1922 not available.

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

	Cattle		Hogs		Sheep		Calves		Cars Unloaded		
	1923	1922	1923	1922	1923	1922	1923	1922	1923	1922	
Cincinnati.....	37,084	38,160	155,251	127,747	19,719	16,420	11,767	11,655	2,555	2,399	
Cleveland.....	12,773	13,536	96,044	91,713	33,921	43,970	10,060	11,020	1,756	1,870	
Columbus.....	30	82	7,246	5,165	46	425	108	216	10	10	
Dayton.....	2,820	2,942	17,491	11,512	682	1,238	839	766	.....	.....
Fostoria.....	1,105	2,493	12,812	9,556	1,995	2,989	453	426	35	88	
Marion.....	64	192	9,940	9,211	1,256	1,022	204	147	.....	.....
Pittsburgh.....	46,296	50,991	263,401	310,721	74,643	87,205	37,991	36,273	5,239	5,686	
Springfield.....	334	625	7,988	6,417	1,628	600	245	194	.....	.....
Toledo.....	1,279	1,679	11,235	13,158	1,305	1,902	671	639	133	184	
Wheeling.....	1,053	469	2,945	1,699	794	338	1,862	1,008	38	17	
			Purchases for Local Slaughter								
Cincinnati.....	18,019	15,942	69,793	48,561	7,460	8,742	6,167	5,406	.....	.....
Cleveland.....	10,793	11,875	75,520	63,426	16,104	17,176	9,436	10,029	.....	.....
Columbus.....	30	61	442	455	46	125	16	33	.....	.....
Fostoria.....	166	20	1,108	275	7	10	59	50	.....	.....
Marion.....	54	163	2,195	2,445	9	5	108	138	.....	.....
Pittsburgh.....	7,860	7,213	58,578	50,815	11,638	10,509	7,895	7,190	.....	.....
Springfield.....	.....	368	492	661	111	139	25	43	.....	.....
Toledo.....	582	.....	2,928	.....	141	.....	573	.....	.....	.....

Wholesale Trade

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

	Dry Goods	Hardware	Drugs	Groceries
Net Sales (selling price) during October, 1923, compared with September, 1923.....	0.2	12.7	6.3	11.6
Net Sales (selling price) during October, 1923, compared with October, 1922.....	3.7	16.7	13.9	16.0

Comparative Statement of Selected Member Banks in Fourth District

	Nov. 14, 1923 (81 Banks)	Oct. 17, 1923 (81 Banks)	Increase	Decrease
Loans and Discounts secured by U. S. Government obligations.....	\$ 27,661,000	\$ 27,898,000	.....	237,000
Loans and Discounts secured by other stocks and bonds.....	402,558,000	410,624,000	.....	8,066,000
Loans and Discounts, all other.....	696,101,000	694,028,000	2,073,000	.....
U. S. Pre-War Bonds.....	47,982,000	47,990,000	.....	8,000
U. S. Liberty Bonds.....	116,416,000	118,668,000	.....	2,252,000
U. S. Treasury Bonds.....	4,499,000	4,697,000	.....	198,000
U. S. Treasury Notes.....	56,559,000	58,267,000	.....	1,708,000
U. S. Certificates of Indebtedness.....	5,491,000	9,778,000	.....	4,287,000
Other Bonds, Stocks, and Securities.....	294,241,000	296,074,000	.....	1,833,000
Total Loans, Discounts, and Investments.....	1,651,508,000	1,668,024,000	.....	16,516,000
Reserve with Federal Reserve Bank.....	110,445,000	106,311,000	4,134,000	.....
Cash in Vault.....	32,727,000	32,783,000	.....	56,000
Net Demand Deposits.....	893,506,000	917,670,000	.....	24,164,000
Time Deposits.....	602,322,000	598,423,000	3,899,000	.....
Government Deposits.....	8,757,000	15,741,000	.....	6,984,000
Total Resources on date of this report.....	2,097,169,000	2,119,517,000	.....	22,348,000

Building Operations for Month of October, 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.....	360	225	78	81	\$ 656,669	\$ 384,796	\$ 41,096	\$ 50,217	\$262,752	60.4
Canton.....	284	164	71	62	678,899	386,445	31,663	36,145	287,972	68.1
Cincinnati.....	448	409	263	255	2,620,230	1,320,470	266,630	281,100	1,285,290	80.3
Cleveland*..	994	700	1,380	910	7,841,090	4,546,907	966,010	682,800	3,577,393	68.4
Columbus....	537	418	140	129	1,165,495	2,669,640	180,005	118,960	-1,443,100	-51.7
Dayton.....	214	214	135	71	604,370	484,949	109,826	36,446	192,801	37.0
Erie.....	142	101	38	29	333,845	235,689	126,055	25,958	198,253	75.8
Lexington...	52	60	27	40	147,940	87,012	28,220	12,168	76,980	77.6
Pittsburgh..	518	448	137	113	1,882,091	1,904,791	179,357	598,695	- 442,038	-17.7
Springfield..	89	84	26	21	87,950	103,380	17,825	4,965	- 2,570	- 2.4
Toledo.....	467	262	181	212	1,077,516	528,830	270,903	175,672	643,917	91.4
Wheeling....	89	77	38	33	604,952	212,300	21,530	20,440	393,742	169.2
Youngstown..	215	151	38	21	494,390	409,455	21,450	10,900	95,485	22.7
Total....	4,409	3,313	2,552	1,977	\$ 18,195,437	\$13,274,664	\$2,260,570	\$2,054,466	\$5,126,877	33.4

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

Department Store Sales

(1) Percentage of Increase or Decrease

Comparison of net sales with those of corresponding period last year

(2) Stocks at end of month compared with

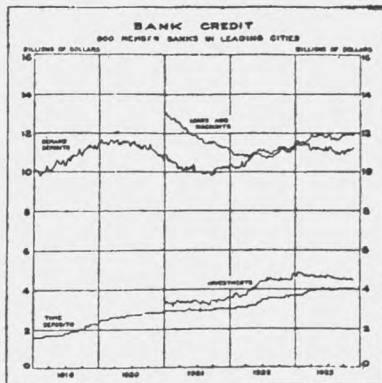
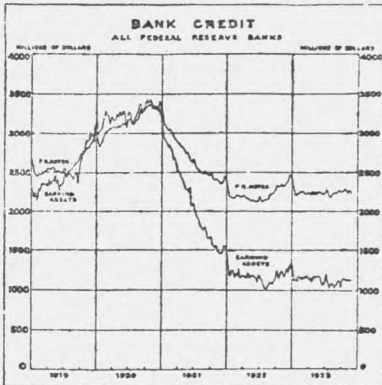
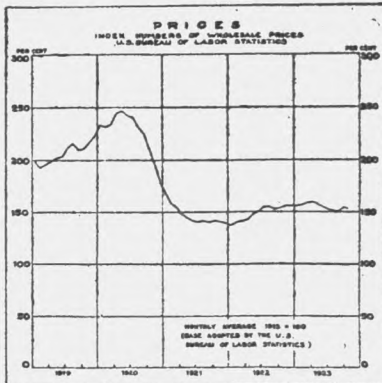
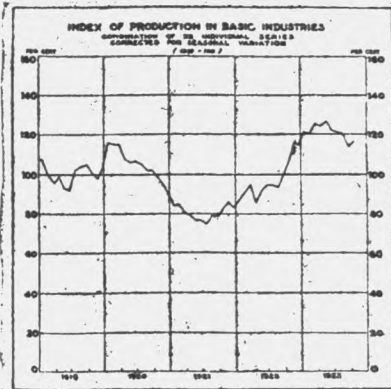
(3) Percentage of average stocks at end of each month from July 1 to October 31 to average monthly sales over same period

(4) Percentage of outstanding orders at end of October, 1923, to total purchases during calendar year 1922

	No. of Reports	(1)		(2)		(3)	(4)
		A	B	A	B		
		October	July 1 to Oct. 31	October 1922	September, 1923		
Akron.....	4	8.6	3.3	11.6	9.0	425.9	8.3
Canton.....	3	21.2	15.6	5.0	3.3	740.4	.....
Cincinnati.....	9	23.3	18.7	12.6	4.2	486.4	7.9
Cleveland.....	5	9.9	12.6	19.3	5.8	387.9	7.7
Columbus....	6	13.3	17.0	17.8	6.2	428.0	8.1
Dayton.....	2	18.2	13.8	20.1	13.0	437.1	10.3
Pittsburgh..	7	17.5	17.7	22.1	7.7	370.4	9.0
Toledo.....	4	15.9	14.3	28.4	11.2	382.5	7.8
Youngstown..	3	19.4	25.2	24.5	4.0	282.3	8.4
District.....	46*	15.7	15.6	19.6	7.0	400.9	8.3
U. S. Average..		12.5	10.4	14.5	5.3	424.5	8.1

*Includes three reports from other cities.

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



Production of basic commodities and retail trade increased during October and the volume of freight shipments and wholesale trade continued large. The level of wholesale prices and the volume of employment showed but little change.

PRODUCTION

The Federal Reserve Board's index of production in basic industries advanced 3 per cent in October, after having declined for four months. The increase for the month, while due in part to the resumption of anthracite coal mining, also reflected increases in textiles, lumber, and sugar, and most other industries included in the index. Employment at industrial establishments showed practically no change between September and October.

Contract awards for new buildings increased throughout the country considerably more than is usual at this season, and were 25 per cent larger than in September. Residential projects formed a larger proportion of the total than in any earlier month of the year.

Crop estimates by the Department of Agriculture on November 1 indicated a substantial reduction from the September forecast in the yield of cotton, but larger yields of corn, potatoes, and apples.

TRADE

Heavy movement of miscellaneous merchandise and live stock resulted in October in the largest railroad shipments of any month on record. Wholesale trade was 12 per cent larger than a year ago and sales in all leading lines except shoes showed increases. Department store sales were 13 per cent larger than last October and sales of mail order houses were the largest of any month since 1919.

PRICES

Wholesale prices declined less than one per cent in October, according to the index of the Bureau of Labor Statistics and stood approximately at the level of a year ago. The principal changes for the month were declines in the prices of fuel, clothing, metals, and animal products, while wholesale prices of crops, particularly cotton, increased. During the first half of November the prices of wheat, hogs, pig iron, and hides receded, and prices of cotton and cotton goods, cement, and copper advanced.

BANK CREDIT

Since the middle of October there has been a slight decline in demand for credit for commercial and agricultural purposes at member banks in leading cities. Considerable decreases in borrowings for these purposes in the New York and Chicago districts were partially offset by increases in other districts. Loans secured by stocks and bonds increased somewhat, while investments continued to decline and reached the low point for the year.

The total member bank accommodation at Federal Reserve banks declined between October 17 and November 21, and on the latter date was the lowest since the middle of the year. The total volume of Federal Reserve bank credit outstanding, however, remained relatively constant because of increased purchases of bills in the open market. The volume of Federal Reserve note circulation declined by about \$50,000,000 during the period, while other forms of money in circulation increased.

Money rates showed an easier tendency and during the early part of November the open market rate on commercial paper in New York declined from 5 - 5¼ to 5 per cent.