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“RESISTANCE TO EXTREME TENDENCIES EITHER TOWARD UNWARRANTED EXPANSION OR UNNECESSARY RETRENCHMENT WAS ONE OF THE OUTSTANDING BENEFICIAL FEATURES OF 1923 BUSINESS. THIS GENERAL SPIRIT OF PRUDENCE HAS BEEN CARRIED OVER INTO 1924 AND UPON ITS CONTINUANCE DEPENDS, IN LARGE MEASURE, THE EQUILIBRIUM OF THE CURRENT YEAR'S OPERATIONS. TO WHAT EXTENT IT MAY BE RELIED UPON REMAINS TO BE SEEN, BUT THE APPARENT WISDOM OF FOLLOWING SUCH A COURSE IS NOT LIKELY TO BE OVERLOOKED.”—*EDITORIAL*

FEDERAL RESERVE BANK of CLEVELAND

D. C. Wills, Chairman of the Board

(COMPILED JANUARY 22, 1924)

An Editorial

RESISTANCE to extreme tendencies either toward unwarranted expansion or unnecessary retrenchment was one of the outstanding beneficial features of 1923 business. This general spirit of prudence has been carried over into 1924 and upon its continuance depends, in large measure, the equilibrium of the current year's operations. To what extent it may be relied upon remains to be seen, but the apparent wisdom of following such a course is not likely to be overlooked.

The fact that industry and trade knew just where they were, made the following of such a course possible. Guesswork in production, selling, and buying lost much prestige last year, and it appears to be even less popular now than it was then. Careful studies are being made all along the line in order that weak places may be detected before they have done much damage. Never in the history of the country has there been so wide an interest in actual business conditions and in the forces which control them. This interest is not confined to the man at the desk, but it has extended to the man at the bench as well.

Such knowledge naturally inspires confidence—not the theoretical kind or that which comes by “hearing someone say that such and such a thing is true,” but confidence based upon sound, individual information.

The present cheerful outlook for 1924 is not alone due to the fact that it is popular to be optimistic just now or even to the opinions of authorities who, after making a careful study of financial and industrial trends in the past and their relation to the future, point out that 1924 should be a good year. Rather it is the result of the confidence which is being shown by the factory manager and factory employe, by the producer and the consumer, by the seller and the buyer, all of whom have worked out the facts for themselves and are sure of their ground.

Steel Business on the Up Grade; Prices Firmer; Tonnage Exceeds Shipments for First Time Since Last April

Business in steel has been on the up grade during the past month. Heavy tonnages placed by certain conspicuous groups, such as the automobile builders, against large production schedules for the first quarter and first half of the year have been closely followed by liberal commitments on the part of manufacturing users in many lines. Along with this, active buying by the railroads and by the building industry has been continuing. Even the agricultural implement industry which has been in a notably sluggish condition for several years has awakened into life and is undertaking production with expectations of an improved volume of business during the succeeding months. Some of the implement builders report the best condition and outlook since 1920.

The broadened character of the steel market at this time again testifies to the large scale of underlying consumption that is going on in this country and which, with the revival of greater confidence in the future, has brought to the mills in fresh bookings and specifications the heaviest new tonnage it has experienced in months. For the first time since last April incoming tonnages have exceeded outgoing shipments. In some respects the new year is opening with conditions similar to those which prevailed twelve months ago and which made 1923 one of the greatest years in output of the American steel industry. Business then as now was on the rise, and the accumulation of orders taken in the first quarter provided a backlog upon which the industry was able to operate at a high rate throughout the year.

In consonance with a widened flow of new requirements, iron and steel production has turned upward after a gradual decline extending over eight months. Mill and steelworks capacity which has been idle for some weeks is again being put in commission and here and there blast furnaces are being blown in. In the Mahoning Valley, independent open-hearth operations are now at the highest point since September. General iron and steel production at present is at the rate of about 75 per cent of capacity. In the East where operations have been quite low, some improvement is shown. On the final day in December, two more blast furnaces were in operation than on the corresponding date one month previously, according to statistics compiled by *Iron Trade Review*. On that date the number of active furnaces was 231.

Gross pig iron production in December was 2,912,527 tons against 2,891,191 tons in November. Average daily production, however, was less in December than in November as shown in the comparison of 93,952 tons with 96,373 tons. The December figures brought

the total output of coke and anthracite pig iron in 1923, according to *Iron Trade Review*, to 40,025,850 tons, the highest in the history of the country. This exceeds the previous high record of 1916 by approximately 1,000,000 tons. Steel ingot production in December was at the calculated rate of 2,843,764 tons and on a daily basis of 113,750 tons, compared with 3,113,804 tons and 119,762 tons respectively in November. This placed the total production of steel ingots in 1923 at 43,226,955 tons which falls short by less than 1 per cent of the previous high mark of 1917.

The recent expansion of the steel business is reflected by the statistical record of orders booked in certain of the more important lines of consumption. Car orders in December rose to a total of 10,600 or the highest point since last March. This heavier rate has been sustained in January and large negotiations by the New York Central, Pennsylvania, Santa Fe, Reading and other roads are under way. Locomotive orders, however, have been somewhat disappointing. Structural steel bookings in December jumped to 202,000 tons or 81 per cent of shop capacity, compared with 132,000 tons or 53 per cent in November. This represents the best showing since March. The bookings of structural steel in 1923 were the largest ever known, aggregating about 2,100,000 tons. The number of large construction undertakings coming to the front week after week is very impressive.

The price situation shows greater firmness all along the line. Steel prices on the whole, while still subject to some variations on especially attractive business, have solidified on the level quoted by the larger producers for several months, and there is less talk on the part of buyers of concessions. This, no doubt, has been a factor tending to bring about the more liberal placing of tonnage covering requirements for the next three months. *Iron Trade Review* composite of fourteen leading iron and steel products on January 16 stood at \$43.29 compared with \$43.00 one month previously. At the close of 1923 this composite was \$43.06. One year ago it was \$40.67.

The merchant pig iron market, while more active and on a higher price basis, still faces the shadow of heavy stocks on furnace banks which were accumulated during 1923. Buoyancy of the scrap market, especially heavy melting steel, because of large purchases by leading steelmakers, is contributing to stimulate demand for basic iron. In some districts heavy melting steel has been sold above basic iron, which is an unusual situation. This has resulted in considerable speculative buying.

Brighter Conditions are Apparent in Oil Industry; Upward Movement in Prices; Year's Petroleum Output Estimated at 735,000,000 Barrels

The oil industry is starting 1924 with a spirit which is much better than that existing during most of last

year, and is looking forward to an increasing degree of stability in its operations. There has been an up-

industry. The following figures show the substantial progress which has been made during the past two years:

| | 1921 | 1922 | 1923 |
|--------------------------|------------|-------------|-------------|
| Production (barrels) | 98,842,000 | 114,789,000 | 137,377,000 |
| Shipments (barrels) | 95,507,000 | 117,701,000 | 135,887,000 |
| Stocks Dec. 31 (barrels) | 11,938,000 | 9,134,000 | 10,581,000 |

The remarkable record made by the industry during 1923 in taking care of a demand which has increased over 40 per cent in two years could scarcely have been achieved under less favorable conditions. The cement industry is particularly sensitive to transportation and fuel situations and the absence of shortage of both these essentials during 1923 was most helpful.

Lumber Manufacturers and Dealers Report Distinct Improvement Over Last Month; Heavy Rains Continue to Hamper Southern Production; Open Winter Factor in Present Demand

The National Lumber Manufacturers Association estimates the nation's lumber cut for 1923 at 38,000,000,000 feet, the largest output since 1916 when production totaled 40,000,000 feet. Production for 1923 was 35,000,000,000 feet. The peak was reached in 1907 when nearly 45,000,000,000 feet were produced.

The 550 larger sawmills of the country reporting weekly to the Association produced approximately 14,000,000,000 feet in 1923 as compared with 12,000,000,000 feet in 1922. It is estimated that these mills produced around 30 per cent of the total cut of the United States. The Southern Pine Association estimates the total output of southern pine last year at 12,000,000,000 feet while the output of its subscribing mills is placed at about 5,000,000,000 feet. The West Coast Lumbermen's Association estimates that more than 9,300,000,000 feet of lumber were produced by the mills in the Douglas fir region and that its member mills turned about 5,300,000,000 feet.

Since our last report there has been an increase in the volume of lumber business and prices are firmer. During the month of November and the first part of December buyers showed a tendency to hold off their purchases, and this, together with a fair amount of production on the part of the mills, caused prices to sag. After the middle of December, however, many of them came into the market and placed a considerable portion of their spring requirements at prices then prevailing. At about the same time, the mills in the south curtailed their production, partly on account of the holiday season, but mainly due to continued rains, with the result that the demand soon overtopped production, causing an advance in prices

Production of portland cement in December totaled 9,997,000 barrels as against 12,603,000 barrels in November and 8,671,000 barrels a year ago. Cement shipments aggregated 6,408,000 barrels as compared with 10,251,000 barrels in the previous month and 4,858,000 barrels in December, 1922. Both of these figures are records for the last month of the year although they show a considerable seasonal decline from previous months.

Stocks of finished cement in manufacturers' hands increased over 3,500,000 barrels during the month and on December 31 were 10,581,000 barrels, a quantity exceeded only once during the past eight years. Apparently stocks are being accumulated in anticipation of a continuation of the greatly increased demand which has developed during the past two years.

of from \$2.00 to \$5.00 per thousand. This advance has stimulated business further so that now there is an unusually good demand considering the season of the year.

A lumber manufacturer who has just returned from an extended trip through the south where he called on a large number of mills, tells us that practically all of them were optimistic for the first six months of 1924. Some of the mills have enough orders to run them for sixty to ninety days. There is a heavy demand from the Oklahoma oil fields while dealers in several of the midwestern cities were wiring down orders above the list price in order to get prompt loading and be assured of the stock.

Heavy rains in the southwest have prevented log cutting and also the moving of the mills from one location to another. Some sections have had only a few days of dry weather since the middle of October. Logs are scarce as a result.

From the consuming standpoint, the improved January business and the fact that dealers are coming into the market for spring requirements a little earlier than usual, are looked upon by the trade as an indication that stocks are at a low point. The open winter which has afforded an unusual opportunity for carrying on practically uninterrupted building operations naturally has been responsible in large measure for the demand now prevailing.

Railroads are making prompt deliveries. Cars are now coming from California to Pittsburgh in fourteen days, whereas in the past, four weeks were usually figured for this same distance.

Farmers Pay More For Labor in 1923

It was necessary for farmers to pay more for labor last year than in 1922. The United States De-

partment of Agriculture reports that the average rate for male help per month with board in 1923 was

\$33.18 as compared with \$29.17 for the previous year. The average monthly rate without board in 1923 was \$46.91 while in 1922 it was \$41.79. The average rate

per day with board was \$1.93 last year as compared with \$1.65 in 1922. Day wages for harvest labor with board averaged \$2.45 in 1923 and \$2.20 in 1922.

Burley Tobacco Association Makes Large Sale; Prices Reported Firmer Since Holidays; Burley Production Shows 40,400,000 Pound Gain Over 1922

The first announcement of a sale of 1923 tobacco controlled by the Burley Tobacco Growers' Cooperative Association was made on January 12 when it was reported that sales totaling about fifteen million dollars had been made. It was indicated that these sales included some of the tobacco of the 1922 crop. The report did not show the prices which were received for the different grades sold.

The independent tobacco warehouses in Kentucky are required by state law to report to the commissioner of agriculture the amount of tobacco sold by them each month. According to this report the sales of burley tobacco of the 1923 crop during December, 1923, amounted to over 13,800,000 pounds. The average price per hundred pounds was \$18.87. The

reports coming from the loose leaf markets indicate that the prices paid since the holidays have been slightly higher than at the opening of the season.

In the annual crop summary prepared by the Department of Agriculture for Kentucky, the burley tobacco crop for 1923 is estimated at 264,000,000 pounds as compared with 223,600,000 pounds in 1922. The state's total tobacco production during the past year is estimated at 494,190,000 pounds as compared with 446,250,000 pounds for 1922. Last year approximately 578,000 acres were planted in tobacco as against 525,000 acres in 1922.

Production of cigar tobacco increased in all tobacco-growing states except Ohio where the crop fell off about 750,000 pounds.

Canning Industry Starts New Year with Bright Prospects; Price Advances Shown in Future Bookings

The canning business is reported to be starting out the new year with brighter prospects than for several years past so far as the demand for canned foods is concerned.

The scarcity of farm labor, however, and the poor crops in certain sections, have caused the growers to demand higher prices for some of the canning crops. This is true particularly of the tomato growers throughout Indiana and Kentucky where the crop last year was not up to standard, and where farm labor at present is after higher wages.

Heavy bookings of futures on various lines of canned foods have already been made at prices con-

siderably in advance of those made last year. The amount of the 1923 pack remaining unsold in canners' hands is comparatively small and is being further reduced.

January started out very promising in the wholesale grocery business and the trade apparently is confident that the present activity will continue.

Retailers are carrying light stocks and are making their purchases frequently and in small sized lots.

We are informed that the holiday trade was very satisfactory, in some instances even above that of last year.

Gain For Farm Implement Industry Last Year Estimated at 20 Per Cent; Schedules for 1924 Conservative; Southern Dealers Place Orders

With the beginning of its next selling season close at hand the outlook of the farm implement industry for 1924 business appears to be growing brighter. The total volume of last year's business is estimated by the *Chilton Tractor and Implement Journal* at \$250,000,000 or an increase of about 20 per cent over the previous year. The low mark was reached in 1922 when the industry's business amounted to \$210,000,000.

During the last five years the sales of implements from the unit or tonnage standpoint have been far below the line established in previous years as the usual required equipment for the farm. As the average life of farm machinery is

estimated at ten years, it is not unreasonable to suppose that considerable replacement will be necessary in the future. Just how much of the overdue buying will come in 1924 or 1925 is speculative, but equipment manufacturers, basing their opinions on reports received from field sales representatives, seem confident that improvement will be shown.

The losses of previous years have resulted in cautious production schedules and curtailed buying of raw materials. Schedules for this year are being based largely upon the size of last year's production plus reasonable increases indicated by dealers' specifications.

One of the most hopeful indications at the beginning of the new year has been the determined attitude of the dealers. This is partially the result of the publicity efforts of the manufacturers who have sought to convince the farmer through the dealer, first of the manufacturer's condition, and second of the justification of present prices. This campaign has already given the dealer needed encouragement, and at the same time it is helping the farmer to see the situation as it actually exists.

Sales activity of dealers in southern states is already under way, as evidenced by additional orders being placed with manufacturers. Last year the demands of the southern trade drew heavily from the warehouse stocks accumulated for the later northern trade. This year, however, indications are for a more evenly distributed business, for improvement in the various agricultural sections has been more general.

Clothing Stocks Heavy as Result of Warm Fall; Fancy Weaves and Colorings a Feature in Textile Production

The men's clothing industry is now engaged in clearing retailers' stocks of fall goods which have been carried over partly as the result of the usual season-end accumulation and partly because warm weather held back sales. The manufacturers' spring season will, to some extent, be determined by the success of these sales. If the retailer clears his shelves and is in the market for further merchandise, manufacturers' programs will naturally be assisted. In the meantime the industry is awaiting

the opening of fall woolen lines which is expected during the current month.

One of the principal features in fabric production at the present time is the marked trend toward fancy weaves and colorings in women's wear. Novelty finishing and intricate designs are particularly conspicuous in woolen knit goods for outerwear. New designs and various color mixtures are constantly appearing on the market.

Uncertainty in Soft Coal Outlook; Production Jumps; Anthracite Output Lower

The uncertainty existing in the bituminous coal situation at the present time calls to mind the period just preceding the miners' strikes of 1922. The tie-up at that time was ended by an agreement which will expire the first day of April of this year.

In making the comparison, however, certain fundamental factors now at hand are to be remembered. They are: (1) The anthracite mines are in a stronger position than they were two years ago. (2) Stocks of soft coal are unusually large. (3) Nonunionized mines paying wages below the union scale and with increased production facilities are in a position to supply a heavier demand. (4) The railroads of the country are furnishing excellent transportation service. (5) Fuel oil is becoming popular

as a substitute for coal.

With reference to present output, the production of soft coal recovered promptly after the holiday season and a sharp spurt in the week ended January 12 placed the total at 11,921,000 net tons. This was an increase of about 12 per cent over the rate prevailing just before the holidays; in fact it was the largest weekly output that has been recorded since December, 1920. The output on January 5 was 9,068,000 net tons.

According to the Geological Survey production of anthracite in the week ending January 12 failed to reach the level of the period immediately before the holidays. As against 2,013,000 net tons in the week of December 15 the output for the week ending January 12 was only 1,840,000 net tons.

Condition of Paper and Pulp Less Satisfactory; Market for Boxboard Unsettled

Paper mills, although showing a fair volume of business, are not running very close to capacity. Both production and shipments for December with practically no exceptions, showed a continuation of the decline which was evident in the preceding month. This decline, however, is to be expected at this season of the year.

There is a heavy importation of foreign goods, principally in pulp but also in quite a number of grades of paper. This has placed the producers

of pulp, especially in Canada and also those in the United States, in a tight position with the result that they are now selling their production at a figure which permits little if any room for profit, but still above that which would make it cheaper for them to shut down their mills.

In the boxboard industry considerable business is being placed but prices have weakened materially.

The following table compiled by the American Paper and Pulp Association shows percentage

changes in production and shipments by identical mills in December, 1923, as compared with November, 1923.

| | Production Per Cent | Shipments Per Cent |
|------------------|------------------------|-----------------------|
| Newsprint | 4 | 2 |
| Book | -10 | -6 |
| Paperboard | -8 | -8 |

| | | |
|--------------------------|-----|-----|
| Wrapping | -15 | -21 |
| Bag | -20 | -10 |
| Fine | -6 | -11 |
| Tissue | -10 | -17 |
| Hanging | 10 | -3 |
| Felts and Building | -7 | -7 |
| Other Grades | -21 | -11 |
| Total—All Grades | -7 | -7 |

Decline in Member Bank Borrowing Largely Due to Return Flow of Funds; Reserve Ratio Moves Upward

During the first half of December there was a marked upward trend in member bank borrowings, due largely to the customary demand for seasonal requirements. The past month (ending January 21) has witnessed a return of the funds to the banks with the result that loans have fallen off considerably and the reserve ratio has moved higher.

On December 20 accommodations extended to city banks in this District totaled \$49,687,000 while on January 21 they stood at \$15,751,000, a decline during that period of \$33,936,000. Loans to country banks on December 20 were \$18,635,000 as against \$15,686,000 on January 21, or a decline of \$2,949,000. The total decrease for the month amounted to \$36,-885,000.

The reserve ratio of this bank was 75.3 per cent on December 20, while on January 21 it had increased to 81.5 per cent. The reserve ratio of the System on

December 20 was 75 per cent as compared with 80.8 per cent on January 21.

The combined reports of eighteen representative banks in this District on savings deposits for the month of December show an increase of 14 per cent over the same month last year. When comparison is made with the preceding month an increase of 2.1 per cent is shown.

According to statistics compiled by R. G. Dun & Company commercial failures in the Fourth District for the month of December totaled 155. In the same month last year 117 failures occurred. Liabilities for December totaled \$3,006,938 as compared with \$3,519,347 for the same month a year ago. In the twelve Federal Reserve Districts there were 1,841 failures during December with liabilities amounting to \$51,614,730 while in December, 1922, there were 1,814 failures with total liabilities of \$58,069,021.

Automobile Production

The Department of Commerce announces December 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. Total output of passenger cars for 1923 is given as 3,636,599 cars, as against 2,339,768 in 1922, while truck output totaled 376,257 in 1923 as against 246,281 in 1922.

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 | 20,020 | 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 | 28,638 |
| October | 134,774 | 217,566 | 335,023 | 13,149 | 21,795 | 30,166 |
| November | 106,081 | 215,352 | *284,921 | 10,487 | 21,949 | *28,066 |
| December | 70,727 | 208,010 | 275,260 | 8,656 | 20,354 | 27,875 |
| Total | 1,535,201 | 2,339,768 | 3,636,599 | 147,263 | 246,281 | 376,257 |

*Revised

**STATEMENT OF CONDITION
FEDERAL RESERVE BANK OF CLEVELAND**

Jan. 23, 1924

| RESOURCES | |
|--|--------------------|
| Gold with Federal Reserve Agent..... | \$199,885,000 |
| Gold redemption fund with U. S. Treasury..... | 2,825,000 |
| Gold held exclusively against F. R. Notes..... | 202,710,000 |
| Gold settlement fund with F. R. Board..... | 82,641,000 |
| Gold and gold certificates held by bank..... | 13,092,000 |
| Total gold reserves..... | 298,443,000 |
| Reserves other than gold..... | 10,415,000 |
| TOTAL RESERVES..... | 308,858,000 |
| Non-reserve cash..... | 3,831,000 |
| Bills discounted: | |
| Secured by U. S. Government obligations..... | 21,509,000 |
| Other bills discounted..... | 14,445,000 |
| Total bills discounted..... | 35,954,000 |
| Bills bought in open market..... | 43,459,000 |
| U. S. Government securities: | |
| Bonds..... | 918,000 |
| Treasury notes..... | 11,175,000 |
| Certificates of indebtedness..... | 3,470,000 |
| Total U. S. Government securities..... | 15,563,000 |
| TOTAL EARNING ASSETS..... | 94,976,000 |
| Uncollected items..... | 55,715,000 |
| Bank premises..... | 9,097,000 |
| All other resources..... | 299,000 |
| TOTAL RESOURCES..... | 472,776,000 |
| LIABILITIES | |
| F. R. notes in actual circulation..... | 222,238,000 |
| Deposits: | |
| Member Banks-Reserve account..... | 158,452,000 |
| Government..... | 4,508,000 |
| Other deposits..... | 1,454,000 |
| TOTAL DEPOSITS..... | 164,414,000 |
| Deferred availability items..... | 49,042,000 |
| Capital paid in..... | 12,338,000 |
| Surplus..... | 23,691,000 |
| All other liabilities..... | 1,053,000 |
| TOTAL LIABILITIES..... | 472,776,000 |

Ratio of total reserves to deposit and F. R. note liabilities combined = 79.9%
Compared with 78.5% last week.

Debits to Individual Accounts

| | Week Ending Jan. 16, 1924 (327 Banks) | Week Ending Dec. 19, 1923 (322 Banks) | Increase or Decrease Amount Per Cent | | Week Ending Jan. 17, 1923 (325 Banks) | Increase or Decrease Amount Per Cent | |
|--------------------|---|---|---|--------------|---|---|------------|
| Akron..... | \$ 17,270,000 | \$ 16,218,000 | \$ 1,052,000 | 6.5 | \$ 15,324,000 | \$ 1,946,000 | 12.7 |
| Butler, Pa..... | 2,588,000 | 3,504,000 | — 916,000 | —26.1 | 2,440,000 | 148,000 | 6.1 |
| Canton..... | 11,644,000 | 9,605,000 | 2,039,000 | 21.2 | 9,989,000 | 1,655,000 | 16.6 |
| Cincinnati..... | 81,507,000 | 80,794,000 | 713,000 | 0.9 | 84,226,000 | — 2,719,000 | — 3.2 |
| Cleveland..... | 148,424,000 | 154,881,000 | — 6,457,000 | — 4.2 | 145,347,000 | 3,077,000 | 2.1 |
| Columbus..... | 31,490,000 | 37,200,000 | — 5,710,000 | —15.3 | 35,919,000 | — 4,429,000 | —12.3 |
| Connellsville..... | 1,275,000 | 1,334,000 | — 59,000 | — 4.4 | 1,540,000 | — 265,000 | —17.2 |
| Dayton..... | 17,038,000 | 17,445,000 | — 407,000 | — 2.3 | 15,099,000 | 1,939,000 | 12.8 |
| Erie..... | 7,880,000 | 7,813,000 | 67,000 | 0.9 | 7,621,000 | 259,000 | 3.4 |
| Greensburg..... | 6,029,000 | 4,835,000 | 1,194,000 | 24.7 | 5,171,000 | 858,000 | 16.6 |
| Homestead..... | 962,000 | 961,000 | 1,000 | 0.1 | 886,000 | 76,000 | 8.6 |
| Lexington, Ky..... | 7,227,000 | 6,745,000 | 482,000 | 7.1 | 7,974,000 | — 747,000 | — 9.4 |
| Lima..... | 3,864,000 | 5,133,000 | — 1,269,000 | —24.7 | 3,817,000 | 47,000 | 1.2 |
| Lorain..... | 1,406,000 | 1,702,000 | — 296,000 | —17.4 | 1,204,000 | 202,000 | 16.8 |
| Middletown..... | 2,528,000 | 2,577,000 | — 49,000 | — 1.9 | 2,145,000 | 383,000 | 17.9 |
| New Brighton..... | 2,702,000 | 2,532,000 | 170,000 | 6.7 | 2,553,000 | 149,000 | 5.8 |
| Oil City..... | 3,932,000 | 2,694,000 | 1,238,000 | 46.0 | 3,147,000 | 785,000 | 24.9 |
| Pittsburgh..... | 189,030,000 | 199,702,000 | — 10,672,000 | — 5.3 | 186,362,000 | 2,668,000 | 1.4 |
| Springfield..... | 5,181,000 | 5,406,000 | — 225,000 | — 4.2 | 5,588,000 | — 407,000 | — 7.3 |
| Steubenville*..... | 2,887,000 | 2,461,000 | 426,000 | 17.3 | ..... | ..... | ..... |
| Toledo..... | 44,177,000 | 43,258,000 | 919,000 | 2.1 | 44,316,000 | — 139,000 | — 0.3 |
| Warren, Ohio..... | 3,394,000 | 2,941,000 | 453,000 | 15.4 | 2,923,000 | 471,000 | 16.1 |
| Wheeling..... | 12,233,000 | 13,011,000 | — 778,000 | — 6.0 | 15,618,000 | — 3,385,000 | —21.7 |
| Youngstown..... | 15,548,000 | 12,087,000 | 3,461,000 | 28.6 | 14,555,000 | 993,000 | 6.8 |
| Zanesville..... | 3,213,000 | 3,228,000 | — 15,000 | — 0.5 | 2,913,000 | 300,000 | 10.3 |
| Total..... | \$623,429,000 | \$638,067,000 | \$—14,638,000 | — 2.3 | \$616,677,000 | \$3,865,000 | 0.6 |

*Corresponding figures for 1923 not available.

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

| | Cattle | | Hogs | | Sheep | | Calves | | Cars Unloaded | | |
|------------------|--------|--------|-------------------------------|---------|--------|--------|--------|--------|---------------|-------|--|
| | 1923 | 1922 | 1923 | 1922 | 1923 | 1922 | 1923 | 1922 | 1923 | 1922 | |
| Cincinnati..... | 23,500 | 22,732 | 144,937 | 122,932 | 5,898 | 4,782 | 8,158 | 8,901 | 1,943 | 1,702 | |
| Cleveland..... | 12,699 | 12,883 | 155,984 | 114,140 | 44,395 | 32,915 | 10,805 | 11,361 | 2,414 | 2,070 | |
| Columbus..... | 61 | 81 | 10,305 | 7,055 | 17 | 164 | 130 | 163 | 37 | 13 | |
| Dayton..... | 1,787 | 1,676 | 19,239 | 13,467 | 450 | 484 | 826 | 709 | ..... | ..... |  |
| Fostoria..... | 604 | 774 | 15,070 | 12,141 | 2,385 | 1,320 | 605 | 504 | 23 | 33 | |
| Marion..... | 106 | 249 | 10,289 | 8,140 | 1,096 | 880 | 162 | 146 | ..... | ..... |  |
| Pittsburgh..... | 40,288 | 42,741 | 336,499 | 310,421 | 78,402 | 48,576 | 36,297 | 28,039 | 5,377 | 5,292 | |
| Springfield..... | 204 | 140 | 10,505 | 5,203 | 482 | 129 | 198 | 212 | ..... | ..... |  |
| Toledo..... | 812 | 604 | 13,872 | 14,567 | 1,120 | 926 | 470 | 519 | 132 | 179 | |
| Wheeling..... | 438 | 312 | 2,810 | 3,462 | 82 | 127 | 1,194 | 830 | 32 | 41 | |
| | | | Purchases for Local Slaughter | | | | | | | | |
| Cincinnati..... | 13,898 | 12,067 | 77,848 | 56,642 | 4,033 | 3,420 | 4,429 | 3,984 | ..... | ..... |  |
| Cleveland..... | 11,721 | 12,055 | 134,801 | 91,624 | 21,400 | 16,672 | 9,964 | 9,915 | ..... | ..... |  |
| Columbus..... | 23 | 25 | 220 | 390 | 17 | 3 | 44 | 51 | ..... | ..... |  |
| Fostoria..... | 90 | 35 | 1,084 | 125 | 5 | 8 | 53 | 33 | ..... | ..... |  |
| Marion..... | 58 | 166 | 2,578 | 2,391 | 30 | 2 | 54 | 110 | ..... | ..... |  |
| Pittsburgh..... | 6,662 | 5,576 | 66,118 | 59,696 | 8,946 | 8,015 | 6,977 | 6,576 | ..... | ..... |  |
| Springfield..... | 128 | 65 | 362 | 596 | 3 | 229 | 28 | 42 | ..... | ..... |  |
| Toledo..... | 698 | ..... | 2,061 | ..... | 152 | ..... | 316 | ..... | ..... | ..... |  |

Wholesale Trade

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

| | Dry Goods | Hardware | Drugs | Groceries |
|--|-----------|----------|-------|-----------|
| Net Sales (selling price) during December, 1923, compared with November, 1923..... | —18.2 | —19.2 | —5.4 | —13.2 |
| Net Sales (selling price) during December, 1923, compared with December, 1922..... | —13.6 | —12.0 | —2.0 | 3.0 |

Comparative Statement of Selected Member Banks in Fourth District

| | Jan. 16, 1924 (80 Banks) | Dec. 19, 1923 (80 Banks) | Increase | Decrease |
|--|-----------------------------|-----------------------------|-----------|------------|
| Loans and Discounts secured by U. S. Government obligations..... | \$ 27,491,000 | \$ 28,167,000 | \$ | \$ 676,000 |
| Loans and Discounts secured by other stocks and bonds..... | 404,947,000 | 412,621,000 | ..... | 7,674,000 |
| Loans and Discounts, all other..... | 676,204,000 | 688,331,000 | ..... | 12,127,000 |
| U. S. Pre-War Bonds..... | 48,315,000 | 48,743,000 | ..... | 428,000 |
| U. S. Liberty Bonds..... | 105,227,000 | 109,126,000 | ..... | 3,899,000 |
| U. S. Treasury Bonds..... | 4,319,000 | 4,745,000 | ..... | 426,000 |
| U. S. Treasury Notes..... | 55,712,000 | 53,713,000 | 1,999,000 | ..... |
| U. S. Certificates of Indebtedness..... | 7,000,000 | 11,933,000 | ..... | 4,933,000 |
| Other Bonds, Stocks, and Securities..... | 301,639,000 | 299,880,000 | 1,759,000 | ..... |
| Total Loans, Discounts, and Investments..... | 1,630,854,000 | 1,657,259,000 | ..... | 26,405,000 |
| Reserve with Federal Reserve Bank..... | 107,751,000 | 106,808,000 | 943,000 | ..... |
| Cash in Vault..... | 30,777,000 | 41,126,000 | ..... | 10,349,000 |
| Net Demand Deposits..... | 885,364,000 | 881,341,000 | 4,023,000 | ..... |
| Time Deposits..... | 608,805,000 | 606,883,000 | 1,922,000 | ..... |
| Government Deposits..... | 18,931,000 | 27,212,000 | ..... | 8,281,000 |
| Total Resources on date of this report..... | 2,077,190,000 | 2,104,058,000 | ..... | 26,868,000 |

Building Operations for Month of December, 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..... | 238 | 116 | 23 | 27 | \$ 417,347 | \$ 200,546 | \$ 17,340 | \$ 39,530 | \$ 194,611 | 81.1 |
| Canton..... | 158 | 67 | 35 | 28 | 428,560 | 207,397 | 46,647 | 22,375 | 245,435 | 106.8 |
| Cincinnati... | 190 | 234 | 124 | 139 | 2,190,865 | 1,240,720 | 170,295 | 158,130 | 962,310 | 68.8 |
| Cleveland*... | 573 | 498 | 694 | 450 | 12,365,455 | 5,016,915 | 897,090 | 1,056,295 | 7,189,335 | 118.4 |
| Columbus... | 219 | 219 | 71 | 52 | 707,565 | 533,990 | 118,835 | 85,310 | 207,100 | 33.4 |
| Dayton..... | 101 | 80 | 53 | 36 | 360,532 | 225,546 | 71,752 | 42,180 | 164,558 | 61.5 |
| Erie..... | 100 | 72 | 19 | 16 | 274,080 | 241,700 | 70,880 | 27,475 | 75,785 | 28.2 |
| Lexington... | 29 | 19 | 21 | 27 | 65,830 | 22,475 | 27,380 | 10,870 | 59,865 | 179.5 |
| Pittsburgh.. | 388 | 256 | 112 | 57 | 2,865,223 | 2,054,199 | 305,860 | 268,441 | 848,443 | 36.5 |
| Springfield.. | 47 | 28 | 4 | 11 | 40,470 | 40,150 | 3,175 | 4,150 | 655 | 1.5 |
| Toledo..... | 236 | 132 | 76 | 49 | 488,370 | 762,735 | 110,220 | 54,575 | 218,720 | 26.8 |
| Wheeling.... | 57 | 32 | 27 | 25 | 213,225 | 178,600 | 18,460 | 30,120 | 22,965 | 11.0 |
| Youngstown.. | 165 | 78 | 15 | 13 | 465,530 | 734,115 | 7,260 | 21,385 | 282,710 | 37.4 |
| Total... | 2,501 | 1,831 | 1,274 | 930 | \$20,883,052 | \$11,459,088 | \$1,865,194 | \$1,820,836 | \$9,468,322 | 71.3 |

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

Department Store Sales

| | No. of Reports | (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 December 31 to average monthly sales over same period | (4) Percentage of outstanding orders at end of December, 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 December | B July 1 to Dec. 31 | A December 1922 | B November 1923 | | |
| Akron..... | 3 | 2.7 | 4.7 | 6.8 | —15.6 | 371.3 | 8.2 |
| Canton..... | 3 | 4.0 | 10.8 | 6.0 | —11.8 | 673.2 | ... |
| Cincinnati... | 9 | 12.6 | 15.9 | 12.0 | —21.4 | 410.8 | 4.5 |
| Cleveland.... | 5 | 7.0 | 10.9 | 14.3 | —15.3 | 351.7 | 6.5 |
| Columbus.... | 5 | 5.2 | 9.3 | 8.8 | —20.6 | 367.5 | 4.4 |
| Dayton..... | 3 | 8.2 | 9.7 | 20.4 | —21.7 | 348.3 | 4.9 |
| Pittsburg... | 7 | 8.3 | 11.8 | 8.4 | —15.3 | 330.9 | 6.2 |
| Toledo..... | 4 | 11.9 | 13.4 | 25.7 | —11.7 | 329.9 | 3.6 |
| Youngstown.. | 3 | 19.8 | 23.1 | 16.0 | —27.1 | 245.6 | 6.8 |
| District..... | 44* | 8.7 | 12.1 | 12.1 | —16.7 | 351.8 | 6.0 |
| U. S. Average. | | 6.0 | 8.4 | 11.8 | —17.5 | 360.8 | 5.7 |

*Includes two reports from other cities.

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

| Ports | Railroads | Cargo | 1923 | | | 1922 | | | 1921 | | |
|--------------------|---------------------------------------|----------------|---------------|----------------|----------------|---------------|----------------|---------------|--------------|---------------|--|
| | | | Fuel | Total | Cargo | Fuel | Total | Cargo | Fuel | Total | |
| Toledo | Hocking Valley..... | 23,364 | 1,353 | 24,717 | 46,306 | 1,067 | 47,373 | 9,280 | 176 | 9,456 | |
| | N. Y. C.—Ohio Cen- tral Lines..... | 3,046 | 151 | 3,197 | 12,657 | 824 | 13,481 | 11,275 | 249 | 11,524 | |
| | Baltimore & Ohio.... | 30,467 | 513 | 30,980 | 98,091 | 1,969 | 100,060 | 10,585 | ..... | 10,585 | |
| Sandusky | Pennsylvania..... | 2,691 | 308 | 2,999 | 98,365 | 2,427 | 100,792 | ..... | ..... | ..... |  |
| Huron | Wheeling & Lake Erie | 9,523 | 270 | 9,793 | 16,540 | 834 | 17,374 | ..... | ..... | ..... |  |
| Lorain | Baltimore & Ohio.... | 24,794 | 1,676 | 26,470 | 37,395 | 560 | 37,955 | 22,296 | 664 | 22,960 | |
| Cleveland | Pennsylvania..... | 19,954 | 2,495 | 22,449 | 31,662 | 1,845 | 33,507 | ..... | 546 | 546 | |
| | Erie..... | ..... | ..... | ..... | ..... | 256 | 256 | ..... | ..... | ..... |  |
| Fairport | Baltimore & Ohio.... | 31,742 | 2,118 | 33,860 | ..... | ..... | ..... | ..... | ..... | ..... |  |
| Ashtabula | New York Central... | 57,138 | 2,209 | 59,347 | 43,269 | 1,672 | 44,941 | ..... | ..... | ..... |  |
| | Pennsylvania..... | 63,765 | 3,445 | 67,210 | 50,740 | 1,400 | 52,140 | ..... | 68 | 68 | |
| Conneaut | Bessemer & Lake Erie | 2,087 | 1,504 | 3,591 | 71,467 | 1,467 | 72,934 | 11,752 | 408 | 12,160 | |
| Erie | Pennsylvania..... | 20,863 | 3,043 | 23,906 | 1,560 | 2,004 | 3,564 | 2,209 | 49 | 2,258 | |
| Total | | 289,434 | 19,085 | 308,519 | 508,052 | 16,325 | 524,377 | 67,397 | 2,160 | 69,557 | |

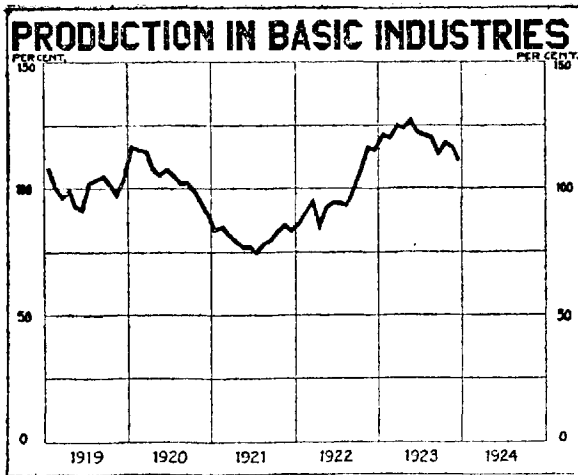
For Season

| | | | | | | | | | | |
|--------------------|---------------------------------------|-------------------|------------------|-------------------|-------------------|----------------|-------------------|-------------------|----------------|-------------------|
| Toledo | Hocking Valley..... | 5,026,533 | 151,965 | 5,178,498 | 3,241,786 | 92,597 | 3,334,383 | 4,426,687 | 116,157 | 4,542,844 |
| | N. Y. C.—Ohio Cen- tral Lines..... | 1,182,193 | 36,966 | 1,219,159 | 860,814 | 27,965 | 888,779 | 1,106,251 | 32,319 | 1,138,570 |
| | Baltimore & Ohio.... | 2,891,967 | 84,402 | 2,976,369 | 2,912,587 | 77,864 | 2,990,451 | 2,561,015 | 78,085 | 2,639,100 |
| Sandusky | Pennsylvania..... | 3,008,096 | 95,726 | 3,103,822 | 2,794,264 | 99,730 | 2,893,994 | 1,853,148 | 52,138 | 1,905,286 |
| Huron | Wheeling & Lake Erie | 1,481,428 | 58,439 | 1,539,867 | 430,222 | 17,587 | 447,809 | 1,577,500 | 45,468 | 1,622,968 |
| Lorain | Baltimore & Ohio.... | 3,667,957 | 196,569 | 3,864,526 | 1,836,014 | 91,529 | 1,927,543 | 2,546,216 | 103,113 | 2,649,329 |
| Cleveland | Pennsylvania..... | 1,870,527 | 201,470 | 2,071,997 | 1,056,464 | 93,239 | 1,149,703 | 2,062,722 | 91,910 | 2,154,632 |
| | Erie..... | 739,025 | 31,920 | 770,945 | 381,903 | 14,464 | 396,367 | 359,981 | 12,782 | 372,763 |
| Fairport | Baltimore & Ohio.... | 912,131 | 82,236 | 994,367 | ..... | ..... | ..... | ..... | ..... | ..... |
| Ashtabula | New York Central... | 3,380,040 | 255,746 | 3,635,786 | 1,515,608 | 88,464 | 1,604,072 | 1,125,792 | 62,214 | 1,188,006 |
| | Pennsylvania..... | 2,147,144 | 94,482 | 2,241,626 | 1,674,618 | 90,038 | 1,764,656 | 2,300,210 | 78,097 | 2,378,307 |
| Conneaut | Bessemer & Lake Erie | 2,783,640 | 242,057 | 3,025,697 | 1,618,192 | 63,317 | 1,681,509 | 1,474,202 | 20,603 | 1,494,805 |
| Erie | Pennsylvania..... | 738,103 | 96,532 | 834,635 | 199,670 | 72,387 | 272,057 | 1,018,656 | 66,183 | 1,084,839 |
| Total | | 29,828,784 | 1,628,510 | 31,457,294 | 18,522,142 | 829,181 | 19,351,323 | 22,412,380 | 759,069 | 23,171,449 |

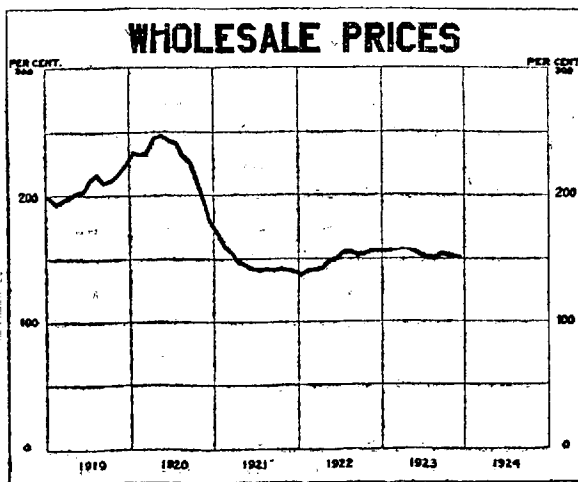
Note: Tonnages cover coal line_hauled into ports by railroads as shown.

Summary of Business and Credit Conditions in the United States

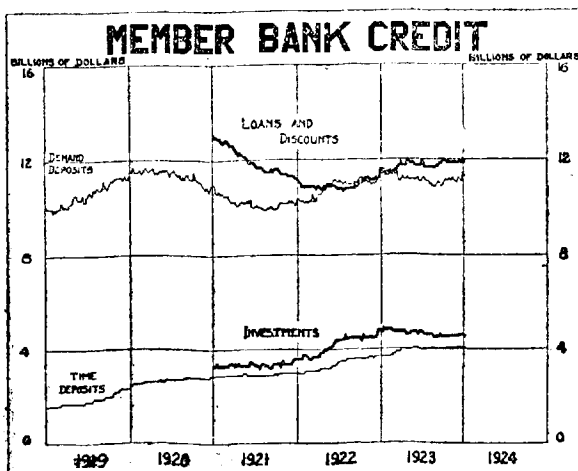
By the Federal Reserve Board



Index of 22 basic commodities corrected for seasonal variation (1919-100). Latest figure—December, 111.



Index of U. S. Bureau of Labor Statistics. (1913-100, base adopted by Bureau) Latest figure—December, 151.



Weekly figures for member banks in 101 leading cities. Latest figure, January 16.

Production of basic commodities showed further decline in December and wholesale prices receded slightly. Christmas trade was somewhat larger than a year ago. Changes in the banking situation in January reflected chiefly an unusually large return flow of currency after the holiday season.

PRODUCTION

The index of production in basic industries declined four per cent in December to the low point of the year. The decrease for the month reflected principally a large reduction in consumption of cotton, but also reduced operations in the woolen, petroleum, sugar, and lumber industries. Production of pig iron and anthracite increased. The Federal Reserve Board's index of factory employment decreased one per cent, and was four per cent lower than in the spring. The largest decreases were at plants manufacturing food products and railroad equipment. Building contract awards in December were smaller than in November, but almost 25 per cent larger than a year ago.

TRADE

Railroad shipments continued to decrease during December and were slightly less than in December, 1922. Loadings of coal and grain were smaller than a year ago, while loadings of miscellaneous merchandise and live stock were in larger volume. The volume of wholesale trade showed more than the usual seasonal decrease and was at about the same level as a year ago. Sales of meat, hardware, and drugs were larger than in December, 1922, while sales of dry goods and shoes were smaller. Retail trade, though larger in December, 1923, than in any other month on record, did not show as large an increase over November as is usual at the Christmas season.

PRICES

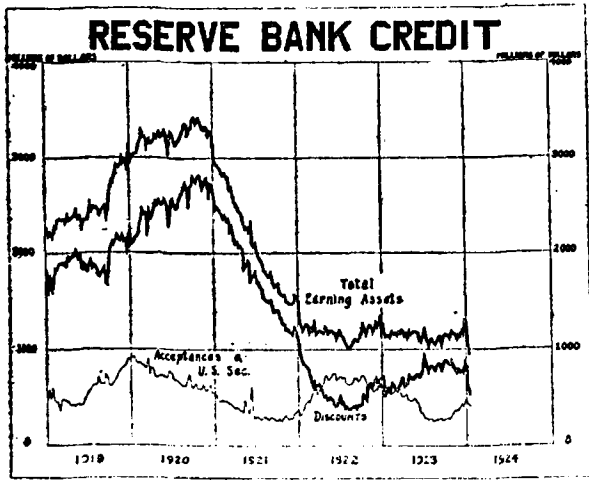
Wholesale prices, according to the index of the Bureau of Labor Statistics, decreased less than one per cent during December. The chief reductions occurred in prices of fuel and building materials, while prices of clothing and metals increased, and prices of farm products remained unchanged. During the first two weeks of January prices of corn, wheat, pig iron, petroleum and lumber advanced, while quotations on cotton, sugar, and copper were lower.

BANK CREDIT

The volume of credit extended by the Federal Reserve banks showed the usual sharp increase during the latter part of December in response to holiday requirements for credit and currency and financial settlements falling due on the first of January. With the passing of the seasonal demands there was an unusually rapid return flow of currency to the Reserve

banks, reflected both in an increase of reserves and a decrease of Federal Reserve note circulation. Member

banks used the currency returned from circulation to reduce their borrowings, with the consequence that the earning assets of the Federal Reserve banks declined by \$360,000,000 during the four weeks following Christmas, or approximately \$150,000,000 more than during the corresponding period of 1923. At the middle of January the volume of Reserve bank credit outstanding was below \$1,000,000,000 for the first time since early in 1918.

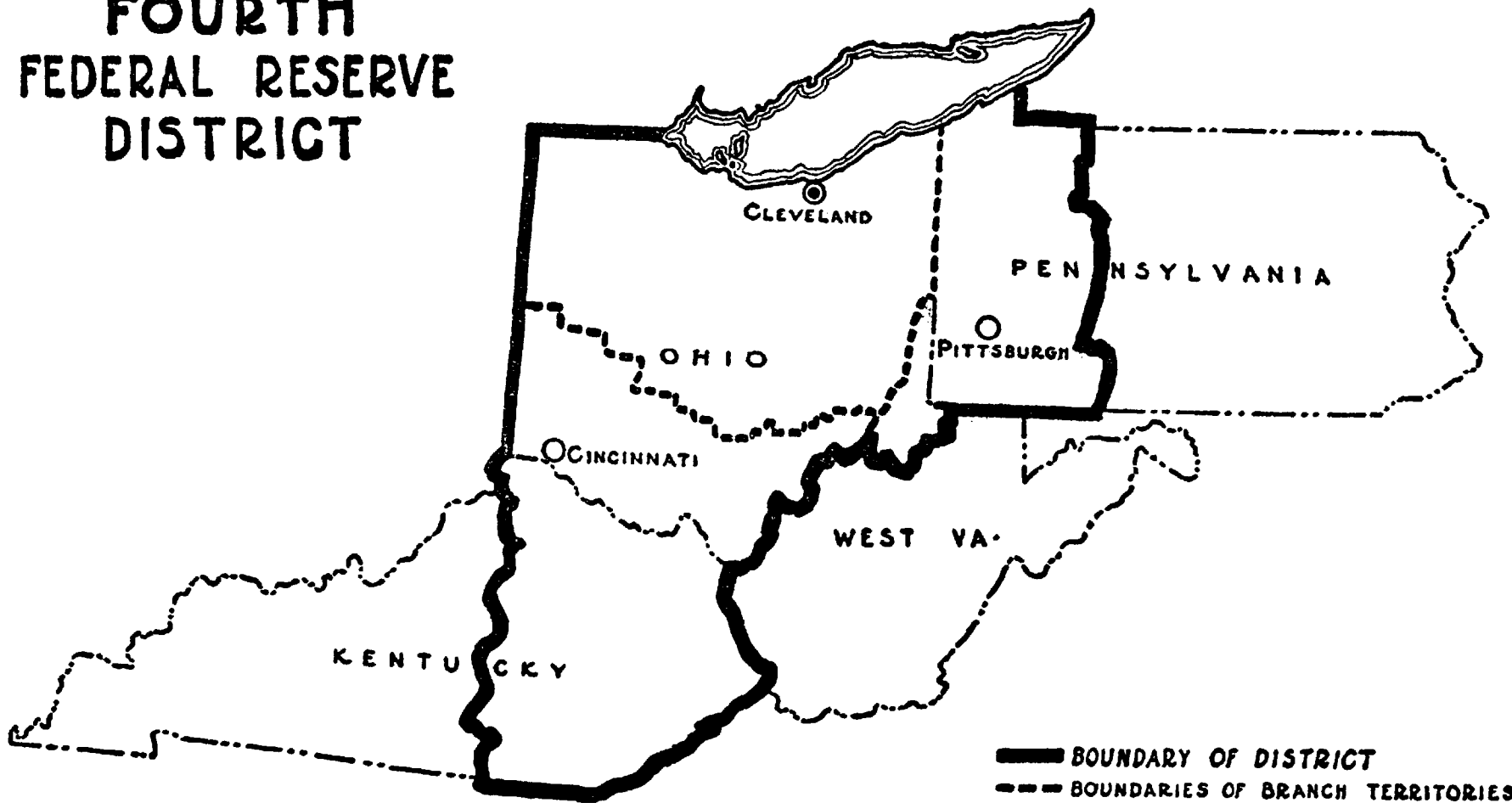


Weekly figures for 12 Federal Reserve Banks.
Latest figure, January 23.

Loans made largely for commercial purposes by member banks in principal cities declined between December 12 and January 16 to a point \$264,000,000 lower than at the peak in October and to about the level of July, 1923. This decrease in loans, which was general throughout the country, was accompanied by a movement of funds to the financial centers and an increase in loans on securities, principally in New York.

Easier money conditions in January were reflected in a further slight decline in the rate on prime commercial paper to 4¾ per cent, compared with 4¾ to 5 per cent in December, and in increased activity in the investment markets.

FOURTH FEDERAL RESERVE DISTRICT



- BOUNDARY OF DISTRICT
- - -** BOUNDARIES OF BRANCH TERRITORIES
- · ·** BOUNDARIES OF STATES
- ⊙** FEDERAL RESERVE BANK CITY
- FEDERAL RESERVE BRANCH CITIES