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in the Fourth Federal Reserve District

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“AGRICULTURE IN THE FOURTH FEDERAL RESERVE DISTRICT, CONTRARY TO A SOMEWHAT UNIVERSAL OPINION THAT INTERESTS ARE CENTERED ONLY IN MANUFACTURING, MINING, TRANSPORTATION, AND ALLIED LINES, IS ONE OF THE OUTSTANDING ACTIVITIES.”—*EDITORIAL*

**FEDERAL RESERVE BANK of CLEVELAND**

D. C. Wills, Chairman of the Board

(COMPILED FEBRUARY 22, 1924)

## An Editorial

**A**GRICULTURE in the Fourth Federal Reserve District, contrary to a somewhat universal opinion that interests are centered only in manufacturing, mining, transportation, and allied lines, is one of the outstanding activities.

That the farmer's right-of-way is receiving particular attention at this time was clearly demonstrated at Columbus a few weeks ago when a "farmer's congress" held at Ohio State University attracted the largest attendance in its history.

Intelligent production, teamwork in marketing, and improvement of life on the farm were the themes which ran through a program of more than three hundred lectures, conferences, and demonstrations.

The speakers were men and women who were chosen because of their knowledge of some particular phase of farming or of activities directly connected with it. There was no question as to the interest shown; a large percentage of the farmers came early and stayed for the entire program.

Meetings for the purpose of discussing farming problems and formulating remedies for agricultural ills are not unusual. Our reason for mentioning this one, however, is because the conference was sponsored by an educational institution which has done so much in the interest of the agriculturalist, because of the diversified and vital nature of the program, and because of the large attendance. It was strictly a constructive meeting from first to last. Businesslike methods ruled. There was no room for the pessimist. There were few gloomy speeches and scarcely any criticism. Not a single complaint relative to banking accommodations was made. Better still there was a growing belief that if the door to better things on the farm is to be opened the farmer himself is the logical man to do it.

The *Business Review* endorses the action of those men and women who are determined to bring about a higher standard of farming. It believes that the work of Farmers' Week did not end with the close of the program; that its results will continue; that such endeavors not only make for a spirit of harmony and understanding among the farmers themselves but also between the farmers and their neighbors the merchants, the bankers, and the manufacturers.

### ***Banking Situation Shows No Particular Change; Savings Deposits Continue Gain***

Accommodations extended to city banks during the past month (ending February 21) have shown a slight upward trend. On January 21 they stood at \$15,751,000 as compared with \$20,366,000 on February 21, an increase for the month of \$4,615,000.

Total loans to country banks on January 21 were \$15,686,000, while on February 21 they were \$14,263,000, or a decrease during this period of \$1,423,000.

On January 21 the reserve ratio of this bank was 81.5 per cent while on February 21 it had increased to 83 per cent. The reserve ratio of the

System on January 21 was 80.8 per cent as against 81.3 per cent on February 21.

The combined reports of eighteen representative banks in the Fourth District on savings deposits for the month of January show an increase of 11.5 per cent over the same month a year ago. As compared with the previous month a gain of 1.3 per cent is shown.

According to statistics compiled by R. G. Dun & Company commercial failures in this District during the month of January totaled 175. In December, 1923, 155 failures occurred. Liabilities for January totaled \$6,160,933 as compared with \$3,006,938 for the previous month.

### ***Iron and Steel Business Continues Gain; Railroad Buying at High Rate; No Particular Change in Prices***

Iron and steel business has continued to gain during the past month. In the face of expanding production which now has reached the highest point since last fall, unfilled orders on the books of makers have been accumulating. Producers are in a very comfortable position for the next several months and in some cases up to midyear.

Initiation of new requirements is keeping steadily active and the market is characterized by the number of individual propositions appearing from week to week calling for tonnages of major size. Since business placed up to this time has been closely confined to actual requirements or needs definitely in prospect, the present outlook is promising and more and more the industry is coming to the expectation of a maintenance of active business for the first six months at least.

Because of the filling up condition of the mills and furnaces, buyers are finding themselves unable to count on the exceedingly prompt deliveries they have been obtaining in the recent past. In some steel lines, promises of shipments now vary from four to eight weeks. As a result of this situation, consumers are showing more interest in covering for their future requirements and considerable material is now being purchased for the second quarter. Increased confidence in the general business situation on the part of the individual buyer is also undoubtedly playing a part in this.

Ordering of new equipment by the railroads has been keeping up at the highest rate since last March. Cars ordered from the builders in January totaled approximately 10,000 and during the first two-thirds of February at least 20,000 more were added to this total. At least 30,000 other cars are in an active stage of negotiation including large lots for such leading systems as the New York Central, Pennsylvania, Southern, Louisville & Nashville, etc. Locomotive business has been coming out more freely with several good sized orders placed during the past month and with inquiries for at least 200 being figured at present.

It is estimated that at the present time the railroads of the country are absorbing from 30 to 32 per cent of the total output of steel. This is near a maximum rate.

Construction work has remained one of the most important sources of steel demand. Structural steel awards are running at the rate of over 2,000,000 tons annually or on a high record scale. Bookings in January are estimated at 187,200 tons, representing 72 per cent of total shop capacity.

Floating of the Japanese reconstruction loan is expected to result in heavy orders for structural steel material to American mills. In some steel quarters it is estimated that fully 1,000,000 tons will be involved in this program which will be spread over a considerable period of time.

Those manufacturing activities in which steel is largely consumed, in general are operating on a higher plane than in many months and show promise of continued improvement.

The measure of the recent improvement in iron and steel is given by recent production statistics. In January steel ingot production showed a gain of 17.3 per cent over December and was at the annual rate of 41,460,000 tons. The latter represents 88.4 per cent of the high record rate of all times which was attained last April. Pig iron output in January also increased, but less than steel. The total for January, as compiled by *Iron Trade Review*, was 3,017,444 tons and the daily average 97,337 tons, compared with 2,912,519 and 93,952 tons in December respectively, or an increase of 3.6 per cent.

Many idle furnaces resumed in January and during February to date this number has been augmented on an even larger scale. On the last day of January 248 furnaces were in blast, a gain of 17 over the corresponding date in December.

The latest reports on the steel industry as a whole show it to be operating on an average of 86 per cent of steel ingot capacity. The Steel Corporation has

pushed its production above 94 per cent of capacity which represent the highest point reached in many months.

Steel prices have remained substantially on a level, barring occasional concessions that are being made by some producers on attractive business. The general tendency is toward firmness. In some lines present prices are being reaffirmed to apply to second quarter business. The pig iron market, under liberal buying that has been keeping up from week to week due to the

expanding operations of the steelworks and foundries, has been rising, though in a moderate way. The advance of the past month amounts to about 50 cents per ton.

The price situation in all iron and steel is reflected by the steady condition of *Iron Trade Review* composite of fourteen leading products. On February 20 the index stood at \$43.53. On the corresponding date in January it was \$43.35. In February one year ago the composite registered \$42.61.

### ***Sales of Gasoline and Motor Oil Reduced by Severe Weather; Favorable Indications, However, Predominate; Advancing Prices Stimulate Production in Some Sections***

The past month has been rather dull from the oil marketing standpoint. Severe weather in recent weeks and the snow that has covered a large part of the country have discouraged motoring and consequently have held down retail sales of gasoline and motor oil. Rather heavy buying early in January and the subsequent lessening of the consumer's demand carried jobbers into February with generally well-filled storage tanks and resulted in their temporary withdrawal from the market.

During the month, however, favorable indications have more than counterbalanced those of a less promising nature. The trend of posted prices offered for crude oil by the large purchasing companies has been steadily upward as the oppressive stocks of crude in storage have been reduced and as the big flush pools have fallen off in production.

Active competition for assured crude supplies indicates firm prices. So keen is this competition that most of the independent refiners, especially the smaller ones, find themselves unable to make contracts for supplies except at a premium over the posted price of the larger companies. The premiums being offered range from 15 to 50 cents a barrel, according to the quality of the oil and the particular conditions of competition prevailing in the section where it is bought.

The fact that the major marketing companies all over the country have been increasing the retail price of gasoline in the face of a seasonal drop in consumption is looked upon by the industry as an indication of the improved tone of the entire situation, and it is now believed that conditions are gradually working toward a firmer operating basis.

Improvements in the refining industry are constantly

making it possible to get a larger percentage of gasoline from the crude, and automobile designers and manufacturers are exerting efforts to get greater motor efficiency on less gasoline, but at the same time car sales are steadily increasing the vast numbers now on the road or being held in storage until the weather smiles again.

Encouraged by the competition for their product which a few months ago they could not sell even at the low prices then prevailing, the producers are increasing their operations in sections where the weather permits, and in other fields they are laying plans for extensive field operations with the opening of spring.

Surveys of the situation by *National Petroleum News* staff men at various strategic points in the oil fields and marketing centers, show that the industry is in good shape and ready to handle record business.

In line with the competition for crude oil supplies a new factor has appeared in the crude market. This is the joint association of smaller refiners who are pooling their purchasing power, putting up their own storage, and in some cases laying their own pipe lines to get their requirements of oil. One such association composed of several independent refiners, has been formed in Kansas within the past few weeks and a similar organization has been instituted among Texas refiners.

No important new fields or pools have been discovered within the past thirty days. In the East production has been on a descending scale and this is also true of the old Pacific coast pools. However in the mid-western and southern fields where the weather has been generally favorable to drilling operations the output has been greatly stimulated by the rising prices.

### ***Volume of Railroad Traffic Grows; Car Shortage Negligible***

On account of several periods of severe weather during the past month railroad freight service was somewhat hampered, but for the most part deliveries were good. Railroads generally continue to be in a strong position.

The latest car loading figures reflect a continuance of active business conditions and show that the volume of traffic is gaining momentum as the year goes on.

During the week ending February 2 there were 929,936 cars of revenue freight loaded, an increase of 38,610 cars over the preceding week, 64,522 cars over the corresponding week of 1923, and 182,041 cars over the same week of 1922. This was the largest week's loading on record during the months of January, February, and March, with the exception of that ending March 31, 1923, when 938,725 cars were loaded.

This high figure brings the total revenue freight loadings for the first five weeks of this year to 4,292,072 cars, as compared with 4,239,379 cars for the corresponding period in 1923, or an increase of 52,693 cars.

On January 31, 1924, there was a surplus of 169,036 available freight cars while the concurrent car shortages was negligible. A year ago there was a surplus of approximately 26,500 cars and a shortage of over 72,000 cars. The figures on car loadings show that the total volume of traffic was about the same in both periods. These improved car conditions are due to a net increase in the number of cars owned, to a decrease in the number laid up for repair which on January 15 of this year amounted to about 7 per cent, and also to increased efficiency in handling.

Domestic shipments of locomotives during January totaled 147 as compared with 305 for the previous month and 217 for January, 1923. Unfilled orders at the end of the month were 344 as against 365 at the end of December and 1,699 at the end of January, 1923.

According to the Bureau of Railway Economics, new rail construction in 1923 totaled only 427 miles, the smallest number reported built in any year except 1922 and 1920. In addition 684 miles of line were double-tracked compared with 196 miles in 1922 and 143 miles in 1921. Abandoned and actually torn up lines totaled 129 miles, while 384 miles were abandoned but not taken up.

### Automobile Production Moves Upward; Truck Business Improves; Results of Auto Shows Considered Quite Satisfactory

Production of automobiles is again moving upward. Since the first of the year demand has improved, with closed models continuing to attract particular attention. Factories are busy and are making reasonably prompt deliveries. Recently a few price advances on new models have been announced. Truck business is also picking up and manufacturers report that prospects for immediate future business are very encouraging.

The results of the various auto shows were considered to be quite satisfactory. According to the *Bankers Economic Service*, new models displayed at the New York show indicated clearly the trend in design. Forty-four standard models were equipped with four-wheel

brakes for the first time, and 37 models permitted the optional installation of this innovation. Fourteen cars had the new balloon tires for the first time and 46 models permitted optional selection of these tires, which are of such importance to the tire industry on account of the larger amount of rubber used in their construction. Approximately half of the models shown were equipped with disc wheels, as contrasted with about one-fifth of the models last year. One hundred and seventy-seven closed models were displayed as against 89 touring cars, and the trend toward the closed car is plainly evident. Production of closed models in 1923 represented about 35 per cent of the total output.

### Automobile Production

The Department of Commerce announces January 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 revised output of passenger cars for 1923 is given as 3,636,767 cars, as against 2,339,768 in 1922, while revised truck output totaled 376,106 in 1923, as against 246,281 in 1922.

#### NUMBER OF MACHINES

	Passenger Cars			Trucks		
	1922	1923	1924	1922	1923	1924
January .....	81,696	223,819	287,296	9,576	19,720	28,797
February .....	109,171	254,773	.....	13,350	22,161	.....
March .....	152,962	319,770	.....	20,022	35,260	.....
April .....	197,224	344,639	.....	22,640	38,056	.....
May .....	232,462	350,410	.....	24,097	43,678	.....
June .....	263,053	337,362	.....	26,298	41,145	.....
July .....	225,086	297,330	.....	22,046	30,663	.....
August .....	249,492	314,373	.....	24,692	30,829	.....
September .....	187,694	298,911	.....	19,462	28,638	.....
October .....	217,566	335,023	.....	21,795	30,166	.....
November .....	215,352	*284,923	.....	21,949	*28,070	.....
December .....	208,010	*275,434	.....	20,354	*27,720	.....
<b>Total</b> .....	<b>2,339,768</b>	<b>3,636,767</b>	.....	<b>246,281</b>	<b>376,106</b>	.....

\*Revised.

### ***Tire Dealers Buying Conservatively; Manufacturers Report Growing Demand for Balloon Tires***

The present status of the rubber industry indicates that conditions are on a more even keel than in 1923. Last year was a very difficult one, particularly in the tire business, largely due to the over-production which occurred during the first half of the year. Then, too, in the winter months dealers were heavy buyers on spring dating terms, only to meet heavy losses when the summer months arrived, owing to price cutting.

Dealers this year are profiting by their past experiences and are making purchases on a more conservative basis, acquiring only limited stocks on dating terms to meet the current demand.

Stocks of automobile tires on hand in factories, warehouses, and branches of all members of the Rubber Association of America, are now less than four

and one-half million. This is lower than they were a year ago.

The year has started out very well in the mechanical goods business and present indications are for a continuation of the present activity.

An important development which has taken place in the tire industry within the past few weeks is the advent of the balloon tire. Most of the manufacturers in their advertising and through their selling organizations are laying great stress upon its advantages. A number of automobile manufacturers have adopted the balloon tire as standard equipment and others are offering their cars with this type of tire as optional equipment. Tire manufacturers report a rapidly growing demand.

### ***Textile Industry Shows No Particular Trend; Hesitancy of Buyers Outstanding Feature; Advance Sales of Knit Underwear Slow***

In the opinion of textile manufacturers of this District their industry has not yet fully indicated the course which it will follow during the current year. Two important factors are very evident, however; one is the marked hesitancy among the buyers, the other is the tendency to resist price advances.

The first named factor is probably the most notable single feature in the women's ready-to-wear division at the present time and does not appear to be due to any unexpected or startling style developments, but rather to a prevailing spirit of conservatism. This is particularly noticeable in the large city stores where commitments are slower than usual, although a part of the hesitancy may be attributed to the comparatively late Easter.

At present the brightest spot in the women's wear goods line is in the "hair line stripes" and many thousands of tailor-made suits of this material are being prepared for the Easter season.

The late developments in the knit underwear industry apply particularly to advance sales for the fall of 1924. Lines for next fall were opened

generally early in December at advances ranging from 5 to 20 per cent. Early sales showed a substantial increase over the advance sale for last fall, then came an interlude in the buying during holiday time, and from about December 20 until January 10 no buyers were in the market.

When buying was resumed a perceptible change in the buyers' attitude appeared and conservatism rather than generous buying ruled. Purchases ranged from about 50 to 75 per cent of those a year ago. Two factors were responsible for this. First, the cotton market which was very strong in early December showed some softness in January and this worked against purchasing at price advances. Second, the late buyers were armed with inventory figures, and in most cases the figures as of December 31 showed a larger carry-over than they had counted on because of the unusually mild weather which had a retarding effect on sales of heavy underwear.

As a result of the generous early buying and conservative late buying the total advance sales for next fall will average just about the same as those for the fall of 1923.

### ***Winter Stimulates Demand for Shoes; Sales of Rubber Footwear Not Up to Expectations; Fourth District Production Continues to Gain***

The final arrival of winter, late in most sections, has stimulated the demand for seasonable shoes, although the weather, with a few exceptions, has not been sufficiently severe to bring the anticipated demand for rubber footwear.

Men's oxfords, women's sandals and pumps, and children's sandals and oxfords are showing a fair demand for spring delivery. Women's footwear continues to show a multiplicity of styles and

judging by spring orders the situation promises little change.

Final figures received by the United States Bureau of the census on boot and shoe production in the Fourth District for the month of December show that the output of 55 factories was .7 per cent more than that of the preceding month. Production of 1,256 factories in the United States was 22,676,436 pairs for December as against 26,-

946,169 pairs for November, or a decrease for the month of 15.8 per cent.

According to data compiled by the Department of Commerce, based upon reports received from 4699 manufacturers and dealers the total number of cattle hides held in stock on December 31, 1923, by packers and butchers, tanners, dealers, and importers (or in transit to them) amounted to 5,086,286, as compared with 5,228,246 on November 30, 1923, and with 6,345,676 on December 31, 1922. The stocks of calf and kip skins amounted to 2,935,094 on December 31, 1923, as compared with 3,143,081 on November 30, 1923, and 4,461,946 on December 31 of last year. Goat and kid skins numbered 9,926,128 on December 31, 1923; 9,921,371

on November 30, 1923; and 8,730,219 on December 31, 1922. The stocks of sheep and lamb skins on December 31, 1923, amounted to 7,400,296; on November 30, 1923, to 7,836,386, and on December 31 of last year, to 9,151,484.

The total stocks of sole leather (cattle) reported by tanners, dealers, and manufacturers using the leather as a material amounted to 10,048,085 backs, bends, and sides on December 31, 1923, the corresponding figures for November 30, 1923, being 10,046,142 and for December 31, 1922, 9,763,765. The production of sole leather during December, 1923, amounted to 1,295,907 pieces (backs, bends, and sides), and the stocks in process at the end of the month to 5,483,673 pieces.

### ***Paper Mills Fairly Active; Definite Improvement in Demand for Fine Papers***

Reports received from paper manufacturers this month indicate that there have been no particular changes in this industry since our last report. Mills are fairly active, consumption continues to move at good speed and orders are quite generally satisfactory. There is, however, no great amount of pressure in most of the plants and prices show no immediate tendency to stiffen. Some raw material prices have strengthened a little, while others remain practically the same as they were last month.

The American Paper and Pulp association reports a definite improvement in the demand for fine papers; also indications of similar improvements in other directions. Book papers, which have been one of the most difficult fields during the last six months, are more active. Box board business is reported to be more satisfactory.

Pulp mills continue to occupy a difficult position largely as a result of heavy importations of foreign goods. Quite a number of the Canadian mills are operating under receiverships.

### ***Increased Manufacturing Features Farm Implement Business; Steel Requirements Heavier; Tractor Makers Increase Output***

Increased manufacturing activity has featured the farm implement industry during the last thirty days. Manufacturers have been in the market for steel requirements on a scale not equaled in many months. This increased production activity is in response to a heavier demand for implements to be used in spring farming than was evident during the early winter months at which time such orders are usually placed. While dealers are showing a stronger buying tendency it is still evident that they are buying only on actual prospects.

Spring trade is opening more favorably than that of the past two years. The South has been buying even heavier than was generally expected, while agricultural states farther north are also coming into the market. Some of the western wheat states are showing a tendency toward greater crop diversification and this is resulting in orders for tillage and corn tools.

Although the past three years have seriously reduced the capital of dealers, there have been some compensating features which have left the rank and file of the implement men in better financial positions than might ordinarily be suspected. The pressure of poor business has resulted in more vigorous collections and greater caution in granting credit, all of which is placing the retail trade in a position to benefit materially from improving conditions.

According to the *Chilton Tractor and Implement Journal* the price situation remains practically unchanged, the prices quoted last fall for spring delivery still continuing and no further advances having been announced. While present levels are above the point which manufacturers and dealers believe is conducive to the best interests of the business as a whole, the industry is becoming reconciled to the fact that little change is to be expected for some time. The manufacturers are directing a publicity campaign justifying present prices, which is reaching the farmer and which has already been effective in reducing sales opposition.

There are some signs of a revival in the tractor business, although no more than a healthy and natural increase is expected. The leading manufacturer of tractors last year produced slightly in excess of 100,000, while the second quantity producer manufactured approximately 15,000. Both of these companies are enlarging their schedules for 1924, the former from 50 to 100 per cent. Smaller producers are also planning material increases.

Evidence of the increasing improvement in the farm implement field is seen in the recently published financial statement of the second largest company in the implement field, which in the fiscal year ended October 31 showed a net income of \$1,789,209 as compared with a deficit the previous

fiscal year of approximately \$2,500,000. Business was 40 per cent in excess of that of the previous twelve-month period, but was only about 60 per cent of normal volume. Net income, however, was

\$600,000 less than the amount required to meet dividend requirements on the 7 per cent cumulative preferred stock.

### ***Stocks of Canned Goods Low; Futures in Good Demand; Coffee and Tea Imports Show Increase in 1923***

Prospects in the canning industry are reported to be very bright. That stocks of the 1923 pack are well depleted is shown by the present heavy volume of future purchases. Salesmen who are now out on the road calling up the retail trade are finding that futures in considerable quantities are in good demand. Future sales on canned peas are showing the most activity while the two other main commodities, corn and tomatoes, are likewise in a strong position. The domestic demand for practically all grades of high class canned goods continues to be much in evidence.

In 1923 the outstanding feature of the coffee and tea trade in the United States was the marked increase in the imports of both these commodities,

according to the Department of Commerce. As compared with 1922 imports of coffee into the United States last year increased 161,795,299 pounds and were higher than any other year of the past decade. The total amount of coffee imported in 1923 was 1,407,855,966 pounds, the value of which was \$189,993,330. Exports of domestic coffee grown in Hawaii and Porto Rico, decreased from 25,493,085 pounds in 1922 to 24,714,418 pounds in 1923.

The imports of tea into the United States in 1923 totaled 107,148,344 pounds and were valued at \$29,928,722. In 1922 they were 97,097,242 pounds and their valuation was placed at \$23,825,086.

### ***Deliveries of 1923 Burley Tobacco Crop Continue; Business Stimulated Somewhat by Sales; 334,126,306 Pounds in Manufacturers' and Dealers' Hands on January 1***

On January 12 the Burley Tobacco Growers' Co-operative Association announced a sale which involved about 60,000,000 pounds of its tobacco, but since that date, up to the middle of February, no additional large sales have been announced. Sales on independent floors are reported to be fairly active. Business has been stimulated somewhat by the money which has been brought in, although the amount of tobacco sold so far has not been sufficient to enable the farmers to pay off a very large part of their obligations. Delivery of the 1923 crop is progressing steadily.

The report of the Commissioner of Agriculture of Kentucky covering the sales of independent warehouses shows that about 30,000,000 pounds of Burley tobacco were sold at an average of \$22.65 per hundred pounds during the month of January.

The Growers' Marketing Association announced on February 13 that nearly \$12,000,000 had been advanced by it on 1923 tobacco delivered by its members. Since the Association started operations with the handling of the 1921 crop it has paid its mem-

bers approximately \$70,000,000. Not all of the 1922 crop has been sold so the members still have a payment coming from that crop in addition to the payments they will receive for the tobacco produced last year. The Association now has over 100,000 names on its membership roll.

In 1923, according to estimates of the United States Department of Agriculture, 326,116,000 pounds of Burley tobacco were grown on 369,300 acres. The total burley crop for 1922 is estimated at 275,601,000 pounds while the acreage is placed at 321,100.

According to the quarterly report of the Bureau of the Census, 334,126,306 pounds of burley were in the hands of manufacturers and dealers on January 1, 1924, as compared with 282,731,014 pounds on the same date last year, an increase of 51,395,292 pounds for the year.

The prices being paid for the 1923 crop appear to be somewhat lower than those paid for the tobacco grown the previous year. It is believed this is largely attributable to the high quality of the 1922 crop and also to the increased acreage and production in 1923.

### ***Building in Fourth District Fails to Keep Pace with other Sections; Cleveland Suburbs Show Marked Drop in Home Building***

Building operations in the Fourth Federal Reserve District, while still quite active considering the season of the year, have fallen off considerably in the past thirty days. This decline seems to apply particularly to cities of the middle west for the record of construction work in the country at large shows a substantial increase for January this year as compared with the same

month in 1923. Of thirteen cities in this District reporting for the month of January, eleven show a decrease in the valuation of permits issued while but two record a gain.

With reference to Cleveland proper the difference in the figures is not very marked, the valuation of permits for January this year being only about \$250,000 less

than that for the corresponding month last year. The returns for the suburban communities, however, show a drop of approximately one-half, a fact which must be attributable to the decline in the volume of home construction.

This decline is, of course, due to the severity of the weather, three periods in January registering temperature around zero which is unusual even for this part of the country. Contractors, architects, and dealers do not regard the record of the first month of this year as an indication of slackening building operations but rather are looking forward to the resumption of ac-

tivities with the advent of more favorable weather conditions.

Returns to *Bradstreet's* from 158 cities for January showing the volume of midwinter construction provided for or undertaken, total \$218,776,249 as against \$245,699,361 at the identical cities in December, and \$199,206,480 for the same cities in January a year ago. There is here shown a decrease of only 10.9 per cent from December, 1923, while a gain of 9.7 per cent is recorded over the peak aggregate for the first month of the year 1923.

### **Lumber Dealers Less Anxious to Buy; Prices Somewhat Weaker; Shipments Exceed Both Orders and Production**

At present there are just about enough orders going to the sawmills to keep up with production, and with shipments exceeding both orders and production, order books that were fat thirty days ago are now thinning out somewhat. This condition is reflected by a decline here and there in prices and some of the smaller mills which specialize in dimension lumber are willing to accept substantial reductions in order to keep their stocks moving. In some sections the big mills are willing to accept cuts on surplus items only.

The recent cold weather has caused the retail lumber dealers to go more slowly in their purchases and the wholesale trade expects this condition to continue until the weather moderates and spring building operations begin. The advance in prices which took place near the first of the year has also been responsible for this spirit of caution.

A recent report prepared by the National Lumber Manufacturers Association shows that in the week ending February 2, 381 mills cut 228,609,195 feet and that shipments and orders for the same week totaled 252,674,995 feet and 242,622,675 feet respectively. A table showing the lumber movement for four weeks ending February 2 follows:

Week	No. Mills	Ending Reporting	Cut	Shipments	Orders
Jan. 12	405	205,284,622	221,380,434	270,330,065	
Jan. 19	379	226,974,006	236,413,239	299,163,285	
Jan. 26	401	236,328,420	276,571,118	281,886,091	
Feb. 2	381	228,609,195	252,674,995	242,622,675	
Total		897,196,243	987,039,786	1,094,002,116	

### **Rapid Pick-up Evident in Paint Business; Present Buying, However, Probably Less Than Last Year**

The first month of the year was comparatively quiet in the paint business but February is showing to better advantage. Manufacturers in this District report that present indications point toward excellent spring business and that they are looking forward to a very substantial volume of sales. While the industrial trade continues to place requirements conservatively, there has been a considerable increase in orders, and inquiries are also more numerous.

It is doubtful, however, if present buying matches that of a year ago when purchases were accelerated by anticipation of price advances. At that time increases were imminent and dealers placed their stock orders earlier than usual in order to be protected. Conse-

quently when comparison is made with last year, manufacturers find themselves confronted by sales figures which are difficult to beat or even equal.

In certain sections of the northwest where farming conditions are unsettled the paint business naturally is not up to standard but this seems to be offset by generally satisfactory conditions in other localities, the south Atlantic states reporting particularly good business.

The activity in winter building is helping the industry to a marked degree as is also present railroad equipment construction. Collections are reported good. Linseed oil, lead, and other main ingredients of paint are reported to be firm.

### **Paving Brick Manufacturers Prepare for Next Road Building Season; Face Brick and Common Brick Associations Report Heavy Winter Production**

Production of No. 1 vitrified paving brick in January was less active than in the preceding month, as shown by the latest report of the National Paving Brick Manufacturers' Association. In December the output of 26 reporting plants representing 67 per cent of the

normal tonnage capacity of the industry, was 23,592,000 brick as compared with 19,664,000 brick by identical plants in January, or a decrease for the month of 3,928,000 brick.

Unfilled orders on the last day of January were 51,-

419,000 and a month previous they were 60,624,000. Stocks on hand exceeded the total of unfilled orders and showed a considerable increase over those held at the end of December, being 91,737,000 on January 31 and 86,930,000 on December 31.

It is interesting to note that contractors and engineers are assisting in relieving the seasonal aspect of the paving brick industry by asking for winter deliveries, shipments for January amounting to 9,491,000.

The following figures showing production, stocks, unfilled orders, and shipments of face brick for 32 identical plants during January, 1924, as against the previous month and January, 1923, have been compiled by the American Face Brick Association. The figures do not include commons or culls.

	Jan. 1924	Dec. 1923	Jan. 1923
	(000 Omitted)		
Production .....	17,366	20,939	20,149
Stocks .....	61,575	56,436	64,877

Unfilled Orders .....	33,592	25,641	41,087
Shipments .....	11,231	12,650	19,087

According to a recent report of the Common Brick Manufacturers' Association, the common brick industry is showing unusual activity for this season of the year. Remarkably few plants are closed down and many of the manufacturers are running on full production schedules. Stocks are comparatively low. The tabulated report as of January 1, 1924, and December 1, 1923, is as follows:

	Jan. 1 1924	Dec. 1 1923
No. of Firms Reporting ...	120	126
Plants Closed Down .....	30	39
Burned Brick on Hand ....	313,696,000	334,381,000
Unburned Brick on Hand ..	55,646,000	80,643,000
Brick Moved From Yard		
During Month .....	66,199,000	132,538,000
Orders on Books .....	266,914,000	276,124,000

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

	Feb. 20, 1924	Feb. 21, 1923
<b>R E S O U R C E S</b>		
Gold with Federal Reserve Agent.....	\$203,015,000	\$205,973,000
Gold redemption fund with U. S. Treasury.....	2,522,000	4,167,000
Gold held exclusively against F. R. Notes.....	205,537,000	210,140,000
Gold settlement fund with F. R. Board.....	81,648,000	78,960,000
Gold and gold certificates held by bank.....	12,711,000	14,008,000
<b>Total gold reserves.....</b>	<b>299,896,000</b>	<b>303,108,000</b>
Reserves other than gold.....	11,450,000	11,132,000
<b>TOTAL RESERVES.....</b>	<b>311,346,000</b>	<b>314,240,000</b>
Non-reserve cash.....	3,249,000	3,895,000
Bills discounted:		
Secured by U. S. Government obligations.....	23,150,000	22,899,000
Other bills discounted.....	13,398,000	11,437,000
<b>Total bills discounted.....</b>	<b>36,548,000</b>	<b>34,336,000</b>
Bills bought in open market.....	34,769,000	30,506,000
U. S. Government securities:		
Bonds and Treasury Notes.....	14,183,000	12,338,000
Certificates of indebtedness.....	3,821,000	25,214,000
<b>Total U. S. Government securities.....</b>	<b>18,004,000</b>	<b>37,552,000</b>
<b>TOTAL EARNING ASSETS.....</b>	<b>89,321,000</b>	<b>102,394,000</b>
Uncollected items.....	67,373,000	62,889,000
Bank premises.....	9,109,000	7,635,000
All other resources.....	333,000	991,000
<b>TOTAL RESOURCES.....</b>	<b>480,731,000</b>	<b>492,044,000</b>
<b>L I A B I L I T I E S</b>		
F. R. notes in actual circulation.....	221,661,000	237,050,000
Deposits:		
Member Banks-Reserve account.....	158,338,000	157,631,000
Government.....	4,646,000	2,330,000
Other deposits.....	1,208,000	1,274,000
<b>TOTAL DEPOSITS.....</b>	<b>164,192,000</b>	<b>161,235,000</b>
Deferred availability items.....	57,679,000	57,454,000
Capital paid in.....	12,473,000	11,950,000
Surplus.....	23,691,000	23,495,000
All other liabilities.....	1,035,000	860,000
<b>TOTAL LIABILITIES.....</b>	<b>\$480,731,000</b>	<b>\$492,044,000</b>

**Ratio of total reserves to deposit and F. R. note liabilities combined = 80.7% on  
February 20, 1924, as compared with 78.9% on February 21, 1923.**

**Debits to Individual Accounts**

	Week Ending Feb. 13, 1924 (325 Banks)	Week Ending Jan. 16, 1924 (327 Banks)	Increase or Decrease Amount Per Cent		Week Ending Feb. 14, 1923 (324 Banks)	Increase or Decrease Amount Per Cent	
Akron.....	\$ 13,627,000	\$ 17,270,000	\$—	3,643,000 —21.1	\$ 16,420,000	\$—	2,793,000 —17.0
Butler, Pa.....	2,124,000	2,588,000	—	464,000 —17.9	2,320,000	—	196,000 — 8.4
Canton.....	8,692,000	11,644,000	—	2,952,000 —25.4	9,296,000	—	604,000 — 6.5
Cincinnati.....	61,745,000	81,507,000	—	19,762,000 —24.2	63,192,000	—	1,447,000 — 2.3
Cleveland.....	119,039,000	148,424,000	—	29,385,000 —19.8	123,748,000	—	4,709,000 — 3.8
Columbus.....	26,364,000	31,490,000	—	5,126,000 —16.3	29,507,000	—	3,143,000 —10.7
Connellsville.....	1,132,000	1,275,000	—	143,000 —11.2	1,322,000	—	190,000 —14.4
Dayton.....	13,194,000	17,038,000	—	3,844,000 —22.6	13,251,000	—	57,000 — 0.4
Erie.....	6,266,000	7,880,000	—	1,614,000 —20.5	6,426,000	—	160,000 — 2.5
Greensburg.....	4,848,000	6,029,000	—	1,181,000 —19.6	4,702,000	—	146,000 3.1
Homestead.....	738,000	962,000	—	224,000 —23.3	547,000	—	191,000 34.9
Lexington, Ky....	6,859,000	7,227,000	—	368,000 — 5.1	8,779,000	—	1,920,000 —21.9
Lima.....	3,556,000	3,864,000	—	308,000 — 8.0	3,059,000	—	497,000 16.2
Lorain.....	1,082,000	1,406,000	—	324,000 —23.0	1,042,000	—	40,000 3.8
Middletown.....	1,670,000	2,528,000	—	858,000 —33.9	1,657,000	—	13,000 0.8
New Brighton....	2,290,000	2,702,000	—	412,000 —15.2	2,234,000	—	56,000 2.5
Oil City.....	2,621,000	3,932,000	—	1,311,000 —33.3	2,536,000	—	85,000 3.4
Pittsburgh.....	171,943,000	189,030,000	—	17,087,000 — 9.0	177,993,000	—	6,050,000 — 3.4
Springfield.....	3,781,000	5,181,000	—	1,400,000 —27.0	4,381,000	—	600,000 —13.7
Steubenville*....	2,179,000	2,887,000	—	708,000 —24.5	.....	.....	.....
Toledo.....	36,384,000	44,177,000	—	7,793,000 —17.6	31,047,000	—	5,337,000 17.2
Warren, O.....	3,954,000	3,394,000	—	560,000 16.5	2,705,000	—	1,249,000 46.2
Wheeling.....	9,722,000	12,233,000	—	2,511,000 —20.5	8,474,000	—	1,248,000 14.7
Youngstown.....	12,763,000	15,548,000	—	2,785,000 —17.9	12,166,000	—	597,000 4.9
Zanesville.....	2,611,000	3,213,000	—	602,000 —18.7	2,375,000	—	236,000 9.9
Total.....	\$519,184,000	\$623,429,000	\$—	104,245,000 —16.7	\$529,179,000	\$—	12,174,000 — 2.3

\*Corresponding figures for 1923 not available.

**Movement of Livestock at Principal Centers in the Fourth Federal Reserve District for the Month of January, 1924-1923**

	Cattle		Hogs		Sheep		Calves		Cars Unloaded		
	1924	1923	1924	1923	1924	1923	1924	1923	1924	1923	
Cincinnati.....	21,423	19,600	136,880	108,408	4,376	3,480	10,175	9,889	1,888	1,671	
Cleveland.....	12,407	10,649	127,508	86,280	28,594	23,617	10,322	8,800	2,097	1,630	
Columbus.....	74	38	7,933	6,252	8	309	81	94	21	7	
Dayton.....	1,692	1,990	15,161	12,972	188	228	764	692	.....	.....	
Fostoria.....	334	343	12,770	10,432	1,301	653	579	551	10	20	
Marion.....	42	49	5,786	6,359	421	646	153	118	.....	.....	
Pittsburgh.....	37,059	31,171	314,713	304,442	75,289	66,196	38,709	29,706	5,198	4,819	
Springfield.....	257	333	7,296	3,852	633	770	266	176	.....	.....	
Toledo.....	1,205	734	16,300	11,776	1,051	1,225	446	585	152	147	
Wheeling.....	480	310	3,329	3,199	115	16	1,014	715	44	36	
			Purchases for Local Slaughter								
Cincinnati.....	14,672	13,398	79,557	69,936	3,224	3,038	5,158	4,601	.....	.....	
Cleveland.....	11,709	10,283	108,625	62,990	16,283	15,590	9,999	8,507	.....	.....	
Columbus.....	5	38	303	570	8	19	30	56	.....	.....	
Fostoria.....	132	38	1,000	250	3	10	71	25	.....	.....	
Marion.....	44	49	2,819	2,702	2	7	60	110	.....	.....	
Pittsburgh.....	6,948	5,682	69,397	57,118	9,827	7,476	7,463	7,110	.....	.....	
Springfield.....	46	153	754	686	4	.....	83	32	.....	.....	
Toledo.....	728	.....	3,176	.....	243	.....	384	.....	.....	.....	
Wheeling.....	480	310	3,329	3,199	115	16	1,014	715	.....	.....	

**Wholesale Trade****Percentage Increase (or Decrease) in Net Sales During January, 1924, as Compared with December, 1923, and January, 1923**

	Dry Goods	Hardware	Drugs	Groceries
Net Sales (selling price) during January, 1924, compared with December, 1923.....	6.9	8.3	10.0	—0.5
Net Sales (selling price) during January, 1924, compared with January, 1923.....	—13.0	5.9	—7.5	5.7

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

	Feb. 13, 1924 (79 Banks)	Jan. 16, 1924 (80 Banks)	Increase	Decrease
Loans and Discounts secured by U. S. Government obligations.....	\$25,126,000	\$27,491,000	\$.....	\$2,365,000
Loans and Discounts secured by other stocks and bonds.....	399,590,000	404,947,000	.....	5,357,000
Loans and Discounts, all other.....	686,798,000	676,204,000	10,594,000	.....
U. S. Pre-War Bonds.....	48,274,000	48,315,000	.....	41,000
U. S. Liberty Bonds.....	109,078,000	105,227,000	3,851,000	.....
U. S. Treasury Bonds.....	6,160,000	4,319,000	1,841,000	.....
U. S. Treasury Notes.....	56,072,000	55,712,000	360,000	.....
U. S. Certificates of Indebtedness.....	6,049,000	7,000,000	.....	951,000
Other Bonds, Stocks and Securities.....	304,173,000	301,639,000	2,534,000	.....
Total Loans, Discounts, and Investments.....	1,641,320,000	1,630,854,000	10,466,000	.....
Reserve with Federal Reserve Bank.....	115,997,000	107,751,000	8,246,000	.....
Cash in Vault.....	30,936,000	30,777,000	159,000	.....
Net Demand Deposits.....	899,190,000	885,364,000	13,826,000	.....
Time Deposits.....	616,894,000	608,805,000	8,089,000	.....
Government Deposits.....	17,210,000	18,931,000	.....	1,721,000
Total Resources on date of this report.....	2,126,131,000	2,077,190,000	48,941,000	.....

**Building Operations for Month of January, 1924-1923**

	Permits Issued				Valuation				Increase or Decrease	
	New Construction		Alterations		New Construction		Alterations			
	1924	1923	1924	1923	1924	1923	1924	1923	Amount	Per Cent
Akron.....	104	110	20	13	\$ 235,760	\$ 258,129	\$ 6,750	\$ 13,800	—	\$29,419 —10.8
Canton.....	65	77	34	29	166,825	217,952	24,370	29,915	—	56,672 —22.9
Cincinnati.....	144	222	126	171	664,135	1,040,330	151,985	325,440	—	549,650 —40.2
Cleveland*.....	443	683	442	441	5,427,425	7,137,095	641,335	629,625	—	1,697,960 —21.9
Columbus.....	196	279	81	54	585,855	904,055	72,545	241,745	—	487,400 —42.5
Dayton.....	75	153	64	50	557,260	1,006,282	119,065	45,218	—	375,175 —35.7
Erie.....	35	29	21	27	105,500	108,160	146,967	95,660	—	48,647 23.9
Lexington.....	31	34	9	13	75,475	243,445	13,175	11,790	—	166,585 —65.3
Pittsburgh.....	267	234	88	58	1,746,601	2,380,252	257,583	80,305	—	456,373 —18.5
Springfield.....	19	27	8	14	47,540	65,495	4,265	16,500	—	30,190 —36.8
Toledo.....	135	117	71	82	613,912	968,105	100,015	221,720	—	475,898 —40.0
Wheeling.....	42	28	36	29	419,935	94,515	108,385	17,320	—	416,485 372.4
Youngstown.....	128	65	15	13	495,600	540,785	26,800	12,750	—	31,135 —5.6

Total... 1,684 2,058 1,015 994 \$11,141,823 \$14,964,600 \$1,673,240 \$1,741,788\$—3,891,325 —23.3

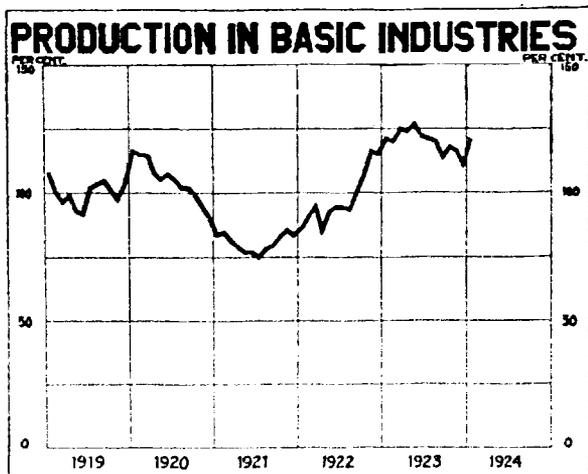
\*Includes figures for East Cleveland, Lakewood, Cleveland Heights, and Shaker Heights.

**Department Store Sales**

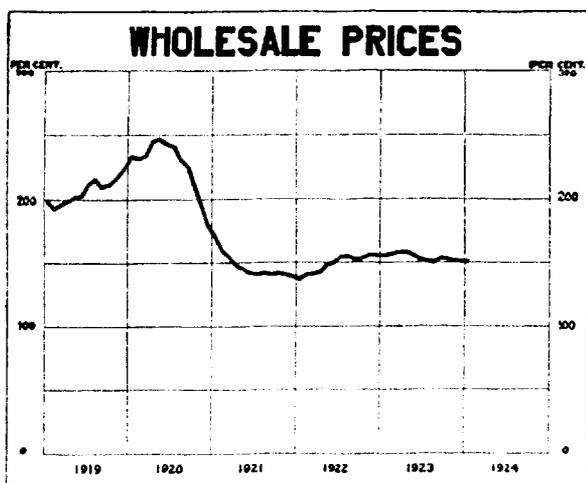
	No. of Reports	(1) Percentage of Increase or Decrease		(2) Stocks at end of month compared with		(3) Percentage of average stocks at end of each month from January 1 to average monthly sales over same period	(4) Percentage of outstanding orders at end of January, 1924, to total purchases during calendar year 1923
		Comparison of net sales with those of corresponding period last year		Stocks at end of month compared with		January 1 to January 31 to average monthly sales over same period	January, 1924, to total purchases during calendar year 1923
		A January	B Jan. 1 to Jan. 31	A January 1923	B December 1923		
Akron.....	4	0.3	0.3	10.1	— 1.1	447.0	13.6
Canton.....	3	— 3.8	— 3.8	5.0	— 5.3	780.7	.....
Cincinnati.....	8	18.5	18.5	9.8	— 7.6	369.3	8.7
Cleveland.....	5	5.3	5.3	13.9	—14.7	323.3	8.0
Columbus.....	6	1.9	1.9	2.3	—13.3	387.7	7.4
Pittsburgh.....	7	8.4	8.4	10.9	— 3.1	353.8	9.7
Toledo.....	4	2.8	2.8	27.3	— 1.8	473.9	7.8
Youngstown.....	3	12.8	12.8	17.8	4.3	314.4	7.4
District.....	44*	7.7	7.7	12.2	— 6.7	370.8	9.0
U. S. Average...		7.5		6.8	— 4.3	381.3	7.6

\*Includes four reports from other cities.

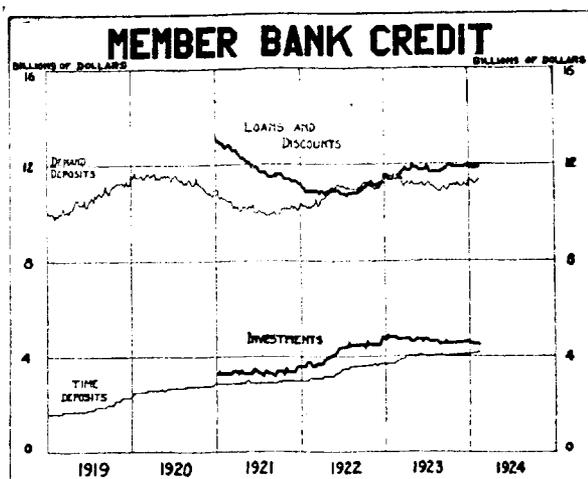
## Summary of Business and Credit Conditions in the United States By the Federal Reserve Board



Index of 22 basic commodities corrected for seasonal variation (1919 = 100). Latest figure—120.



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



Weekly figures for member banks in 101 leading cities. Latest figure, February 13.

Production of basic commodities increased sharply in January, the volume of distribution continued larger than a year ago, and the wholesale price level remained unchanged. In February there was an increase in the demand for credit for commercial purposes.

### PRODUCTION

The Federal Reserve Board's index of production in basic industries increased 8 per cent in January and was at approximately the same level as a year ago. This increase followed a downward movement which had been under way since May, 1923. The increases over December, which occurred in most of the industries, were particularly large in the production of steel ingots, lumber, and bituminous coal and in mill consumption of cotton. A small but general reduction of working forces at industrial establishments resulted in a slight decline in the index of factory employment. The largest decreases occurred at plants manufacturing food products and tobacco. Contract awards for new buildings in January were slightly higher in value than in December and were 26 per cent above a year ago.

### TRADE

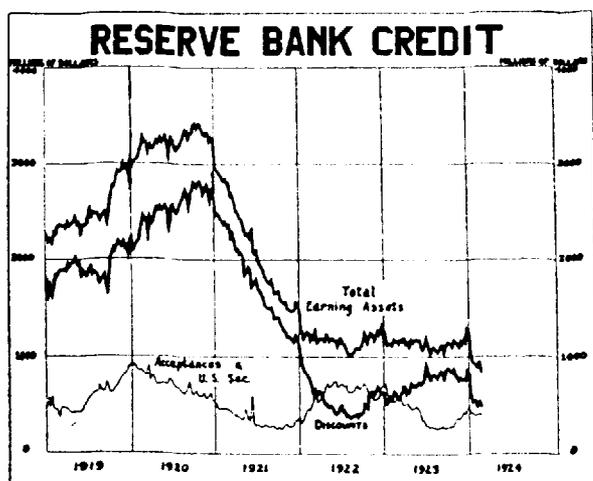
Railroad shipments, particularly of miscellaneous merchandise, increased during January and total car loadings were somewhat above the high level of January, 1923. The index of wholesale trade increased 11 per cent during January and was slightly higher than a year ago. Sales of groceries, meat, and drugs were larger than in January, 1923, while sales of dry goods and shoes were smaller. Retail trade in January showed the usual seasonal decline. Compared with a year ago, department store sales were 7 per cent larger and stocks of merchandise at these stores, after declining in January, were 6 per cent above last year's level. Sales of mail order houses in January, exceeded those of a year ago by 11 per cent.

### PRICES

The wholesale price index of the Bureau of Labor Statistics remained unchanged during January and was at a level 3 per cent lower than a year ago. Prices of fuels and building materials which had been declining since early in 1923 increased in January, while prices of farm products, foods, and clothing declined. During the first two weeks of February prices of hogs, sugar, hides, lumber, and metals advanced, while prices of cotton, wheat, and silk declined.

### BANK CREDIT

The volume of borrowing for commercial purposes at member banks in leading cities, after an almost continuous decline for more than three months, increased considerably during the latter part of January and the first two weeks in February. This increase was accompanied by a decline in loans secured by stocks and bonds. Total loans and investments of the reporting banks are now slightly larger than a year ago; commercial loans and loans on stocks and bonds are larger, but investments are smaller. At the Federal Reserve banks the total volume of earning assets fluctuated within narrow limits during February. The large return flow of currency and the repayment



Weekly figures for 12 Federal Reserve Banks.  
Latest figures February 20.

of discounts, which characterized the early weeks of the year, did not continue after January. Since the first week in February the volume of discounts for member banks has been about \$500,000,000 and the holdings of securities purchased in the open market about \$400,000,000.

The easier money conditions of January were followed in February by slightly firmer rates on acceptances and on short term government securities. Commercial paper rates in the New York market remained unchanged at  $4\frac{3}{4}$  per cent.

# FOURTH FEDERAL RESERVE DISTRICT

