The Monthly Business Review

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

VOL. 6 CLEVELAND, OHIO, JULY 1, 1924 NO. 7

"EFFORTS TO MAINTAIN A HEALTHY RELATIONSHIP BETWEEN PRODUCTION AND CONSUMPTION HAVE RESULTED IN ANOTHER SHARP RECESSION IN THE OUTPUT OF MANUFACTURED GOODS. UNEMPLOYMENT, TOO, HAS SHOWN A CONSEQUENT INCREASE, BUT WHILE THERE HAS BEEN A WIDESPREAD CURTAILMENT OF OPERATING TIME WHICH AUTOMATICALLY SPELLS LESSENED EARNINGS BY THE WORKERS, WAGE RATE REDUCTIONS HAVE BEEN COMPARATIVELY FEW."—*EDITORIAL*

FEDERAL RESERVE BANK of CLEVELAND

D. C. Wills, Chairman of the Board

(COMPILED JUNE 22, 1924)

Editorial

EFFORTS to maintain a healthy relationship between production and consumption have resulted in another sharp recession in the output of manufactured goods. Unemployment, too, has shown a consequent increase, but while there has been a widespread curtailment of operating time which automatically spells lessened earnings by the workers, wage rate reductions have been comparatively few.

Sentiment in the iron and steel industry has improved. Here and there evidences of renewed buying are seen. Conditions in the Mahoning Valley are reported to be brightening perceptibly.

Dominating features of the downward movement of business have been its rapidity and its orderliness. Within three months plant operations in many instances have been reduced to points which are as remarkable for their depth as the early spring expansions were for the heights to which they carried. Regardless of this there have been few evidences of forced liquidation. Throughout the country generally there has been a determination to avoid anything even remotely resembling a rout.

The rapidity of the change is directly in line with present methods of doing business; methods which favor quick movements either of expansion or contraction, and which are capable of effecting within a few months realignments which previously required a year or more, thus adjusting production without delay to visible consumption.

Promptness in beginning the balancing job when anticipated sales failed to materialize sufficiently to keep pace with expanded production was responsible in no small degree for the methodical nature of the movement. The absence of heavy inventories was also a material aid. Sound financial conditions capable of supplying abundant credit proved a stabilizing influence. Moreover, industry has not been so free in years from the restricting obstacles of shortages of labor, transportation service and equipment, and raw materials.

But the biggest factor of all has been the faith in the ability of the American people to buy what they need, plus the knowledge that while the demand for goods may be delayed in reaching the factories, it is bound to arrive eventually and that hollows caused by slack production will have to be filled.

In viewing the present business situation it seems fair to remember these things, particularly at a time when it is easy to see disturbing developments to the exclusion of those which favor renewed activity.

Slowing Down in Loans to Member Banks; Number of Borrowing Banks Increases; Savings Higher

Between April 20 and May 20 there was a slowing down in the demand for funds by our member banks, rediscounts during that period showing a decline of $13,454,000. An occasional spurt appeared in the requests from agricultural communities, but taking the period as a whole there was practically no change in these sections. As stated last month a portion of the present slack demand for accommodations is attributable to general trade inactivity while the principal reason is that the banks are able to take care of their customers without recourse to this bank.

Contrary to the downward trend in the amount of loans, the number of banks borrowing from the Federal Reserve Bank of Cleveland on May 31 showed an increase of 46 as compared with the same date a year ago.

The loans and discounts of member banks are beginning to reflect the present business recession. At the close of business on June 18, 79 banks reported a total of loans and discounts of $1,147,315,000. On May 7 they stood at $1,161,199,000. There is here shown a decrease of $13,884,000.

Recently the rediscount rate has been reduced in nine of the twelve Reserve Banks: New York, Boston, and Philadelphia now have a rate of 3½ per cent. Cleveland, Richmond, Atlanta, St. Louis, Chicago, and San Francisco have a four per cent rate, while that of Dallas, Minneapolis, and Kansas City remains at 4½ per cent. The rate reduction at Philadelphia is limited to ninety-day paper.

The reserve ratio of this bank and also of the System continues to move upward. On May 20 the ratio of this bank was 81.5 per cent while on June 20 it was 82.6 per cent. That of the Federal Reserve System on May 20 was 83.2 per cent compared with 84.3 per cent on June 20.

Reports from 67 banks in this District for the month of May show an increase in savings deposits. On May 31 of this year savings of these banks totaled $772,831,896 as against $763,934,858 on April 30, an increase of 1.2 per cent. At the close of May a year ago they totaled $698,473,769 thus showing an increase for the year of 10.6 per cent.

According to figures given out by R. G. Dun & Company, there were 147 commercial failures in the Fourth District during May, 1924, one less than in April but 19 more than in May last year. Liabilities of firms which failed in May this year totaled $4,514,298 as compared with $13,040,996 in the previous month, a drop of $8,526,698 or 65.4 per cent. In May, 1923, they were $7,754,229 or 41.8 per cent higher than May this year.

In the United States during May, 1816 failures occurred while in the previous month there were 1707, an increase of 109 for the month and of 286 over May a year ago. Liabilities for May in the entire country totaled $36,590,905 as compared with $48,904,-452 in the previous month, a decrease of $12,313,547, or 25.2 per cent. In May, 1923, they were $41,022,277, or 10.8 per cent higher than in May this year.

Sentiment in Iron and Steel Industry Improves Slightly; Buying of Storage Tanks by Oil Companies a Conspicuous Development

After a convulsion from record-breaking to low production within a period of 60 days which available records show no previous parallel in severity, the iron and steel industry apparently is again at or near the point of equilibrium. From the peak point in March, output by June 1 had fallen 40 per cent. The question is raised whether this unprecedented readjustment of production has not exceeded the limits of current consumption.

In several lines evidence of a moderate increase of buying has appeared in recent weeks and bookings for the first half of June with some companies, notably the Steel Corporation, show a gain from the corresponding period in May. Buyers are extremely cautious in placing any orders except for requirements immediately in sight and initiation of new enterprises generally is lagging. The favorable point of the situation remains the low stocks of material which it is understood consumers are now carrying. Any more cheerful turn of sentiment or new business in diversified lines, therefore, promises to release a considerable volume of buying.

The extraordinary manner in which new buying has been shut off is reflected by the abnormal condition of the unfilled orders of the Steel Corporation in May. At the end of that month unshipped tonnage of the leading producer totaled 3,628,089 tons or the smallest aggregate since November, 1914, and 12 per cent under the low point shown in the depression of 1921. Only twice since 1912 have unfilled tonnage bookings been so small.

At the present date, the latter part of June, operations of the whole iron and steel industry are around 45 or 50 per cent on the average. In certain spots such as the Mahoning Valley they have fallen below this point or to practically 30 per cent. Certain other districts, however, after having receded sharply, are showing more tendency to work higher. The Carnegie Steel Co. having been down to 42 per cent has touched 56 to 58 per cent during the past week or two. In May, steel production for the country had fallen to 30,270,000 tons on an annual basis. In March, the rate was at 50,000,000 tons per annum which was the high

record point for all time. The May loss against April was 24.1 per cent which brought production to the lowest point since August, 1922.

Pig iron output in May as compiled by *Iron Trade Review* measured the same remarkable contraction. The decline that month as against April was 21 per cent or 22,658 tons which was the greatest in any similar period on record, even exceeding the reduction at the time of the steel strike in 1919. The net loss in active furnaces in May was 46 bringing the total for the past two months to 81. Furnaces in blast at the end of May were 188 compared with 269 on the corresponding date in March. Total production in May was 2,631,248 tons or a loss of 594,859 tons from April.

The best operations of the steel mills are with the tubular and tin plate plants, these managing to maintain about 65 or 70 per cent of production. In building steel some revival in recent weeks has made its appearance, the most notable feature of which has been the large number of new inquiries and of awards. At the present time it is estimated that probably 150,000 tons of live work are being figured. Total structural awards in May according to the government figures showed less recession than in some other lines. They were only 10 per cent under April and 19 per cent under February, the banner month of the present year.

The conspicuous development in recent weeks has been the resumption of buying of storage tanks by the oil companies. One phase of the situation which has been disappointing to producers has been the failure of the railroads to specify freely against contracts for steel rails for 1924 delivery. These contracts which were booked over a period of some months past have constituted one of the substantial elements of the mills position and recently were estimated at approximately 2,500,000 tons.

Pig iron prices have decreased and have induced a considerable number of buyers to come into the market with orders for about 400,000 tons. Some buyers are closing on their requirements to the end of the year. The principal purchasing has been done by radiator, heating equipment, and pipe interests, although the movement as it has expanded is including companies in many diversified lines. One large radiator company is credited with purchases of 75,000 to 80,000 tons. Prices of pig iron having fallen $1 and $1.50 lower during the past month are now at the lowest basis since the latter part of 1922 when a buying movement was stimulated that carried up prices over a period of four months.

The same situation applies to rolled steel products. Having undergone severe declines, $2 to $3 per ton, the finished steel market is better stabilized though still subject to softness. At the date of June 18, the composite of fourteen leading iron and steel productions of *Iron Trade Review* stood at $40.55, representing a decline for the sixteenth consecutive week. This index is now at the lowest point since December, 1922.

Harmonious labor conditions in the iron and steel industry have been assured by the signing of the annual wage agreements effective June 30 in sheets, tin plate, and bar iron on the same basis as that applying to the twelve months preceding.

Automobile Production Shows Another Sharp Drop; Sales Fail to Meet Expectations

There was an abrupt decline in automobile production in the United States during May. Figures received from the Federal Reserve Bank of Chicago show a decline of 16.2 per cent from April and a decline of 20.5 per cent from May of last year. The decrease was particularly noticeable in passenger cars which declined from 336,968 in April to 279,385 in May or 22.5 per cent, while trucks, on the other hand, declined only from 34,977 to 32,326, or 7.4 per cent. Total May production was less than in any previous month in 1924, and was also less than in any month in 1923 with the exception of January, February, and December. Production of trucks shows up well in this comparison also, the May figure being exceeded only five times in the last seventeen months.

The reason for this decrease in production is to be found in a surplus of stocks in the hands of the dealers, which in turn may be accounted for by unsatisfactory buying on the part of the public. Recession in other lines of industry has cut into the number of potential buyers of automobiles. Although there is some uncertainty as to the outlook for production in the immediate future, indications are that dealers will be given a chance to work off their surplus stocks before production is resumed on a large scale. The National Automobile Chamber of Commerce reports that sales during May in several factories were the lowest in two years, and that still further curtailment of production for the next two months is planned. On the other hand, Automotive Industries reports that several companies have June production programs ahead of May.

Automobile Production 1923-1924

Figures Represent Practically Complete Production and Are Based Upon Reports Received by the Federal Reserve Bank of Chicago in Cooperation with the National Automobile Chamber of Commerce from Identical Firms Each Month

	1923			1924		
Month	Passenger Cars	Trucks	Total	Passenger Cars	Trucks	Total
January	223,653	18,913	242,566	287,211	28,247	315,458
February	259,383	21,411	280,794	336,284	30,399	366,683
March	319,527	34,063	353,590	348,287	33,061	381,348
April	343,793	36,786	380,579	336,968	34,977	371,945
May	350,073	42,373	392,446	279,385	32,326	311,711
June	337,048	39,945	376,993	.....	.....	.....
July	297,173	29,712	326,885	.....	.....	.....
August	313,972	29,882	343,854	.....	.....	.....
September	298,600	27,841	326,441	.....	.....	.....
October	334,244	29,638	363,882	.....	.....	.....
November	284,758	27,374	312,132	.....	.....	.....
December	275,287	27,275	302,562	.....	.....	.....
Total	3,637,511	365,213	4,002,724	.....	.....	.....

Tire Output Reduced; Manufacturers' Stocks High; Dealers in Good Position; Sales of Balloon Tires Pushed

A further reduction in the output of automobile tires is evidenced by reports received this month from Fourth District rubber companies. The present output of reporting concerns is now about at the same rate (in some instances slightly lower) as that of last year.

Some reductions in working forces have been made and it is now estimated that from 7 to 10 per cent of the tire builders in Akron are idle. This does not hold true in all instances, however, for the factory payroll of one of the largest concerns has shown practically no variation since January. While forces have been reduced in some of the departments of this concern, increases have been made in others.

The reduction in automobile output has hurt the sale of tires to car manufacturers considerably. Dealers' buying is fairly satisfactory and is being stimulated by improved weather conditions. Dealers are in a good position in regard to stocks for they have been doing practically no speculating. Stocks in the hands of manufacturers are high as a result of heavy production schedules and the failure of the anticipated spring demand to materialize.

Balloon tires continue to attract interest and manufacturers are making special sales efforts along this line. As an inducement to get the motoring public to more generally adopt the low pressure tires, most of the big companies have recently announced that they will give away sets of wheels, and in some instances rims, with each purchase of five full balloon tires. This new policy amounts to a considerable price reduction.

Production of tire casings in April exceeded shipments by 294,037, according to reports from members of the Rubber Association representing about 80 per cent of the industry. Output in April totaled 3,307,478, compared with 3,427,692, in March and 3,539,326 in April, 1923.

Shipments in April this year were 3,013,364, against 2,990,872 in March and 3,079,743 in April last year. Inventory on April 30 was 6,164,226, compared with 5,763,084 in March and 6,088,272 at the close of April, 1923.

Inner tube inventories as of April 30 were 8,627,343, an increase of 5.7 per cent over March and 2.7 per cent over April, 1923.

Production of tubes totaled 4,035,242, against 4,218,-950 in the previous month and 4,259,558 in April, 1923; while shipments were 3,586,279, against 3,500,-105 in March and 3,618,495 a year ago.

Solid tire inventory at the end of April was 212,419, against 203,608 and 260,631, respectively, in March this year and April, 1923. Output was 69,534, an increase of 1.2 per cent over March, but a decrease of 2.7 per cent from April, 1923. Shipments totaled 58,-486, against 61,482 in March and 76,204 a year ago.

Gasoline Consumption at High Rate; Refinery Operations Curtailed; Retail Prices Cut

Consumption of gasoline has been at a high rate but gasoline prices at the refineries have gradually receded during the first three weeks of the month and are showing only a small degree of firmness in the final week.

The weakness in the refinery gasoline market is largely the result of a psychological phase of the industry, according to *National Petroleum News*. Production of crude oil, particularly in Oklahoma where two new fields were developed during the spring, and also in the Tonkawa field which was one of the disturbing factors in the oil industry last year, has been increasing steadily since March through the first week in June. It has been in such volume that a reduction in prices paid for crude by leading purchasing companies has been expected by independent gasoline and oil distributors. These latter have been purchasing so sparingly—buying only to fill current requirements—that prices were gradually forced to lower levels.

The tide of production seems to have been stemmed temporarily and the prices of crude oil have not been lowered by any of the major purchasing companies in the Mid-Continent field.

The lowness of the refined oil markets has resulted in a curtailment of refinery operations in the northwestern Pennsylvania oil fields, thus throwing back on the chief crude purchasing agency and pipe line companies a great amount of oil. A reduction of 50 cents a barrel was made in the price of Pennsylvania crude recently. The crude oil situation in the east is still weak and many observers of the situation predict a further 25-cent decline to $3 a barrel for the Pennsylvania grade oil.

The retail price of gasoline has been weak and price cutting has been going on in parts of the Fourth Federal Reserve District. The major marketing company reduced wholesale and retail prices of gasoline 1 cent on June 23 and smaller distributors immediately met the reduction. Under normal conditions the price trend at this time of year is upward.

The slackening in other industries has resulted in a lower demand for lubricating oils and prices of these products have been lower than in May. Prices at present seem to be more stable.

Fuel oil was firmer toward the end of June than in the first half of the month, after having fallen to 75 cents a barrel in the Mid-Continent. Most of the demand in that field comes from the railroads and the volume of trade is proportional to the movement of freight.

The production of gasoline during the month of April, according to the Bureau of Mine's refinery statistics, amounted to 754,773,232 gallons, a daily increase in production over the corresponding period of a year ago of 4,524,352 gallons or 21.9 per cent. Compared with the output of the preceding month there was a daily increase of 1,183,357 gallons or 4.9 per cent. Stocks of gasoline on hand at the refineries increased 36,381,737 gallons during the month of April, showing 1,607,786,404 gallons on hand at the close of the month. Domestic demand for gasoline was 609,077,546 gallons, a daily average of 20,302,585 gallons as compared with the daily demand of a year ago of 16,190,559 gallons, an increase of 4,112,026 gallons daily or 25.4 per cent. The daily increase in domestic demand over March, 1924, was 4,941,18 gallons or 32.2 per cent. Exports increased 31,851,191 gallons over the preceding month and imports fell off 5,596,537 gallons during the month.

The April production of kerosene was 203,185,921 gallons, an increase over the corresponding month a year ago of 21,237,562 gallons, while stocks increased 33,074,710 gallons over last year's April figure, but decreased 38,928,307 gallons below the stocks at the end of March, 1924. Total stocks on hand at the end of April were 306,079,890 gallons. Domestic demand for this product increased 34,542,139 gallons during the month.

The output of gas and fuel oils was 1,116,763,663 gallons, an increase of 2,351,938 gallons over the March production and stocks increased 45,683,595 gallons during the month.

The production of lubricants decreased during April 4,160,300 gallons from the March output, but showed an increase of 6,273,858 gallons over the April, 1923, figure. Stocks increased during the month 1,309,845 gallons.

Bituminous Coal Industry Shows Signs of Improvement; Coke Output Drops Sharply

Although production of bituminous coal in the United States has shown gradual improvement since the abrupt decline which took place during March and early April, it is still running considerably lower than during January and February and is only about 70 per cent of normal. Most of the mines in the Fourth District were operating at less than 50 per cent capacity during June, and some were shut down altogether. The average weekly production for the United States for the four weeks ending June 7 was slightly over 7,000,000 net tons, as estimated by the Geological Survey. This figure is about 3 per cent in excess of the average for the previous five weeks, but is 30 per cent under the corresponding figure for last year. Pro-

duction for the week ending June 7 amounted to 7,378,000 tons, the highest figure reached since March 29.

The opinion held in many quarters is that there should be a gradual improvement in the bituminous coal industry, since indications are that consumption is catching up with production, and that some consumers have been drawing upon reserve supplies. Furthermore, any increased activity in the manufacturing industries would be reflected in an improvement in the coal situation, as stocks would have to be replenished and increased above the level now considered sufficient, in order to take care of the expansion of activity.

Production of by-product coke was 2,786,000 net tons during May, a decrease of 224,000 tons from April. Production of beehive coke declined from 1,079,000 tons in April to 761,000 tons in May. The cause of these declines in production may be found in a sharp decrease in pig iron production, which was 19 per cent less than during April.

Freight Car Loadings Reflect Business Contraction; Purchasing by Carriers Falls Off; Earning Statements Less Satisfactory

Revenue freight now being handled is considerably under the volume of last year but still very much greater than that carried in the early part of 1922. During the week ending June 7, 910,707 cars were handled, a gain of 90,803 cars or 10.9 per cent over the previous week, according to figures compiled by the American Railway Association.

For the first twenty-three weeks in 1924, loadings totaled 20,471,943 cars as compared with 20,970,211 cars in the corresponding period last year and 17,442,444 cars in 1922. This is a loss of 2.4 per cent from last year but a gain of 17.4 per cent over 1922.

This decrease in operations and also the less favorable earning statements, which are neither startlingly bad nor remarkably good, reflect the general falling off in business and the more rigid economy which the roads have been forced to adopt. The railroads, being the arteries of trade, are naturally hurt by trade contraction which inevitably means a shrinkage in the volume of traffic.

With a considerable surplus of freight cars on hand, with the production of locomotives catching up with the demand, and with earnings on the decline, purchasing by the carriers is falling off.

Some of the principal roads are reported to be curtailing the number of working hours in the case of the shop crafts. This is accounted for by the large number of cars in good order and also by the diminished volume of traffic.

Car supply continues to be more than ample, there being a surplus of 338,526 cars on May 31. Railroad authorities expect this surplus to be absorbed to some extent during the next two or three months. Actual transportation conditions are good and in most cases deliveries are being made promptly and upon dependable schedules. Complaints are rare.

The following table prepared by the Department of Commerce gives the shipments of locomotives in May and unfilled orders as of May 1, with comparisons for earlier months:

LOCOMOTIVES

	Shipments			Unfilled Orders		
1924	Total	Domestic	Foreign	Total	Domestic	Foreign
January	151	147	4	376	344	32
February	99	92	7	499	466	33
March	132	128	4	534	494	40
April	73	63	10	640	586	54
May	111	93	18	643	589	54

Report on Agricultural Conditions in the Fourth Federal Reserve District

OHIO

Wheat—The wheat crop has improved somewhat since our last report, particularly in the northern part of the State where there was less damage from winter killing than in some of the southern sections. In southern and central Ohio the plants are stooling well but the stand is too poor to produce an average crop. Steady rains have assured a heavy growth of straw but it is still too early to determine how well the heads will be filled. Present conditions indicate a crop of around 33,724,000 bushels for the State.

Oats—According to the statistician of the Ohio Department of Agriculture, there has been a heavy increase in the oats crop in central, southern, and southwestern Ohio as a result of the general inability of these regions to obtain sufficient labor last fall to cut the corn and prepare the ground for wheat. In northern Ohio there was a considerable decrease, however, so the net increase for the State has been small.

Corn—Corn planting was at least a month later than usual and it is doubtful if the farmers succeeded in planting the acreage which they had counted on. Where the crop is through the ground it is in need of cultivation, particularly in the bottom lands.

Hay—The hay crop is generally reported to be in a very satisfactory condition, and is now estimated by the Department of Agriculture to be 20 per cent above this time last year. The alfalfa crop is estimated at 98 per cent of that of a year ago. In some districts the clover crop was frozen out last winter. Floods have damaged meadows to some extent.

Canning Crops—Prospects for canning crops in this District are not as good as they were a month ago. The pea crop has been damaged by continuous rains, and in some cases hail and high water; consequently the harvest which is now under way is not bringing the results which were promised earlier in the season. Sweet corn planting has been delayed and probably from 40 to 50 per cent of the entire acreage will be planted late in June whereas from 85 to 90 per cent of it should have been planted early in the month. The season may be such that the crop will be satisfactory, but as a rule late planted sweet corn does not yield either in quality or quantity like that which is planted earlier. Tomatoes, the other important canning crop in this District, are looking fairly well, although they were planted at least two or three weeks later than usual.

Fruit—The Department of Agriculture reports that the Ohio fruit grower has a more encouraging outlook than last year. Present indications are for a larger apple crop. The crop is now estimated at 80 per cent of normal in comparison with 74 per cent in 1923. The peach crop is estimated at 45 per cent of a full crop and it is practically all in southern and Central Ohio. Along Lake Erie there will be no commercial crop of Elbertas and only a very small production of any other varieties.

PENNSYLVANIA

Wheat—Wheat maintained its appearance of thrifty growth during the past month and its condition over the State on June 1 was estimated at 85 per cent of normal. This indicates a yield of around 17 bushels, per acre, and a total production of 20,451,000 bushels, compared with an estimated production of 24,168,000 bushels in 1923. Reports of correspondents to the Pennsylvania Department of Agriculture indicate a decrease of 6 per cent in the spring wheat acreage.

Oats—The area sown this spring is estimated to be 87 per cent of the 1923 acreage or 1,018,000 acres. The condition at the time the report was issued indicated an average yield per acre of 28.6 bushels and a total production of 29,112,000 bushels, compared with 33,930,000 bushels, the estimated 1923 harvest.

Rye—Rye fields promise a good crop. The average is now estimated at 93 per cent of normal for the entire State, compared with 88 per cent of normal last year. The average yield indicated is 16.7 bushels per acre and the total production 3,037,000 bushels.

Hay—The area of cultivated varieties of hay is estimated to be slightly less than last year. The crop of timothy and clover is generally reported to be satisfactory. Pasture lands are better than they were at this time last year.

Fruit—According to the Agricultural report the condition of the apple crop in Pennsylvania on June 1, was higher than that of any of the other important apple growing states. The pear crop is estimated to be 88 per cent of normal, compared with 75 per cent last year. The June first condition of the peach crop showed an improvement of 3 per cent over that of 1923.

KENTUCKY

Wheat—Kentucky crop prospects indicate a sharp decrease in the production of wheat. The condition of the crop on June first was only 63 per cent of normal as compared with 85 per cent a year ago. This unsatisfactory condition is a result of winter killing which practically ruined many of the fields.

Corn—Unseasonable weather has delayed farmers in the planting of corn. Some seed which was planted early, rotted in the ground. In spite of this, however, we are informed that present indications point to an unusually large crop. Farmers are depending upon a late fall to help them out.

Oats—The oats crop is reported to be looking good, but the June first estimate of the State Department of Agriculture, shows a drop of more than 68 million bushels from the 1923 production.

Pasture—The past winter was very hard on blue grass, but the heavy rains this spring have aided it materially and the pastures are now in prime condition for cattle and sheep grazing. The crop of blue grass seed is expected to be somewhat under that of last year.

Fruit—A fair fruit crop is reported. Small fruits such as strawberries, raspberries, and blackberries, are all yielding well. The apple, peach, and cherry crops look very promising at present.

Burley Planting Practically Completed; Acreage Uncertain; No Recent Sales Announced

At present there is little activity in the marketing of Burley tobacco for this is the inactive period of the year; the growers' attention is now being devoted to setting out and caring for this year's crop. Farmers, with the aid of improved weather conditions, have practically completed planting operations. As a result of the wet spring the ground is now full of moisture which means that the plants should get a good start.

No accurate estimates as to the acreage this year for the Burley district as a whole are available at this time, but it is believed to be a little smaller than that of last year when a record crop was produced. The large stocks of tobacco on hand, the farm labor situation, and the late spring have been factors tending toward a reduced acreage.

No recent sales have been announced by the Marketing Association.

The tobacco commission which went to Europe in the interest of foreign outlets for the cooperative marketing associations has reported a favorable reception at the hands of European buyers.

Farmers Continue Repairing Old Equipment; Slight Improvement Noted in Grain Threshing Machinery Business

Farm equipment makers who are engaged in the production of cultivating and harvesting machinery report that their factories are now operating at from 50 to 60 per cent of capacity and that a large percentage of the present output is for repair parts.

Farmers have improved their time during the wet weather when outdoor work was impossible, by making further repairs on their old machinery in an effort to have it last another year. This, and the present condition of agriculture, continues to hold down the purchases of new equipment to a very low point. Manufacturers are of the opinion that the farmers cannot long afford to continue the patching up of their old machines at the expense of efficiency in their work.

A large producer of tractors and threshing machines tells us that a slight improvement is noted as the grain threshing season approaches, but here as in other equipment lines, replacement buying covers practically all purchases. Very few people are buying new threshing outfits who have not been in the business previously. His company makes a line of road tools as well as threshing machinery and it is the road tools that are holding up production which is reported at practically normal.

Recent Reports Indicate Slight Betterment in Boot and Shoe Industry; Good Volume of Business Received From Road Salesmen

Production of boots and shoes during April in the Fourth Federal Reserve District, according to statistics compiled by the Census Bureau, was 29.5 per cent less than during March, and almost 50 per cent less than during April, 1923. For the first four months of 1924, production ran about 30 per cent behind the same period last year. For the United States as a whole, production during April was 3.3 per cent below March and 12 per cent below April, 1923, while the first four months of 1924 ran 14.5 per cent under the same period last year.

Indications in the Fourth District are that some improvement in production has taken place during May and June. The Cincinnati Chamber of Commerce reports that production in that section has held up well during the first two weeks in June, and that a good volume of business has been received from salesmen on the road. Buying is still hand-to-mouth, however.

According to the Cincinnati Boot and Shoe Manufacturers Association, unemployment in the industry has shown some betterment recently but there is no big change in the demand for labor. Conditions in the country at large continue to be dull, many of the New England factories having closed down or having greatly curtailed their production.

Building Operations at High Rate; Home Building Program in Cleveland Suburbs Less Vigorous Than Last Year; Supply and Demand of Workmen Reported Well Balanced

The feeling that the building industry is slackening continues to be quite general. Then, too, activity appears to be centered in the completing of old contracts rather than in the starting of new ones.

May operations, however, continued at a high rate, nine representative cities in this District showing an increase in the valuation of permits issued over the same month last year, as against four which showed a decrease. The total valuation of May permits in the thirteen cities was $2,124,846 higher than for May, 1923, or an increase of 9.9 per cent. A slight improvement in weather conditions and the customary seasonal increase were contributing factors in this greater activity.

In the metropolitan district of Cleveland the May advance was very evident. As compiled by the Builders Exchange the record for building permits issued in the month of May within the city proper shows 1,890 certificates approved calling for an expenditure of $6,802,520 in comparison with 1,774 approved at an expenditure of $4,619,075 for May, 1923. The totals for the first five months of this year aggregate an estimated expenditure in permits issued of $26,288,515 in contrast with $24,650,750 for the corresponding five months in 1923. As for individual operations, the total for which permits were issued during the five months this year was 7,380 as against 6,560 in the same period last year, indicating that the variety of building projects is being maintained.

The story of the suburbs, however, is not so good, a decrease being evidenced for the seven leading suburbs from a total of $16,582,093 for the first five months of 1923 to $14,017,247 for the corresponding period this year. It would appear from this that the home building program is less vigorous than a year ago. The loss in the suburbs is compensated for by the gain in the city proper, so it may be said that the present year, thus far, is running even with its predecessor.

A decrease is shown in the five months comparison for the District, the valuation of buildings permitted for

in thirteen cities in the first five months of this year being $1,489,241 or 1.5 per cent less than for the same period a year ago.

A more comfortable situation exists in the supply of materials than was the case last year. In some trades there is a slight surplus of workmen, while in others the call is about even with the supply. Wages have not decreased but it is reported by contractors that a considerable improvement is noted in efficiency on the part of the various workmen.

The Association of Building Employers reports that the construction industry has enjoyed a peaceful year to date. Many new agreements, some of them extending for two or three years, have been negotiated. In most instances the new rates are higher than the old ones, but whereas last year bonuses were paid in most of the trades, this year the rates are generally being adhered to. Common labor is reported plentiful and the supply of skilled labor equal to the demand with the possible exception of bricklayers and plasterers.

The costs of some building materials have remained steady while others have shown slight reductions. Favorable weather has improved the demand to some extent.

General Dullness in Business Begins to Hurt Paint Industry; Rain Postpones Jobs Planned for This Spring

There has been very little change in the paint and varnish industry during the past thirty days although some evidence of a slight falling off in the demand is now reported. The decline is believed to be in keeping with that experienced by business generally. The trade did unusually well in May and June last year and in the light of present conditions it would be usual if the present volume of business exceeded or even equaled that of 1923.

Practically all industrial lines are showing a rather constant decline and with the exception of the radio cabinet business, in which there is considerable activity, there seems to be no outstanding industry which is ordering more heavily than the rest.

The late spring has had a noticeable effect on the dealers' trade for as a result of it many home owners have put off until next fall or the following spring, painting which they ordinarily would have done this spring. In spite of this, however, a very satisfactory volume of business is reported.

Paving Brick Industry Increases Activity; Ohio Still Leads in Consumption

Sizeable increases in production, shipments, stock on hand and unfilled orders were recorded in the paving brick industry for the month of May, according to the monthly statistical report of the National Paving Brick Manufacturers Association just issued to the United States Department of Commerce. The report covers 60 per cent of the industry and shows operations for the month at 93 per cent of normal.

Production jumped from 22,750,000 brick in April to 26,569,000 in May. Shipments increased from 15,827,000 to 24,507,000. Stock on hand showed only a slight increase from 122,123,000 to 122,303,000. Unfilled orders were 83,184,000 in April and 100,242,000 the last day of May.

Ohio leads all other states in consumption, using 3,148,000 brick on city streets and 2,727,000 on country highways. Kansas was second with 2,940,000 for city streets. Oklahoma was third with 1,662,000 for city streets and 1,041,000 for country highways. Illinois was fourth with 2,425,000 for city streets.

Cement Production Made Remarkable Record Last Year; May Output Above that of Any Month in 1923

The remarkable height to which portland cement production was carried in 1923 is shown by a recent report issued by the Geological Survey. The quantity produced last year was 137,460,238 barrels, the greatest output in any year and about 20 per cent above that of 1922 when production totaled 114,789,984 barrels. Of 13 of the principal producing states, Pennsylvania was far in advance with 22 reporting mills manufacturing 38,157,482 barrels. California was second with 9 mills turning out 11,001,910 barrels. During the year 6 mills located in Ohio produced 4,188,755 barrels.

Shipments from the mills likewise made a high record, showing an increase of 15 per cent over those of 1922. Stocks at the mills increased, reaching a total of 10,900,370 barrels on December 31.

The average factory price per barrel in bulk in 1923 was $1.90, an increase of 14 cents or 8 per cent, as compared with 1922.

Following are returns of cement production, shipments, and stocks, monthly and quarterly since January, 1924, with corresponding figures for 1923:

	Production		Shipments		Stocks at end of month	
Month	1923	1924	1923	1924	1923a	1924
January.....	7,990,000	8,788,000	a5,628,000	5,210,000	11,477,000	a14,155,000
February.....	8,210,000	8,588,000	a6,090,000	5,933,000	13,596,000	a16,815,000
March.....	9,880,000	10,370,000	10,326,000	8,995,000	13,045,000	a18,189,000
First quarter...	26,080,000	27,746,000	22,044,000	20,138,000	.....	.....
April.....	11,359,000	11,726,000	12,954,000	12,771,000	11,463,000	a17,159,000
May.....	12,910,000	13,777,000	14,257,000	14,551,000	10,144,000	16,385,000
June.....	12,382,000	.....	13,307,000	.....	9,168,000	.....
Second quarter..	36,651,000	.....	40,518,000	.....	.....	.....

a Revised.

Department Stores Sell Less Goods; General Decline Evidenced

Sales of 57 department stores in the Fourth Federal Reserve District during May were 3.5 per cent less than during May, 1923, but the first five months of this year showed an increase of 3.3 per cent over the same period last year. That the decline in sales from May, 1923, was general is shown by the fact that only two cities reported an increase, and these increases were very slight.

Even with this decline, sales during May were greater than for any other May during the last six years, with the exception of 1923. Taking the five-year monthly average for 1919-1923 as a base, the index numbers for May of each year are as follows: 1919, 84; 1920, 113; 1921, 102; 1922, 101; 1923, 119; 1924, 114.

Stocks on hand at the end of May were 9 per cent greater than a year ago, but 1.4 per cent less than at the end of April.

Department Store Sales

		(1) Percentage of Increase or Decrease		(2)		(3)	(4)
		Comparison of net sales with those of corresponding period last year		Stocks at end of month compared with		Percentage of average stocks at end of each month from January 1 to May 31 to average monthly sales over same period	Percentage of outstanding orders at end of May, 1924, to total purchases during calendar year 1923
	No. of Reports	A May	B Jan. 1 to May 31	A May 1923	B April 1924		
Akron	4	— 5.3	—0.2	9.4	—4.8	411.9	...
Canton	3	— 4.3	2.8	6.4	—0.3	707.8	...
Cincinnati	7	2.9	9.6	5.1	1.9	422.4	4.3
Cleveland	6	— 1.3	3.5	8.8	—1.0	345.8	4.7
Columbus	5	— 1.8	1.6	— 1.6	—4.8	373.8	4.8
Dayton	5	0.4	7.6	13.8	—2.0	418.5	4.0
New Castle	3	— 4.0	1.6	14.3	—2.8	601.2	...
Pittsburgh	7	— 5.0	2.4	11.4	—1.0	381.1	6.1
Toledo	4	—14.8	—1.1	14.9	—4.0	521.8	3.8
Wheeling	5	— 8.5	1.3	— 0.7	3.5	424.0	3.1
Youngstown	3	— 1.4	9.9	2.3	—5.8	307.3	...
Other Cities	5*	— 8.6	0.4	4.4	—0.7	556.0	6.0**
District	57	— 3.5	3.3	9.0	—1.4	390.6	5.2
U. S. Average		— 1.5	3.0	3.9	—3.5	399.2	5.3

*Includes reports from Erie, Portsmouth, and Springfield.
**Includes reports from Erie, Portsmouth, Youngstown, and Akron.

Index Numbers of Sales of 53 Department Stores. Fourth Federal Reserve District

(Average monthly Sales for the Five-Year Period 1919-1923 Inclusive = 100)

Note—This table is subject to slight revision, as a few additional firms may be included.

1923	Pittsburgh	Cincinnati	Cleveland	Toledo	Columbus	Dayton	Youngstown	Akron	Canton*	New Castle	Wheeling	Other Cities**	Dist.
Jan.	90	91	85	92	98	83	75	77	92	83	93	76	88
Feb.	88	83	77	85	80	80	95	77	79	76	74	67	83
Mar.	116	120	116	115	134	133	115	108	127	104	127	104	117
Apr.	110	104	119	107	112	107	108	108	109	117	111	98	111
May	124	122	110	118	118	118	118	112	129	114	129	113	119
June	121	114	115	120	128	116	115	115	118	123	126	112	119
July	80	76	81	93	95	92	81	79	89	90	89	79	82
Aug.	94	84	104	108	97	92	113	90	96	96	91	80	96
Sept.	99	94	110	102	106	112	96	88	90	81	105	87	101
Oct.	130	126	125	129	149	154	127	113	136	113	141	128	129
Nov.	120	120	122	120	134	131	121	102	120	113	127	105	121
Dec.	168	183	164	189	199	219	187	156	194	206	212	194	175
1924													
Jan.	98	94	90	92	102	101	84	78	88	91	102	74	94
Feb.	103	87	90	99	94	92	120	88	97	81	87	77	96
Mar.	100	103	105	101	114	124	118	95	115	93	107	91	104
Apr.	122	114	135	119	124	131	124	112	128	127	128	112	124
May	118	118	109	100	116	121	117	106	124	109	118	103	114

*Based on 3-year average (1921-1922-1923). **Includes Springfield, Portsmouth, and Erie.

Sales of Wholesale Lines Decline

During May sales of wholesale lines declined, both from April and from May of last year. The dry goods trade continued to show the most marked decreases, May sales being 14.5 per cent below those of April and 20.6 per cent below May, 1923. Grocery and drug sales declined only slightly from May of last year, while hardware showed a decrease of 15.4 per cent.

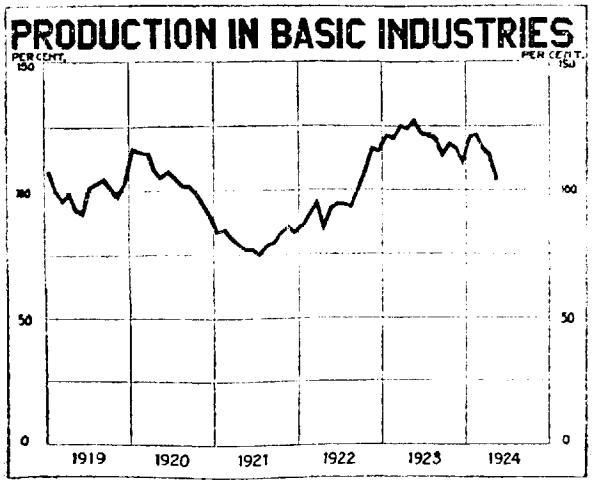
For the first five months of 1924 the grocery trade was the only one to show an increase over the same period in 1923, the increase being 2.1 per cent. The other three lines decreased as follows: dry goods, 12.4 per cent; hardware, 7.5 per cent; and drugs, 2.5 per cent. Several wholesale firms report that continued dullness may be expected.

Wholesale Trade Sales

	Number of Firms Reporting	Percentage change in net sales during May, 1924, compared with April, 1924.	Percentage change in net sales during May, 1924, compared with May, 1923.	Percentage change in net sales from Jan. 1 to May, 31, 1924, compared with same period last year.
Groceries—				
Cincinnati	3	3.9	6.6	6.6
Cleveland	3	3.4	0.5	5.2
Columbus	3	— 0.4	— 5.8	— 1.8
Erie	4	8.6	7.1	11.2
Lexington	3	— 5.8	— 9.4	— 4.5
Pittsburgh	7	—10.4	—11.5	— 0.8
Portsmouth	3	1.1	— 4.7	— 0.3
Toledo	3	1.0	— 8.9	0.9
Wheeling	3	— 4.5	— 8.4	1.5
Youngstown	4	— 0.1	—10.2	1.9
Other Cities*	6	— 1.1	— 4.2	1.3
DISTRICT	42	— 0.2	— 3.9	2.1
Dry Goods—District	14	—14.5	—20.6	—12.4
Drugs—District	13	— 7.0	— 3.2	— 2.5
Hardware—District	12	— 5.0	—15.4	— 7.5

*Includes Akron, Canton, Dayton, and Springfield.

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

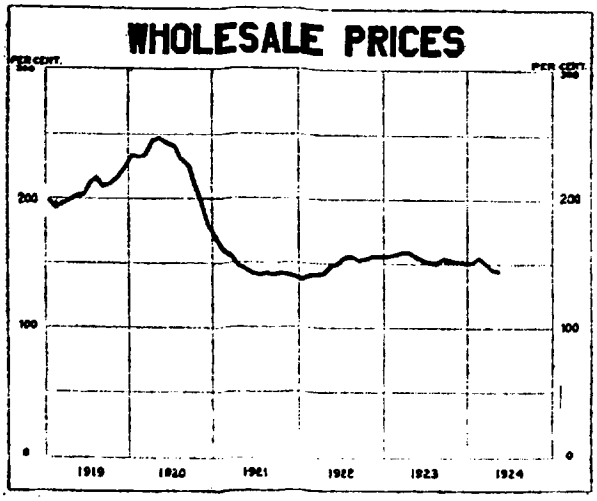


Index of 22 basic commodities corrected for seasonal variations (1919 = 100). Latest Figure—May, 104

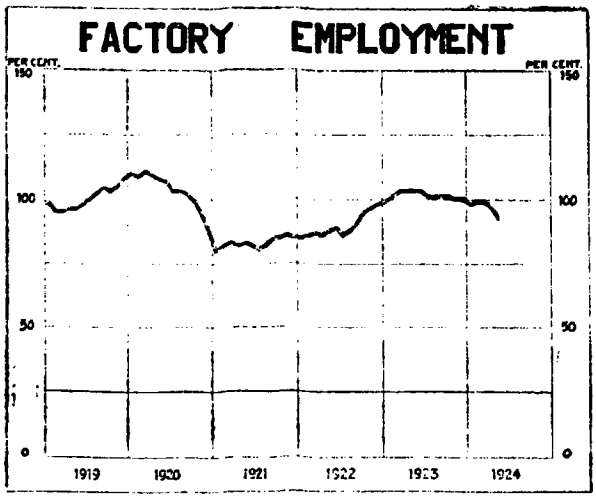
Production of basic commodities and factory employment showed unusually large declines in May and were considerably below the level of a year ago. Purchases at wholesale and retail also declined during the month and were somewhat below last year's volume. Commercial loans at member banks decreased and there was a further decline in money rates.

PRODUCTION

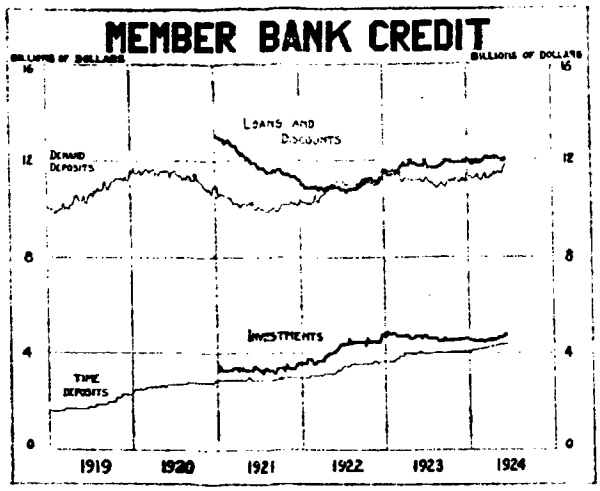
The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, declined about 10 per cent in May to a point about 18 per cent below the peak reached a year ago. Particularly marked decreases were shown for production of iron and steel and mill consumption of cotton. Output of anthracite, cement, and tobacco products, on the other hand, was slightly larger than in April. Factory employment declined 4 per cent in May, the number of employes being reduced in almost all reporting industries. The largest reduction of working forces occurred in the textile, metal, automobile and leather industries. The value of building



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—May, 147.



Index for 33 manufacturing industries (1919=100). Latest figure—May, 93.



Weekly figures for member banks in 101 leading cities. Latest figures June 11

contracts awarded in May was 13 per cent less than the month before and for the first time since the beginning of the year fell below the corresponding month in 1923.

The Department of Agriculture forecasts as of June 1 indicated smaller yields of wheat, oats and barley as compared with the harvests of 1923. The condition of the cotton crop on May 25 was 5 per cent lower than a year ago and 7 per cent below the average condition for the past 10 years.

TRADE

Railroad shipments showed a slight increase in May but were 8 per cent smaller than a year ago. Car loadings of all classes of freight, with the exception of grain and livestock, were smaller than in May, 1923.

Wholesale trade decreased slightly in May and was 6 per cent less than in May, 1923. Sales of dry goods, shoes and hardware were much smaller than a year ago, while drug sales were slightly larger. Retail trade at department stores and mail order houses declined during May more than is usual at that season and was smaller than last year. Department store stocks were 4 per cent smaller in May than in April and 3 per cent larger than a year earlier.

PRICES

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined 1 per cent during May to a level about 8 per cent below the high point reached in the spring of 1923. Prices of all commodity groups, with the exception of food, declined in May. During the first half of June quotations on wheat, corn, rye and silk increased, while prices of hogs, beef, cotton and lumber declined.

BANK CREDIT

Decreased demand for credit for current business requirements between the middle of May and the middle of June was reflected in a smaller volume of borrowing for commercial purposes at member banks in leading cities. Further purchases of corporate securities by these banks and larger loans on stocks and bonds, however, resulted in an increase for the month in their total loans and investments. There was an unusually large increase in net demand deposits of these banks, which carried the total of these deposits to the highest figure on record.

At the Federal Reserve banks between May 21 and June 18 there was a further decline in discounts for member banks and in acceptances purchased in the open market. Government security holdings, on the other hand, increased, and total earning assets were somewhat larger than a month ago.

The prevailing ease in the money market was reflected in a further decline from 4¼ to 3½ and 3¾ per cent in rates on prime commercial paper in New York. The June 15 issue of six-month Treasury Certificates bore a rate of 2¾ per cent compared with 4 per cent on a similar offering last December.

Discount rates at the Federal Reserve banks of Cleveland, Richmond, Atlanta, Chicago, St. Louis and San Francisco were reduced from 4½ per cent to 4 per cent during June, and the rates in Boston, New York and Philadelphia were reduced to 3½ per cent.

Comparative Statement of Selected Banks in the Fourth District

	June 11, 1924 (79 Banks)	May 14, 1924 (79 Banks)	Increase	Decrease
Loans and Discounts secured by U. S. Government obligations	$ 22,117,000	$ 22,510,000	$.....	$ 393,000
Loans and Discounts secured by other stocks and bonds	408,988,000	418,091,000	.....	9,103,000
Loans and Discounts, all other	717,835,000	722,495,000	.....	4,660,000
U. S. Pre-War Bonds	47,449,000	47,202,000	247,000	.....
U. S. Liberty Bonds	131,765,000	115,113,000	16,652,000	.....
U. S. Treasury Bonds	2,241,000	2,574,000	.....	333,000
U. S. Treasury Notes	44,350,000	45,806,000	.....	1,456,000
U. S. Certificates of Indebtedness	3,475,000	4,334,000	.....	859,000
Other Bonds, Stocks, and Securities	319,451,000	311,030,000	8,421,000	.....
Total Loans, Discounts, and Investments	1,697,671,000	1,689,155,000	8,516,000	.....
Reserve with Federal Reserve Bank	116,274,000	108,491,000	7,783,000	.....
Cash in Vault	30,545,000	30,438,000	107,000	.....
Net Demand Deposits	907,190,000	902,273,000	4,917,000	.....
Time Deposits	668,580,000	644,922,000	23,658,000	.....
Government Deposits	10,737,000	24,567,000	.....	13,830,000
Total Resources on date of this report	2,177,360,000	2,159,206,000	18,154,000	.....

Building Operations for Month of May, 1924-1923

	Permits Issued				Valuation					
	New Construction		Alterations		New Construction		Alterations		Increase or Decrease	
	1924	1923	1924	1923	1924	1923	1924	1923	Amount	Per Cent
Akron	332	396	114	102	$ 495,338	$ 739,120	$ 58,440	$ 165,210	$— 350,552	—38.8
Canton	261	283	105	110	673,355	601,038	44,450	124,555	— 7,788	— 1.1
Cincinnati	432	490	259	317	2,720,115	2,051,810	282,400	328,465	622,240	26.1
Cleveland*	720	742	1,606	1,448	7,048,370	4,748,065	1,574,535	1,951,925	1,922,915	28.7
Columbus	446	590	197	162	1,315,500	3,103,110	344,100	208,290	—1,651,800	—49.9
Dayton	295	323	138	233	1,051,632	1,339,238	56,694	110,732	— 341,644	—23.6
Erie	172	217	89	94	327,245	301,099	284,349	85,895	224,600	58.0
Lexington	40	52	45	43	172,620	162,085	47,260	18,970	38,825	21.4
Pittsburgh	636	611	309	200	2,937,294	2,635,235	387,722	382,669	307,112	10.2
Springfield	125	150	41	44	171,480	173,185	52,100	12,085	38,310	20.7
Toledo	659	503	308	332	1,833,541	925,540	196,442	351,130	753,313	59.0
Wheeling	128	105	51	55	396,175	302,180	89,105	55,860	127,240	35.5
Youngstown	300	224	41	61	986,990	540,745	35,270	39,440	442,075	76.2
Total	4,546	4,686	3,303	3,201	$20,129,655	$17,622,450	$3,452,867	$3,835,226	$2,124,846	9.9

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

Building Operations for Five Months Ended May 31, 1924-1923

	Permits Issued				Valuation					
	New Construction		Alterations		New Construction		Alterations		Increase or Decrease	
	1924	1923	1924	1923	1924	1923	1924	1923	Amount	Per Cent
Akron	1,024	1,249	730	309	$ 2,763,322	$ 2,524,705	$ 341,485	$ 684,660	$— 104,558	— 3.3
Canton	983	971	372	348	3,347,221	3,276,066	273,148	451,790	— 107,487	— 2.9
Cincinnati	1,707	1,935	1,134	1,283	9,903,560	10,953,725	1,402,455	1,895,535	—1,543,245	—12.0
Cleveland*	3,116	3,293	5,354	4,943	29,808,390	29,298,216	4,409,890	5,244,730	— 324,666	— 0.9
Columbus	1,923	2,348	766	592	7,142,360	9,284,785	1,001,840	837,415	—1,978,000	—19.5
Dayton	1,010	1,345	554	613	3,678,764	5,528,292	426,125	444,437	—1,867,840	—31.3
Erie	637	594	262	271	1,687,550	1,435,845	651,998	393,557	510,146	27.9
Lexington	189	223	128	176	747,405	886,427	115,356	127,608	— 151,274	—14.9
Pittsburgh	2,349	2,351	934	612	13,415,746	13,440,248	1,285,748	978,332	282,914	2.0
Springfield	397	436	124	133	620,491	794,360	112,550	66,040	— 127,359	—14.8
Toledo	2,046	1,705	908	995	6,933,720	5,639,085	1,043,718	1,163,015	1,175,338	17.3
Wheeling	425	383	242	225	2,038,292	1,319,114	353,917	181,160	891,935	59.5
Youngstown	1,034	733	141	155	4,123,960	2,223,810	132,445	177,740	1,854,855	77.2
Total	16,840	17,566	11,649	10,655	$86,210,781	$86,604,678	$11,550,675	$12,646,019	$—1,489,241	— 1.5

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

Debits to Individual Accounts

	Week Ending June 11, 1924 (325 Banks)	Week Ending May 14, 1924 (325 Banks)	Increase or Decrease Amount	Increase or Decrease Per Cent	Week Ending June 13, 1923 (322 Banks)	Increase or Decrease Amount	Increase or Decrease Per Cent
Akron	$16,073,000	$15,078,000	$ 995,000	6.6	$17,365,000	$— 1,292,000	— 7.4
Butler, Pa	2,490,000	2,669,000	— 179,000	— 6.7	2,483,000	7,000	0.3
Canton	11,417,000	10,637,000	780,000	7.3	12,346,000	— 929,000	— 7.5
Cincinnati	63,514,000	68,235,000	—4,721,000	— 6.9	69,609,000	— 6,095,000	— 8.7
Cleveland	139,001,000	136,569,000	2,432,000	1.8	150,987,000	—11,986,000	— 7.9
Columbus	30,582,000	31,830,000	—1,248,000	— 3.9	36,245,000	— 5,663,000	—15.6
Connellsville, Pa	1,201,000	1,049,000	152,000	14.5	1,588,000	— 387,000	—24.4
Dayton	16,149,000	15,459,000	690,000	4.5	15,646,000	503,000	3.2
Erie	7,862,000	7,791,000	71,000	0.9	7,727,000	135,000	1.7
Greensburg	4,799,000	5,150,000	— 351,000	— 6.8	5,354,000	— 555,000	—10.4
Homestead	1,026,000	1,099,000	— 73,000	— 6.6	926,000	100,000	10.8
Lexington, Ky	4,091,000	5,073,000	— 982,000	—19.4	5,417,000	— 1,326,000	—24.5
Lima	4,515,000	4,284,000	231,000	5.4	4,528,000	— 13,000	— 0.3
Lorain	1,471,000	1,382,000	89,000	6.4	1,383,000	88,000	6.4
Middletown	2,030,000	2,035,000	— 5,000	— 0.2	2,168,000	— 138,000	— 6.4
New Brighton	2,674,000	2,584,000	90,000	3.5	2,848,000	— 174,000	— 6.1
Oil City	2,701,000	2,885,000	— 184,000	— 6.4	2,930,000	— 229,000	— 7.8
Pittsburgh	181,667,000	181,484,000	183,000	0.1	162,200,000	19,467,000	12.0
Springfield	4,255,000	4,663,000	— 408,000	— 8.7	4,700,000	— 445,000	— 9.5
Steubenville*	2,970,000	2,983,000	— 13,000	— 0.4	.....	.....	....
Toledo	45,672,000	41,143,000	4,529,000	11.0	42,266,000	3,406,000	8.1
Warren, O	2,562,000	3,139,000	— 577,000	—18.4	3,315,000	— 753,000	—22.7
Wheeling	9,523,000	10,406,000	— 883,000	— 8.5	10,323,000	— 800,000	— 7.7
Youngstown	13,651,000	16,807,000	—3,156,000	—18.8	15,593,000	— 1,942,000	—12.5
Zanesville	3,369,000	3,486,000	— 117,000	— 3.4	3,169,000	200,000	6.3
Total	$575,265,000	$577,920,000	$—2,655,000	— 0.5	$581,116,000	$— 8,821,000	— 1.5

*Debits for corresponding period 1923 not available.

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

	Cattle		Hogs		Sheep		Calves		Cars Unloaded	
	1924	1923	1924	1923	1924	1923	1924	1923	1924	1923
Cincinnati	17,043	16,462	116,672	120,489	11,449	33,246	21,238	19,739	1,653	1,782
Cleveland	7,776	9,042	110,780	95,511	18,444	22,546	16,268	15,952	1,661	1,551
Columbus	49	152	3,483	4,930	21	163	107	236	8	17
Dayton	1,839	1,460	13,548	14,355	637	908	957	1,010	.....	.....
Fostoria	460	736	11,071	9,729	264	142	824	786	16	25
Marion	49	37	5,211	4,779	388	458	249	188	.....	.....
Pittsburgh	36,152	26,929	264,364	240,355	75,562	92,138	32,294	33,030	4,266	4,080
Springfield	595	262	6,029	5,093	386	1,104	480	334	.....	.....
Toledo	782	734	12,719	12,575	1,323	37	588	674	.....	128
Wheeling	272	393	1,954	1,610	178	418	3,046	3,795	27	19
Purchases for Local Slaughter										
Cincinnati	14,454	13,287	73,806	67,398	4,582	9,508	8,006	6,747	.....	.....
Cleveland	7,084	8,573	88,418	72,169	12,594	16,324	15,360	15,222	.....	.....
Columbus	40	142	59	307	21	163	14	169	.....	.....
Fostoria	40	35	685	325	.....	5	70	50	.....	.....
Marion	24	37	2,248	2,371	36	66	100	131	.....	.....
Pittsburgh	6,576	6,430	54,771	47,331	10,427	12,181	11,088	11,146	.....	.....
Springfield	209	66	879	440	13	4	102	66	.....	.....
Toledo	660	.....	2,559	.....	83	.....	485	.....	.....	.....

A REAL RESERVE

THE financial resources of the Nation have frequently been compared to its military resources and not without reason. Their potentialities are enormous, even as is the man power of the land. Their ability to serve American business interests depends upon the scope and quality of their organization just as does the ability of the country's man power to march and fight and march again when occasion demands.

There are more than thirty thousand banks in the United States, and they are owned by residents of the cities, towns, and villages in which they operate. They might be compared, fairly enough, to thirty thousand military posts, each with its garrison large or small, for the protection of their respective communities.

These thirty thousand banks receive your deposits, coin, currency, or credits, for the current use of business and for safekeeping, and they loan out these funds at interest to proper and profitable business enterprises, agricultural, industrial, or commercial, always bearing in mind the necessity of having on hand or quickly available, sufficient funds to meet the demands of such customers as desire to make withdrawals.

To meet the demands of such customers, and of others, upon the funds in their care, bankers must maintain reserves—in their vaults, on deposit with other banks, invested in securities which command a ready market or, it may be, in the form of call loans, payment of which they can demand at will.

Before the establishment of the Federal Reserve System—in 1907, in 1896, in 1873 and many times before—the banks of the Nation were unable to assist each other when panic threatened. There was no provision for effective leadership, and cooperative action was out of the question. Bank reserves, carried with other banks which were no less embarrassed, were least available when they were needed most.

Every country bank had reserves in one or more of the larger cities in its section as well as in the great centers of population and, since the correspondent banks paid interest on such deposits, they were compelled to loan them out, usually at call. Whenever panic or the growing fear of it lead any bank to draw upon its reserves—and panic usually led every bank to do so—the correspondent, in order to meet such demands, was compelled to withdraw the money from active service and the thousands of such withdrawals, aggregating many millions of dollars, only made the general situation worse by restricting essential business operations and, in many cases, compelling the sale of securities, perhaps at grievous loss.

The direct result, in more than one instance, was a complete breakdown of the country's banking machinery and a prolonged period of resultant depression in industry and commerce.

The great achievement of the Federal Reserve System has been the massing of the Nation's monetary armies. By this means it has rendered financial panic impossible in America, and has eliminated the worst features of business depression.