

The Monthly Business Review

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

FEDERAL RESERVE BANK of CLEVELAND

D. C. Wills, Chairman of the Board

(COMPILED DECEMBER 22, 1924)

VOL. 7

CLEVELAND, OHIO, JANUARY 1, 1925

No. 1

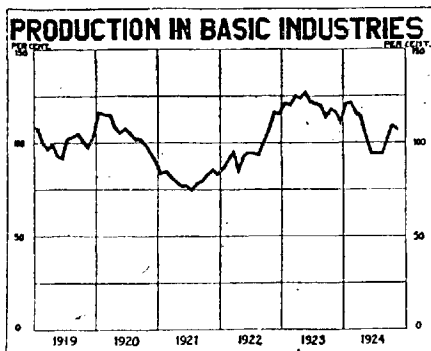
Editorial

Business conditions at present are somewhat spotted. Some industries, notably iron and steel, have continued to gain ground during the past month. Others have shown only a very moderate improvement. Department store sales, which reflect the increased buying capacity of the public, showed no gain during November over October, and production in basic industries fell off very slightly. On the whole, the trend of business has been upward, but the advance has not reached a stage which could be designated as a boom.

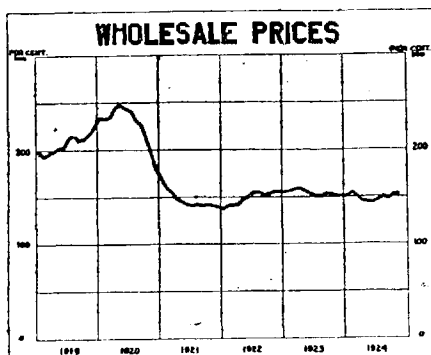
One of the brightest spots in the situation is to be found in the continued improvement in the iron and steel industry. In spite of the change in the method of price quoting, which produced a temporary unsettlement, a real come-back has occurred in the steel trade during the last few months, as can be seen in a comparison of present conditions with those existing at the middle of the year. At that time a severe slump, beginning in March, was coming to an end. Production was at a very low point, operations for the industry as a whole being around 45 per cent of capacity. Furnaces in blast numbered only 160, or about 40 per cent below the March figure. Buyers were extremely cautious, prices were weak, and unfilled orders were abnormally small. At the present time, steel production is around 80 per cent of capacity. In November, 204 blast furnaces were in operation, a gain of 27 per cent over the June figure. Substantial buying has come into the market, prices have strengthened, and unfilled orders are 25 per cent greater than in June. This bank's index of pig iron production (1919-1923 = 100) stood at exactly 100 in November, as against 71 in July. Although the November figure is still 13 per cent below last year, there has been a steady increase in production during the last several months, whereas in 1923 the index dropped from 147 in July to 115 in November.

Summary of Business and Credit Conditions in the United States

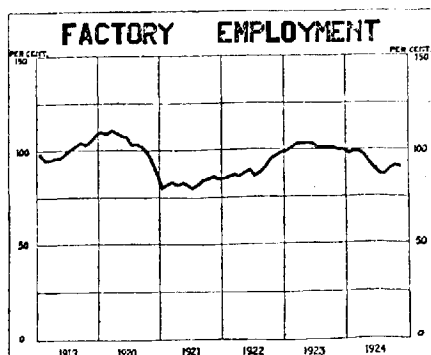
By The Federal Reserve Board



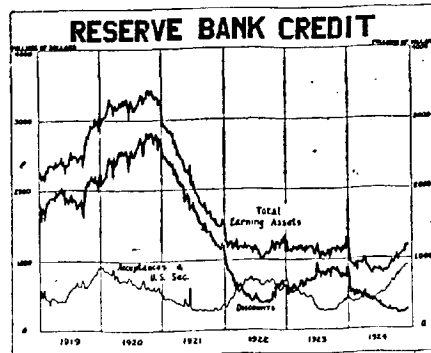
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure—November, 107.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—November, 153.



Index for 33 manufacturing industries (1919=100). Latest figure, November, 91.



Weekly figures for 12 Federal Reserve Banks. Latest figures—December 17th

Production in basic industries and factory employment continued at about the same level in November as in October. There was a further slight rise in the general level of prices, reflecting advances in nearly all groups of commodities.

PRODUCTION

Production of basic commodities was at about the same rate in November as in October, but owing to the smaller number of working days not allowed for in the adjustment for usual seasonal variations, the Federal Reserve Board's index of production declined about 2 per cent. Increased activity was shown in the iron and steel industry and in cotton and woolen textiles, while production of food, coal, lumber, paper, and automobiles declined. There was little change in the volume of factory employment in November. Building contracts awarded declined somewhat in November, but the total was considerably larger than for the corresponding month of any recent year.

Final estimates by the Department of Agriculture of crop yields in 1924 showed a greater aggregate production than in 1923 and an increase of about 9 per cent in the total value of all crops. Yields of wheat, oats, cotton, potatoes, and hay were larger than in 1923, but the production of corn and tobacco was smaller. Marketing continues in large volume in November and exports of agricultural products were the largest for any month in recent years.

PRICES

The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, advanced slightly in November, price increases in most of the commodity groups being nearly offset by a considerable decline in the prices of animal products. During the first half of December, there were further advances in the prices of grains, flour, sheep, metals, and lumber, while the prices of beef, hides, silk, and brick declined.

TRADE

Railroad freight shipments, though smaller in November than in October owing to seasonal influences, were in about the same volume as in 1923. Wholesale trade showed the usual decline in November and was about as active as a year ago. Sales of furniture and meat were larger than last year, while the volume of business in nearly all other lines was smaller. Retail trade was somewhat more active in November; and sales of mail order houses and chain stores were largest for that month in any recent year. Merchandise stocks at department stores were slightly reduced and were 2 per cent less than a year ago.

BANK CREDIT

Total loans and investments of member banks in leading cities continued to increase during the four weeks ending December 10, and on that date were in larger volume than at any previous time. The increase during the period was chiefly in loans secured by stocks and bonds, and accompanied continued activity in the security markets. Commercial loans showed a seasonal decline from the high point of the year, reached in the middle of November, but continued above the level of a year ago. Security holdings, after increasing rapidly since the Spring of the year, reached a peak on November 19 and after that time showed a slight decline. At the Reserve banks, total earning assets increased considerably during the four weeks ending December 17, reflecting the seasonal demand for currency and the export of gold. The volume of discounts of the Reserve banks increased between the middle of November and the middle of December; their holdings of acceptances also showed a net increase, while United States security holdings declined somewhat.

Firmer conditions in the money market during the last half of November and the first half of December were indicated by higher rates on bankers' acceptances, and a rise of one-half per cent in the rate on commercial paper.

**Financial
Conditions**

Bills discounted by the Federal Reserve Bank of Cleveland declined from 39½ million on November 12 to 24 million on November 19, but rose to 43 million on December 10, the highest figure since June 11 of this year, when they amounted to \$47,245,000. Government securities held amounted to \$56,511,000 on December 10 as compared with \$65,036,000 on November 12, a decrease of 8½ millions. Nearly all this decrease occurred during the week ending December 10. Total earning assets stood at \$132,857,000 on December 10, as compared with \$126,733,000 on November 12, an increase of a little over 6 million. During the same period, gold reserves declined from \$283,701,000 to \$277,899,000; member bank deposits increased from \$179,436,000 to \$182,587,000, while note circulation declined from \$212,765,000 to \$209,993,000.

Loans of reporting member banks in the Fourth District showed practically no change—amounting to \$1,157,449,000 on December 3, as compared with \$1,156,928,000 on November 5. Investments amounted to \$680,715,000 on December 3, an increase of \$6,822,000. During the same period, demand deposits advanced from \$1,004,912,000 to \$1,030,762,000, or 2.6 per cent; while time deposits declined from \$706,546,000 to \$695,822,000, or 1.5 per cent.

The reserve ratio for the Federal Reserve Bank of Cleveland was 71.4 per cent on December 10, as compared with 73.3 per cent on November 12. The reserve for the System stood at 75.2 on December 10, as compared with 77.2 on November 12.

On November 30, savings deposits of 70 banks in the Fourth District amounted to \$815,069,881, an increase of 2.0 per cent over October 31, 1924, and 8.9 per cent over November 30, 1923.

Commercial failures in the United States numbered 1,653 for November, as reported by R. G. Dun & Company, a decline of 43 from October, 1924, and 51 from November, 1923. In November, liabilities amounted to \$31,123,910, a decrease of about 5 million, or 13.8 per cent, over October and of \$19,167,798, or 38.1 per cent, over November, 1923. In the Fourth District, there were 133 failures in November, 43 less than in October, 1924, but an increase of 17 over November, 1923. Liabilities for November amounted to \$2,441,042, a decrease of \$2,296,389, or 48.5 per cent, from October, 1924, and of \$1,560,540, or 39 per cent from November, 1923.

**Iron and
Steel**

The iron and steel industry is entering the new year under promising conditions. As a result of the recent heavy and confident buying by consumers, the mills and furnaces have liberal bookings in hand, and if this tonnage is taken out eventually, their first quarter capacity is largely committed. In this respect, the situation is encouraging in that buyers are showing no hesitation in taking out the tonnage upon which they have obligated themselves. In fact, some of them are anticipating the dates by which they were

to file their specifications, apparently expecting a rush of tonnage shortly after January 1 and believing that if such is the case, it is advisable to secure for themselves an early position on mill books. Furthermore, much of the recent buying has been in definite orders and not in the form of optional contracts. Buyers generally are displaying a general want and desire for tonnage and a confidence that future market conditions are not likely to go against them. It is estimated in some sections, notably Chicago, that 35 to 50 per cent of the recent buying has been for building up depleted stocks.

These satisfactory conditions as to the flow of tonnage are giving producers liquid order books and are warranting further increase in their operations. Steel production has moved up to about 80 per cent of capacity. Ingot production in November had attained a point of 77.5 per cent of the high mark in March which was the greatest single month in the history of the industry, and had gained 73 per cent from the low ebb of July. At the November rate the country was making steel ingots at the rate of 38,650,000 tons annually. Pig iron statistics in November, as compiled by *Iron Trade Review*, showed a gain of 22 active furnaces in that month, bringing the total to 204. This is an increase of 59 furnaces since July. Pig iron output in November was 5.5 per cent better than in October on a daily basis. Annual production then was running at the rate of 30,500,000 tons.

Estimates for production for all 1924 place the total at approximately 31,080,000 tons in pig iron and 37,775,000 tons in steel ingots and castings. This is a loss of about 9,000,000 tons, or 22 per cent, in pig iron over 1923, and a shrinkage of 7,000,000 tons, or 16 per cent, in steel.

Due to the underlying strength of the situation and the comfortable position of producers, the trend of prices has been steadily upward although the volume of new buying in December had fallen off as was expected after the scope of the previous activity and because of the year-end inventory period.

Iron Trade Review composite of fourteen leading iron and steel products the third week in December, after six consecutive weekly advances, stood at \$40.14. On the corresponding date one month earlier it was \$39.21. The advances have been most marked in pig iron, amounting to \$1.50 to \$2.00 per ton, while finished steel has remained relatively steady after its recent upward movement.

A definite measure of the unusual volume of business done by producers and consumers of steel in November now is available through complete records. Sheet sales for the month by independent mills totaled 462,709 tons, or 164 per cent of mill capacity. With the Steel Corporation tonnage added, total bookings of the sheet industry apparently were around 700,000 tons. Fabricated steel awards were at the indicated total of 221,000 tons, the largest of any month of 1924 and as far back as March, 1923. The November record represented 85 per cent of shop capacity. Railway car awards in November were 12,720, bringing the total for eleven months to 125,950 and the estimated total of the year to 135,000, an increase of 30,000 over 1923.

Iron Ore Shipments of iron ore from the upper lake ports for the 1924 season totaled 42,623,572 tons, as compared with 59,036,704 tons in 1923, and 42,613,184 tons in 1922, according to figures prepared by the Ore and Coal Exchange of Cleveland. The movement this year was slightly under estimates made by those in close touch with shipping conditions, but is quite generally considered to be well in line with the trend of business throughout the country.

The balance of ore on Lake Erie docks as of December 1 was 8,051,426 tons. This figure is slightly higher than for the same time last year when storage figures were 7,985,288 tons, but below those of December 1, 1922, when the ore on docks totaled 9,233,699 tons.

Lake Coal According to figures compiled by the Ore and Coal Exchange, 3,088,086 net tons of bituminous coal were loaded into vessels in November, 1924, as compared with 3,577,521 tons for the previous month and 3,735,874 tons for November a year ago. During November, 1922, loadings totaled 4,007,995 tons. For the season to the end of November, this year, the figure stands at 23,901,255, while for the corresponding period last year, it is 31,148,775.

Figures showing stocks of coal on representative docks at the head of the Lakes are as follows:

Balance of Coal on Superior Docks as of
December 1, 1924-23.

	Bituminous	Anthracite	
	Net Tons	1924	Net Tons
1924	4,984,356	1924	476,574
1923	5,816,895	1923	225,388

Balance of Coal on Ashland and Washburn
Docks as of December 1, 1924-23.

	Bituminous	Anthracite	
	Net Tons	1924	Net Tons
1924	347,698	1924	30,184
1923	424,542	1923	4,631

Coal There has been little change in the bituminous coal business during the past month. Colder weather has caused a slight improvement, but this has been largely counteracted by a falling off in the demand from many of the larger consumers who apparently have contracted for most of their winter requirements and as a result are now out of the market.

In addition to this, lake transportation has closed for the year. Shipments of coal for lake transportation were stopped at the end of November, thereby creating a temporary surplus of coal in Ohio, West Virginia, Eastern Kentucky and Western Pennsylvania. The effect of this has been reflected in slightly lower prices, a condition which is not unusual for this season of the year. Some

of the mines which shipped practically all their output to northern lake ports have been obliged to temporarily suspend operations.

According to a report from Steubenville, an interesting experiment is now going on in one of the mining towns in that vicinity. A number of miners have acquired a mine and are running it on a co-operative basis and are selling the coal to a co-operative concern in Cleveland. The report states that the men are getting steady work and that already there is talk of another group following the same plan.

Recovering from the effects of the widely observed Thanksgiving holiday, which pulled the output of soft coal down to 9,646,000 net tons in the week ending November 29, production is again moving along near the ten-million-tons-a-week mark, the usual weekly average for a considerable length of time. In the first week of December, according to Geological Survey figures, production totaled 10,612,000 net tons.

The production of anthracite has also shown recovery from the Thanksgiving holiday, but was somewhat curtailed by strikes. According to the Survey, the principal anthracite carriers reported loading 34,690 cars, and on this basis it is estimated that the total output in the week ending December 6 was 1,814,000 net tons. Compared with the most recent full-time week—that ended November 22—this was a decrease of 13,000 tons. Despite the curtailment, however, the present weekly rate of output compares favorably with that prevailing at the corresponding date of other recent years.

Coke

Proof of the increased activity in iron and steel is seen in the recent gain in coke output. Figures compiled by the Geological Survey on beehive coke production for the week ending December 6 place the output at 173,000 net tons, an increase of 15,000 tons, or nearly 10 per cent over the preceding week. The principal increases occurred in Pennsylvania, Ohio, and West Virginia. According to the *Connellsville Courier*, many of the active ovens increased their operating time while 1,008 additional ovens were fired.

The monthly comparison, however, fails to show a gain, the output for November being estimated at 630,000 tons, almost exactly the same as in October. Cumulative production from the beginning of 1924 up to December 6 totals 8,938,000 net tons. In the corresponding period last year, 17,150,000 tons were produced, while in 1922, the output was 7,174,000 net tons.

A slight increase marked the production of by-product coke in November, according to the Survey. The total output in that month was 2,929,000 net tons against 2,899,000 tons in October. The daily average production for the month was 97,640 tons, an increase of 4.4 per cent over the October average. The plants were operating at 77.3 per cent of capacity. Of the 75 plants in existence, 68 were active and 7 were idle.

Oil The improvement which has been registered in the oil business in the past year with regard to declines in crude production is being counteracted as the year closes. The cause is a new field which has recently been doing much to pull the output of the country back toward its former high level.

This new field is the Wortham pool located in east central Texas. It is in the same geological area as the boom Mexia pool of 1922 and 1923, and the Powell field developed in 1923 and 1924, and is being developed in a manner very similar to the way these fields were brought

The size, according to authorities, is comparatively small, but present indications point to a rapid increase in output.

The field is within few miles of pipe lines which can handle a substantial share of its output, and in addition to this, more than 3,000,000 barrels of steel storage have been ordered to take care of the peak output which is expected to come quickly because of the intensive development. A large oil company has contracted with one of the principal operators in the field for 3,000,000 barrels of Wortham crude at \$1.25 a barrel, delivery to be at a maximum rate of 30,000 barrels a day.

The bringing in of this field has had the effect of softening the crude market generally, according to the *National Petroleum News*.

Due to the fact that Oklahoma-Kansas refining plants selling on the open market kept their output down throughout the greater portion of this year and reduced their stocks of gasoline and fuel oil, the spot market for these products in the past month has been strengthened, demand having held more active than usual through November. The improvement in industrial conditions has also helped the oil market materially.

Automobiles Automobile production declined from 288,000 cars in October to 228,000 in November, or over 20 per cent. This decline is partly seasonal, since every November for the past six years has shown a decrease in production from October. On the other hand, the decline was sharper than usual, and furthermore, production in November continued to run far behind last year, the decrease for the month being 27 per cent and for the last five months being 20 per cent. From these figures, it appears that the motor industry has not yet gotten back to its 1923 level.

Truck manufacturers in the Fourth District report that business during the last month has been very quiet. Although a more optimistic feeling prevails, no real increase in business has been noted, and the feeling of confidence is due to anticipations of business after the first of the year rather than to developments of the past several weeks.

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

Month	1924			1923		
	Passenger Cars	Trucks	Total	Passenger Cars	Trucks	Total
January.....	287,211	28,247	315,458	223,653	18,913	242,566
February.....	336,284	30,399	366,683	259,383	21,411	280,794
March.....	348,267	33,061	381,348	319,527	34,063	353,590
April.....	336,968	34,977	371,945	343,793	36,786	380,579
May.....	279,385	32,326	311,711	350,073	42,373	392,446
June.....	217,845	27,040	244,885	337,048	39,945	376,993
July.....	237,431	24,895	262,326	297,173	29,712	326,885
August.....	251,553	26,781	278,334	313,972	29,882	343,854
September.....	260,091	30,154	290,245	298,600	27,841	326,441
October.....	257,839	30,597	288,436	334,244	29,638	363,882
November.....	201,652	26,246	227,898	284,758	27,374	312,132
December.....	.....	.....	.....	275,287	27,275	302,562
Total.....	.....	.....	.....	3,637,511	365,213	4,002,724

Tires Reports from tire manufacturers in the Fourth District indicate that the industry is in a better fundamental condition than for some time past. The tire business suffered severely from the 1920-1921 depression, due in large part to the fact that the growth of the industry during the preceding five years had been very rapid, and the number and capacity of operating plants was greatly in excess of the needs of the country during 1920 and the following years. Expensive merchandising practices also cut down profits. The

tire companies, however, which have remained in operation during and after the depression have been going through a period of readjustment; more efficient methods have been installed; production schedules have been curtailed where necessary, and co-operation with manufacturers has been sought by the tire dealers. Stocks in dealers' hands at the present time are reported as being low, and shipments of inner tubes during the first ten months of 1924 were well ahead of any of the preceding three years.

The price situation is still reported as being rather un-

satisfactory. Tire prices continue to be low, while the price of crude rubber jumped from .3140 to .3428 dollars per pound during the past month. The latter figure, representing November, is about 24 per cent higher than last year and 75 per cent higher than June, 1924, the low point of this year.

The December report of the Rubber Association of America, giving information as of November 1, shows that production of high pressure inner tubes in the country during October increased about 8 per cent over September while shipments showed a pronounced drop. As a result, production exceeded shipments during October and inventories rose sharply, a condition which also occurred, but to a lesser extent, in the three preceding years. Inasmuch as the supply of tires on hand at the end of October was only sufficient for 1.7 months, a figure which was lower than the corresponding figure for 1921 and 1923, and about the same as in 1922, the sharp increase in inventories during October may be accounted for by their unusually rapid decline from May to September.

It is interesting to note that shipments of both balloon inner tubes and balloon casings almost caught up with production during October. As a result, the curve of balloon stocks on hand has flattened out after an almost steady upward trend beginning with March, 1924, when figures on balloon tires were first published.

Textiles

Operations of textile manufacturers in the country are reported to be increasing, and prices are holding up in spite of the usual holiday lull. This is particularly true of raw wool prices, which have recently had a sharp advance. The Harvard price of raw wool stood at 62.1 cents per pound in November, an advance of 3.3 cents from the previous month, 9.6 cents from last year, and 15.1 cents from June, 1924, the low point of this year. Cotton yarn, cotton goods, worsted yarn, and silk, all advanced from October to November, although with the exception of worsted yarn, they were all materially below the prices of a year ago. Raw cotton continued weak, being quoted at 24.22 cents per pound in November, the lowest point in 1924 and 10.51 cents below November, 1923.

The contrary trend of raw wool and raw cotton prices is reported to have been a deterring factor in the textile trade in the Fourth District. Several large manufacturers state that orders for spring delivery have not as yet come up to expectations. In some parts of the District, cold weather has stimulated business in knit goods and heavy underwear, and certain specialty and novelty lines are also reported to be in good demand. The men's suit trade has been rather dull. In other lines, business appears to be about the same as a month ago.

In the wholesale dry goods trade, preliminary figures from reporting dry goods firms in this District indicate a 12 per cent drop in sales from October, following a decline of 10 per cent in October as compared with September. There is normally a seasonal decline at this time of year, the decline from October to November amount-

ing to about 20 per cent in 1921, 8 per cent in 1922, and 15 per cent in 1923.

Shoe Production While the Fourth District has witnessed no marked change in the situation in the boot and shoe industry during the past month, aside from purely seasonal variations, advices from manufacturers and dealers alike indicate a greater degree of optimism than has been shown for several months.

Manufacturers report that there has been no change in the labor situation, wage schedules remaining the same as they have been for the past four years. Retail dealers have permitted their stock to run very low, and there is a feeling in the wholesale trade that this condition will necessitate a large increase in the volume of orders received for the spring trade.

Viewed from a nation-wide standpoint, the situation appears much the same as in this district. The tendency is apparently to mark time, buy cautiously as necessity demands, and hope for a general revival of buying on the part of the public.

Final figures made public by the Census Bureau show production in the United States in October to have been 30,534,039 pairs, as against 27,715,872 pairs in September, or an increase of 10 per cent. Production in the Fourth District during October was nearly 6 per cent greater than during September.

General Manufacturing

Manufacturing in general in the Fourth District continued to show improvement during the past month. In some lines, such as lead and boxboard manufacturing, conditions are now described as highly satisfactory. In others, such as glass and electric supplies, improvement in moderate degree is reported. In the stove manufacturing industry, and one or two others, there has been very little improvement, if any, during the month.

The general feeling among manufacturers is one of confidence. This feeling has existed for the past two months, and in various lines appears to have been justified by developments during November.

Employment

A survey of employment conditions in this district presents a somewhat more favorable picture than for the several preceding months. While there was no general increase in employment throughout the district during November, several industries reported definite improvement, this being reflected in increased working time, and also, in some cases, in an increase in the number of men employed. The number of firms reporting an increase in employment was about equal to the number reporting no change, while in no case did any real downward trend occur.

Two of the more important industries in the district, rubber, and iron and steel, have experienced improvement in the employment situation. This has reached noticeable propor-

tions in the iron and steel trade, and is a natural result of the revival in this industry. The *Iron Trade Review's* index of employment in the iron and steel industry has advanced during the last two months, following the lengthy decline of the spring and summer. A large rubber manufacturer states that employment has increased in the Akron plants during the past month, further increases being anticipated.

Agricultural and Livestock Conditions

The movement of feeder cattle from the farms to the market, noted last month, has not been checked to any extent, and the result has been that all the larger markets have been temporarily glutted with low-grade cattle. The killing quality of receipts has been of a rather low average in nearly all markets, but prices on the better grades have held firm.

The latest available figures of the Ohio Department of Agriculture show that corn prices in November were approximately 45 per cent more than a year ago, and that the same ratio of advance is shown in wheat prices.

The price of oats is some 20 per cent off from that of November, 1923, while the decline in hay prices in the same period ranges from 20 to 22 per cent.

In the agricultural implement line, both manufacturers and dealers throughout the Fourth District report practically no increase in activity, which indicates that the farmer in this district has not yet started to replace his worn-out implements to any extent.

The combined livestock movements at nine principal centers in the Fourth District are presented below

	Cattle	Hogs	Sheep	Calves
November, 1924	108,657	609,930	136,050	57,697
November, 1923	84,895	682,150	118,071	61,696
October, 1924	109,396	532,453	174,772	66,014

Tobacco

Sentiment in the Burley tobacco section has improved considerably during the past thirty days as a result of recent sales of 1922 and 1923 stocks.

On December 6, the Burley Tobacco Growers' Co-operative Association announced a sale involving 50 million pounds of its holdings, including the balance of the 1922 crop which it had on hand and some of the 1923 crop. The prices were not announced but the total is reported to be around \$14,500,000. This sale will enable the association to make final settlement with its members for the 1922 crop. More recently another sale of 1,750,000 pounds has been announced which is of the 1923 re-dried tobacco.

The independent market opened on December 1. The sales on the Lexington loose leaf floors started at an average of approximately 25 cents a pound, which is about 5 cents higher than the opening a year ago. This increase is no doubt accounted for, at least in part, by the better quality of the offerings. The season this year has been favorable for the curing of tobacco so that little house burn is in evidence.

The Co-operative Association opened its receiving houses for the delivery of the 1924 crop of its members during the week of December 15.

The discussions relative to the "cut-out" of tobacco, which has been proposed for 1925 because of the surplus on hand, have continued. Meetings of both the supporters of the movement and those against it have been held. The former have opened headquarters in Lexington and have indicated their intentions of going on with the movement. In view, however, of the prices being paid on the independent market and the recent sales made by the association, there now appears to be some question as to whether the movement will obtain the unanimous support which is needed in order to make it a success.

Some attention is now being given to foreign markets. The principal outlet for Burley tobacco is among domestic manufacturers, but the association has recently announced that it has made some sales to Italy, and its intention of further developing sales in this direction is indicated by the report that a representative is to be stationed in Europe.

Lumber

The condition of the lumber industry in the Fourth District has improved during the last two months. The increased demand for lumber which started in October, according to reports from lumber manufacturers in this district, has continued throughout November, and in some cases has been accelerated. Prices have strengthened after a sagging tendency of several months' duration, the composite price of softwood lumber being 30.61 on December 5, as against 29.86 the previous month, and that of hardwood lumber being 42.82 on December 5 as compared with 42.51 a month previous.

In analyzing recent reports of the National Lumber Manufacturers' Association, covering about 380 mills in the country, the most striking development of November appears to be the considerable gain in new business (orders) in the face of declining production, the excess of orders over production for the period being 18 per cent. It is also noteworthy that while production for the first 49 weeks of 1924 exceeded orders by 2 per cent, the excess during the same period in 1923 was 6 per cent.

Production for the five weeks ending December 6 amounted to 1,112,205,936 feet, a decrease of 9 per cent from the preceding five weeks. Shipments during the same period were 1,157,268,689 feet, a decrease of 4 per cent from the preceding five weeks, while new business (orders) amounted to 1,319,200,397 feet, an increase of 16 per cent over the preceding period. For the first 49 weeks of 1924, production and shipments declined 5 per cent from 1923 but orders declined only 1½ per cent.

Car Loadings

The end of November found the record of car loadings still maintaining a gain over the same month in previous years. A gain of about 1.7 per cent over November of last year is shown by the total figures for the month, while the gain over the same period of

1922 is approximately 6½ per cent. Although the total revenue car loadings for the eleven months of 1924 are some 3 per cent less than the corresponding period of 1923, it should be remembered that 1923 was an exceptionally heavy year, showing an increase of nearly 17 per cent over the preceding year.

A comparison of the various classes of commodities loaded shows that the present year has witnessed a movement in grain and grain products more than 6 per cent greater than any of the preceding five years. Merchandise L. C. L. loadings also have shown more activity than at any time in five years, the rate of increase being a trifle less than 3 per cent.

Building

The 1924 curve of building permits continued to parallel that of 1923 during November. As is usually the case, the value of permits issued during November showed a decline from October, the decline this year amounting to 15 per cent, as compared to 9 per cent last year. According to a report issued by Bradstreets, covering 174 cities, permits for November were valued at \$230,021,813, a decrease of 8 per cent from November, 1923. The loss from last year is due to a shrinkage in the value of permits in New York City, inasmuch as the 173 cities outside of New York gained 1.7 per cent over last year.

The Aberthaw index of factory building costs rose from 195 on November 1 to 197 on December 1, the advance being due to an increase in the price of steel and lumber.

In the Fourth District, the value of permits issued in 13 centers aggregated \$17,074,422 in November, a decrease of 3.2 per cent from last year, and of 25 per cent from October. The rate of decrease from last month is considerably greater than the general rate throughout the country, and is due mainly to declines shown by Cleveland, Pittsburgh, Youngstown, and Toledo. As compared with November, 1923, nine cities show increases and only four show decreases, the total decrease of 3.2 per cent being due to a 36 per cent drop in Cleveland permits and to smaller declines in the permits of Toledo, Lexington, and Canton.

For the first eleven months, the same 13 cities showed a 2 per cent increase over last year. The greatest gains were shown by Youngstown, with 119.1 per cent, and Erie, with 50.3 per cent, while the greatest declines occurred in Columbus, with 24.8 per cent, and Dayton, with 9.8 per cent.

Cement

Production of Portland cement in the United States during the month of November amounted to 13,141,000 barrels, according to the Geological Survey. This represents an increase of 4.3 per cent over November, 1923. For the first eleven months of 1924, production amounted to 138,424,000 barrels, an increase of 8.6 per cent over the corresponding period in 1923.

November production for Ohio, Western Pennsylvania, and West Virginia amounted to 1,277,000 barrels, an increase of 15,000 barrels over last year. Shipments aggregated 932,-

000 barrels as against 830,000 barrels last year, and stocks at the end of November were 817,000 as compared with 591,000 on November 30 of last year, and 472,000 barrels on October 31 of this year.

Imports of hydraulic cement amounted to 211,228 barrels during October, as compared with 172,051 last year. October exports amounted to 79,180 barrels as compared with 74,302 in 1923.

Brick

During November, increases in production and stock on hand, with slight decreases in shipments and unfilled orders due to seasonal influences, were reported in the paving brick industry, according to figures prepared for the United States Department of Commerce by the National Paving Brick Manufacturers' Association.

Twenty-two companies, representing 61 per cent of the normal tonnage capacity of the industry, reported plants running at 89 per cent of their normal monthly capacity.

Production for November was 27,078,000 brick, as compared with 26,294,000 for October. Shipments declined from 29,142,000 in October to 22,833,000 for November. Stock on hand was increased from 73,604,000 in October to 73,846,000 in November. Unfilled orders the last day of November stood at 68,673,000, as compared with 88,638,000 the last day of October.

Ohio led all other states in distribution with close to eight and a half million brick shipped during the month for city streets and county highways. Kansas was second, with Texas, Illinois and Pennsylvania following in the order named.

Exports

According to the Department of Commerce, the value of merchandise exports from the United States during November was \$494,000,000. Although the figure is 33 million less than the October amount, with that one exception November exports were the largest since January, 1921. The level of exports during September, October, and November, has been very much higher than that for the last three years, while imports have not shown a correspondingly large gain. As a result, the excess of exports over imports has been about 60 per cent during the three months' period, a percentage which is markedly higher than previously.

Reports from a number of manufacturers in this district, who do a considerable volume of exporting, fail to disclose any definite trend in the matter of exports. Several firms report increased inquiries from foreign countries, and larger exports are anticipated, although in most of these cases no increase has yet been observed. One manufacturer, however, makes the definite statement that exports from May 1 to December 1, 1924, have run 14 per cent greater than for the same period last year. Some firms report increasing demand from Central America, South America, Cuba and Australia. Several firms which formerly did considerable business with

Europe state that it is now impossible to compete with European-made goods, on account of the cheaper cost of production and the uncertain currencies in Europe, and that the export business of these firms has suffered materially.

To sum up the situation in this district, there seems on the whole to have been an increase in inquiries abroad, except in Europe, but in general no great increase in foreign business has as yet taken place.

Wholesale Trade

All reporting wholesale lines continue to show declines from November of last year, as well as from their October sales. The greatest decline is again found in the dry goods line.

The net sales for the first eleven months of the year show declines from the same period of 1923, varying from a decrease of 16 per cent in dry goods to 3.3 per cent in drugs.

Wholesale Trade Sales

	Number of Firms Reporting	Percentage change in net sales during Nov., 1924, compared with Oct., 1924.	Percentage change in net sales during Nov., 1924, compared with Nov., 1923.	Percentage change in net sales from Jan. 1, 1924, to Nov. 30, 1924, compared with same period last year.
Groceries—				
Cincinnati.....	3	—14.2	— 8.3	0.9
Cleveland.....	3	—14.6	— 6.5	— 0.5
Columbus.....	3	—18.0	— 8.8	— 5.1
Eric.....	4	—19.2	— 5.4	3.9
Lexington.....	3	—15.3	—15.0	— 7.0
Pittsburgh.....	7	—24.9	— 3.0	— 1.6
Toledo.....	3	—11.2	—13.8	— 7.3
Youngstown.....	3	—11.6	—19.2	— 6.9
Other Cities*.....	24	—15.6	— 9.2	— 8.2
DISTRICT.....	53	—16.1	— 8.6	— 4.4
Dry Goods—District.....	19	—12.2	—13.6	—16.0
Drugs—District.....	16	— 9.0	— 5.3	— 3.3
Hardware—District.....	18	—13.4	— 4.9	— 7.6

*Includes Akron, Butler, Canton, Connellsville, Dayton, Dover, Greensburg, Ironton, Lima, Mansfield, Massillon, Portsmouth, Springfield, Steubenville, Uniontown, Warren, Pa., Wheeling and Xenia.

Comparative Statement of Selected Banks in the Fourth District

(In thousands of dollars)

	Dec. 17, 1924	Nov. 12, 1924	Increase	Decrease
Number of reporting member banks	77	77		
Loans and discounts, gross:				
Secured by U. S. Government obligations.....	\$ 18,190	\$ 18,267		\$ 77
Secured by stocks and bonds.....	407,349	412,524		5,175
All other loans and discounts.....	721,968	729,139		7,171
Total loans and discounts.....	1,147,507	1,159,930		12,423
U. S. Pre-war bonds.....	45,532	45,528	4	
U. S. Liberty bonds.....	192,272	195,408		3,136
U. S. Treasury bonds.....	22,239	1,967	20,272	
U. S. Treasury notes.....	58,414	62,201		3,787
U. S. Certificates of indebtedness.....	12,968	18,564		5,596
Other stocks, bonds and securities.....	344,574	347,502		2,928
Total loans, discounts and investments.....	1,823,506	1,831,100	20,276	27,870
Reserve with Federal Reserve Bank.....	131,551	127,003	4,548	
Cash in vault.....	39,306	33,037	6,269	
Net demand deposits.....	1,018,983	1,007,923	11,060	
Time deposits.....	684,740	703,831		19,091
Government deposits.....	19,631	21,163		1,532
Bills payable and rediscounts with Federal Reserve Bank:				
Secured by U. S. Obligations.....	22,029	19,009	3,020	
All other.....	10,081	4,161	5,920	
Total resources on date of this report.....	\$2,341,806	\$2,347,761		5,955

Department Store Sales Department store sales in the Fourth District experienced a slight falling off in volume during the month of November, but the decrease was hardly more than the usual November slump.

An interesting feature in connection with the various reports received for November is that, while in October every reporting city in the district showed a decrease in sales compared with a year ago, the November sales show an increase over the same period in 1923 in Akron, Cincinnati, Columbus, Dayton, Youngstown, and some of the smaller cities. Akron, with an increase of 4.9 per cent, shows the greatest gain, while Columbus and Cincinnati show increases of 2.3

per cent and 2.2 per cent respectively. As in October, the greatest decrease from the figures of a year ago is shown by Toledo, the decrease for November being 12.1 per cent.

The index, covering 53 stores in the district, declined from 122 in November, 1923, to 119 in November, 1924. The index figures for the month of November for the six years, 1919 to 1924, were respectively, 102, 124, 97, 113, 122, and 119.

In the case of stocks on hand, the larger cities generally show a slight increase over a year ago, while the smaller cities appear to have been somewhat more conservative in the matter of stocking up. Total stocks in the district show a decrease of 1.2 per cent from November of last year.

Department Store Sales

	No. of Reports	Percentage of Increase or Decrease Comparison of Net Sales		Comparison of Stocks at end of month		Percentage of average stocks at end of each month from July 1 to November 30 to average monthly sales in same period	Percentage of outstanding orders at end of Nov., 1924, to total purchases during calendar year 1923
		1A	1B	2A	2B		
		Nov., 1924 Compared with Nov., 1923	July 1 to Nov. 30 1924, com. with same period in 1923	Nov., 1924 compared with Nov., 1923	Nov., 1924 compared with Oct., 1924		
Akron.....	4	4.9	1.9	-2.5	0.9	404.2	.....
Canton.....	3	-3.5	-7.6	-3.8	-1.0	804.5	.....
Cincinnati.....	7	2.2	-0.7	-9.7	-1.6	435.9	6.2
Cleveland.....	6	-4.4	-7.2	0.9	-0.1	389.3	4.6
Columbus.....	5	2.3	-2.9	-8.1	0.2	370.4	5.3
Dayton.....	5	0.6	-3.0	2.5	0.6	425.8	5.1
New Castle.....	3	-5.8	-7.2	3.1	2.3	696.9	.....
Pittsburgh.....	7	-0.9	-5.6	1.4	-1.3	426.4	.....
Toledo.....	5	-11.4	-13.7	-2.9	0.9	553.8	5.3
Wheeling.....	5	-4.4	-7.5	-6.6	1.7	456.4	4.2
Youngstown.....	3	1.2	-3.7	-4.4	-2.6	336.5	3.5
Other Cities.....	*7	2.3	-7.3	1.6	1.8	601.5	4.7
District.....	60	-1.6	-5.5	-1.1	-0.5	425.6	5.2
U. S. Average	..	-1.0	-2.4	-2.0	0.3	401.3	5.6

*Includes reports from Erie, Portsmouth, Springfield and Lima.

**Includes reports from Erie, Portsmouth, Akron, Springfield, Lima, Columbus, and Toledo.

Index Number of Sales of 55 Department Stores Fourth Federal Reserve District

(Average Monthly Sales for the Five-Year Period 1919-1923 Inclusive—100)

1923	Akron	Canton*	Cincinnati	Cleveland	Columbus	Dayton	New Castle	Pittsburgh	Toledo	Wheeling	Youngstown	Other Cities**	District
June.....	115	118	114	117	128	116	123	121	119	126	115	112	119
July.....	79	89	76	82	95	92	90	80	92	89	81	79	82
Aug.....	90	96	84	104	97	92	96	94	105	91	113	80	97
Sept.....	88	90	94	111	106	112	81	99	101	105	96	87	102
Oct.....	113	136	126	127	149	154	113	130	128	141	127	128	130
Nov.....	102	120	120	125	134	131	113	120	120	127	121	105	122
Dec.....	156	194	183	169	199	219	206	168	187	212	187	194	176
1924													
Jan.....	78	88	94	92	102	101	91	98	91	102	84	74	94
Feb.....	88	97	87	90	94	92	81	103	98	87	120	77	96
Mar.....	95	115	103	104	114	124	93	100	100	107	118	91	104
April.....	112	128	114	133	124	131	127	122	117	128	124	112	124
May.....	106	124	118	110	116	121	109	118	100	118	117	109	114
June.....	93	107	99	102	117	109	98	115	100	115	111	104	108
July.....	84	83	80	78	95	87	86	79	83	89	79	78	80
Aug.....	88	92	78	91	92	93	83	84	85	76	105	75	87
Sept.....	92	89	96	109	108	118	76	97	95	96	98	89	101
October.....	110	110	119	113	132	137	104	114	102	127	113	113	115
November.....	107	116	121	120	138	132	106	119	106	120	122	111	119

*Based on 3-year average (1921-1922-1923)

**Includes Springfield, Portsmouth, and Erie

Building Operations

	November 1924-1923				% incr. or decr. in value	First Eleven Months 1924-1923				% inc. or decr. in value
	No. Permits Issued		Valuation			No. Permits Issued		Valuation		
	1924	1923	1924	1923		1924	1923	1924	1923	
Akron.....	416	307	\$1,005,798	\$ 475,995	111.3	4,275	3,641	\$ 7,632,907	\$ 7,058,379	8.1
Canton.....	210	292	433,842	528,245	- 17.9	3,015	3,054	7,755,541	6,921,990	12.0
Cincinnati....	474	532	1,767,580	1,452,520	21.7	6,132	6,958	22,688,050	24,285,385	- 6.6
Cleveland*....	1,516	1,635	5,789,901	9,093,877	- 36.3	19,121	19,224	76,256,542	78,069,739	- 2.3
Columbus.....	504	496	1,368,500	923,600	48.2	6,004	6,714	16,136,200	21,470,400	- 24.8
Dayton.....	217	256	576,359	499,885	15.3	3,600	3,995	8,877,010	9,843,155	- 9.8
Erie.....	171	155	521,129	319,375	63.2	2,128	1,825	5,888,740	3,917,564	50.3
Lexington.....	78	35	93,809	132,905	- 29.4	832	847	1,736,314	1,854,277	- 6.4
Pittsburgh....	565	545	2,671,526	2,266,623	17.9	7,867	6,679	31,741,444	29,947,926	6.0
Springfield....	79	77	354,350	57,100	520.6	1,173	1,217	1,653,628	1,489,160	11.0
Toledo.....	466	459	907,617	1,268,173	- 28.4	6,827	6,298	16,148,002	14,938,256	8.1
Wheeling.....	90	83	362,961	177,137	104.9	1,427	1,301	5,019,588	3,754,656	33.7
Youngstown...	222	190	1,221,050	436,800	179.5	2,875	2,214	11,402,625	5,204,180	119.1
Total.....	5,008	5,062	\$17,074,422	\$17,632,185	- 3.2	65,276	63,967	\$212,936,591	\$208,755,067	2.0

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

Debits to Individual Accounts

(In thousands of dollars)

	1	2	3	4	5	6	7	8
	4 weeks ending Dec. 10, 1924	4 weeks ending Nov. 12, 1924	4 weeks ending Dec. 12, 1923	Per cent incr. or Decr. Col. 1 over Col. 2	Per cent incr. or Decr. Col. 1 over Col. 3	1924 to 1/2 Date-(Jan. 2 to Dec. 10)	1923 to 1/2 Date-(Jan. 4 to Dec. 12)	Per cent. incr. or Decr. Col. 6 over Col. 7
Akron.....	\$ 68,561	\$ 66,040	\$61,843	3.8	10.9	\$ 816,775	\$ 815,522	0.2
Butler, Pa.....	11,204	10,100	10,335	10.9	8.4	123,473	131,622	- 6.2
Canton.....	38,321	38,080	36,507	0.6	5.0	494,519	493,182	0.3
Cincinnati....	298,898	289,069	278,494	3.4	7.3	3,491,144	3,672,340	- 4.9
Cleveland.....	574,820	563,461	539,947	2.0	6.5	7,014,140	7,211,293	- 2.7
Columbus.....	124,232	134,634	124,149	- 7.7	0.1	1,507,591	1,686,048	-10.6
Connellsville..	4,326	4,285	4,865	1.0	-11.1	53,452	65,284	-18.1
Dayton.....	60,669	63,912	57,372	- 5.1	5.7	766,830	779,551	- 1.6
Erie.....	29,412	28,589	29,369	2.9	0.1	353,608	362,531	- 2.5
Greensburg....	18,907	19,655	19,605	- 3.8	- 3.6	248,143	240,481	3.2
Homestead....	4,124	4,151	3,896	- 0.7	5.9	48,658	43,585	11.6
Lexington, Ky..	16,741	17,499	17,290	- 4.3	- 3.2	242,385	269,778	-10.2
Lima.....	16,921	16,774	15,968	0.9	6.0	207,259	194,699	6.5
Lorain.....	6,360	6,310	5,387	8.1	18.1	71,342	70,198	1.6
Middletown...	8,232	7,719	8,980	6.6	- 8.3	101,534	110,040	- 7.7
Oil City.....	11,537	11,043	11,389	4.5	1.3	148,055	149,109	- 0.7
Pittsburgh....	803,602	792,653	767,421	1.4	4.7	9,426,255	9,422,667	0.03
Springfield....	16,882	17,016	15,446	- 0.8	9.3	218,518	234,205	- 6.7
Toledo.....	158,151	185,382	155,837	-14.7	1.5	2,040,788	1,985,954	2.8
Warren, O.....	10,796	11,297	11,102	- 4.4	- 2.8	150,614	149,648	0.6
Wheeling.....	41,555	40,604	43,566	2.3	- 4.6	508,133	515,769	- 1.5
Youngstown...	58,951	52,330	53,350	12.7	10.5	686,757	693,140	- 0.9
Zanesville....	11,252	12,247	11,674	- 8.1	- 3.6	147,818	144,427	2.3
Total.....	\$2,394,454	\$2,392,850	\$2,283,792	0.1	4.8	\$28,867,791	\$29,441,073	- 1.9

Explanation of Charts on Following Page

All charts are monthly and have a relative scale; i. e., the actual 5-year average in figures equals 100.

Sources of information and latest figures are as follows:

1. Member Bank Credit. (Figures for last week in month covering 800 member banks of F. R. System) November, Loans, 111; Investments, 138.
2. Member Bank Deposits. (Same as preceding) November, Demand Deposits, 121; Time Deposits, 163.
3. Check Payments. (Debits to individual accounts at 140 cities, excluding New York) October, 119.
4. Commercial Failures. (Number of failures reported by Dun's) November, 128.
5. Retail Trade. (F. R. Board's index of about 350 stores recomputed to 1919-1923 base) November, 125.
6. Wholesale Trade (F. R. Board's index of numerous wholesale lines recomputed to 1919-23 base) November, 96.
7. Building Permits. (About 175 cities reported by Bradstreet's) November, 138.
8. Car Loadings. (Weekly figures of the Amer. Ry. Assoc. converted into a monthly basis) November, 115.
9. Exports of Merchandise. (Bureau of Foreign and Domestic Commerce) November, 104.
10. Bituminous Coal Production. (Geological Survey) November, 102.
11. Pig Iron Production. (Iron Age) November, 100.
12. Automobile Production. (National Automobile Chamber of Commerce) November, 107.

Indexes of National Business Conditions

The base (100) for all the charts except the first is the monthly average for the five years 1919-1923 inclusive. For the first chart the base is the monthly average for the three years 1921-1923. For further explanations, see preceding page.

