

# *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

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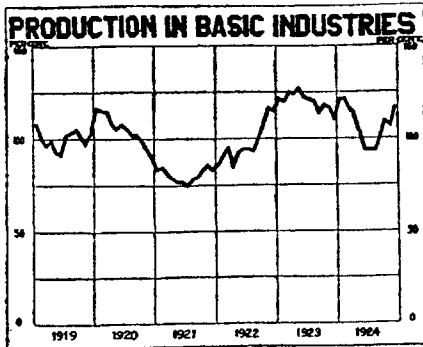
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## Editorial

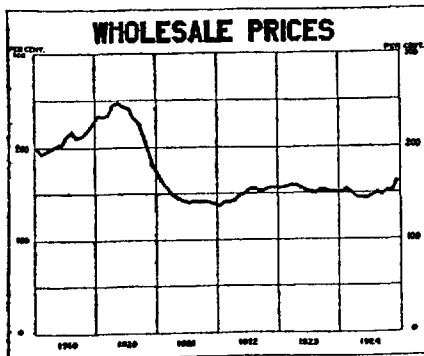
An examination of the various indexes shows that business in general has continued to improve during the past month, taking into consideration the fact that this is a dull season for numerous lines. Production in basic industries gained 10 per cent during December as compared with November, car loadings continue high for this time of year, and the oil industry has begun to show signs of improvement, with consumption at last catching up with production. It should be remembered that the present business recovery has not been uniform; some industries have gone ahead more rapidly than others, while in a few lines, such as textiles, there has as yet been very little improvement, if any.

A notable feature of the present upswing is the policy of wholesalers and retailers to buy for current requirements only. Manufacturers in the Fourth District are practically unanimous in stating that their customers are still buying conservatively, even in the face of advancing prices. This appears to hold true in all lines of manufacture. Probably the two main reasons for this attitude are the present efficiency of transportation, insuring quick delivery, and the memory of 1920, when merchants were caught with excessive stocks which were disposed of only at considerable loss. This policy of conservative buying has doubtless helped to check any "boom" tendencies.

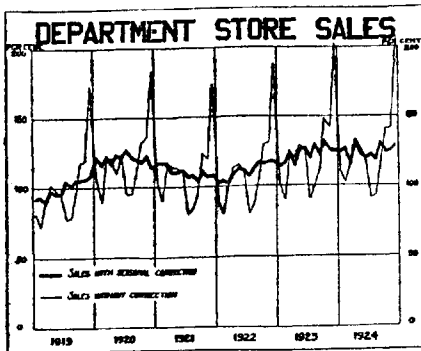
## National Summary of Business Conditions



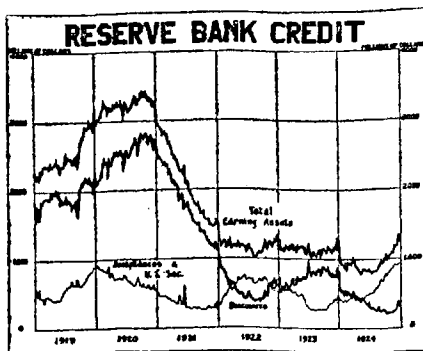
Index of 22 basic commodities corrected for seasonal variations (1919=100). Latest figure—December, 117.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—December, 157.



Index of sales of about 350 stores in 117 cities (1919=100). Latest figure—December, unadjusted, 207; with seasonal correction, 129.



Weekly figures for 12 Federal Reserve banks. Latest figures—December 31.

Production and employment in December continued the increase which began in the autumn and wholesale prices advanced further to the highest level for the year. Railroad shipments of goods continued in large volume and trade, both at wholesale and retail, was larger than a year ago.

### PRODUCTION

The index of production in basic industries advanced about 10 per cent in December to a point 25 per cent higher than last summer but was still below the level of the opening months of 1924. Practically all of the 22 industries included in the index shared in the advance and the increases were particularly large in iron and steel, cotton manufacturing, coal mining, and meat packing. Among the industries not represented in the index the output of automobiles declined in December and was the smallest for any month in more than two years. Increased industrial activity was accompanied by an advance of about 2 per cent in factory employment, with larger increases in the metal and textile industries, and by a growth of nearly 5 per cent in total factory payrolls. Volume of building, as measured by contracts awarded, was less in December than in November, but continued unusually large for the season of the year.

### TRADE

Distribution of goods was greater in December than in the same month of 1923, as indicated by larger railroad shipments and an increase in the volume of wholesale and retail trade. Christmas trade at department stores was greater than in the previous year, and sales by mail order houses and chain stores were the largest on record. Wholesale trade was seasonally less than in November but in practically all lines was larger than a year ago. Marketing of agricultural products was greater than for the corresponding month of any recent year.

### PRICES

A further advance of more than 2 per cent in the Bureau of Labor Statistics index of wholesale prices carried the average in December 8 per cent above the low point of June and to the highest level since April, 1923. Prices of all groups of commodities were higher, the principal increases being in farm products and foods. In the first half of January prices of grains, wool, coal, and metals increased further, while sugar, dairy products, silk, coke, and rubber declined.

### BANK CREDIT

At the Federal Reserve banks the rapid return flow of currency after the holiday trade resulted, during the four weeks ending January 21, in a reduction of earning assets about equal to that for the same season a year earlier. The net outflow of currency from the reserve banks during the month preceding Christmas amounted to more than \$200,000,000, and the return flow after the Christmas peak, reflected both in the increase in reserves and in the decline of Federal Reserve note circulation, was in excess of \$300,000,000. Fluctuations in the earning assets of the reserve banks during the past two months have reflected chiefly these seasonal changes in the demand for currency. The decline in discounts brought their total on January 21 to a smaller volume than at any time in 1924, and acceptances also showed a seasonal decrease. Holdings of United States securities, which have declined for more than two months, were about \$175,000,000 below the level of last autumn and in about the same amount as at the middle of 1924. Net exports of gold, which gave rise to a demand for reserve bank credit, amounted to \$30,000,000 in December and were in larger volume the first three weeks in January.

The growth of demand deposits at member banks in leading cities during the three weeks ending in the middle of January, which has been greater than the increase in their total loans and investments, has reflected the return of currency from circulation. In the same period there was some increase in commercial loans and a continued growth in loans secured by stocks and bonds. Holdings of investment securities have decreased somewhat since the middle of November, particularly at the banks in New York City.

**Financial Condition**

Bills discounted by the Federal Reserve Bank of Cleveland rose from 43 millions on December 10, 1924, to 51 millions on December 17, the highest point since April 23, 1924, when they amounted to practically the same figure, but declined to 29 millions on January 14, 1925. Nearly all this decrease occurred during the week of January 14, bills discounted having dropped from 46 millions on January 7 to 29 millions on January 14.

Government securities held amounted to \$54,000,000 on January 14, 1925, as compared with \$56,511,000 on December 10, 1924, a decrease of \$2,500,000. Total earning assets declined from \$132,857,000 on December 10, 1924, to \$123,874,000 on January 14, a decrease of \$9,000,000.

During the period December 10, 1924, to January 14, 1925, gold reserves declined from \$277,899,000 to \$247,652,000; member bank deposits from \$182,587,000 to \$173,740,000, and note circulation from \$209,993,000 to \$189,398,000.

Loans of reporting member banks in the Fourth District showed a still further decline from \$1,157,449,000 on December 3, 1924, to \$1,140,024,000 on January 7, 1925, the lowest point since August 6, 1924. During the same period demand deposits decreased from \$1,030,762,000 to \$989,198,000, or 4.2 per cent, while time deposits showed practically no change—amounting to \$693,049,000 on January 7, 1925, compared with \$695,822,000 on December 3, 1924. The reserve ratio for the Federal Reserve Bank of Cleveland was 70.6 per cent on January 14, 1925, as compared with 71.4 per cent on December 10, 1924. The ratio for the System stood at 76.0 on January 14, as against 75.2 on December 10.

On December 31 savings deposits of 69 banks in the Fourth District amounted to \$825,020,182, as compared with \$813,255,415 on November 30, an increase of 1.4 per cent, and with \$764,901,529 on December 30, 1923, an increase of 7.9 per cent.

Commercial failures in the United States, as reported by R. G. Dun & Company numbered 2,040 for December, an increase of 387 over the November report and 199 over that of December, 1923. Liabilities for December, 1924, amounted to \$45,279,281 an increase of \$14,155,371, or 45.5 per cent over November, but a decrease of \$6,335,449, or 12.3 per cent over December, 1923. In the Fourth District there were 173 failures in December, as compared with 133 in November and 155 in December, 1923. Liabilities for December amounted to \$3,678,704, an increase of \$1,237,662 over November, 1924, or 50.7 per cent, and \$671,766, or 22.3 per cent over December, 1923.

**Iron and Steel**

Improvement in the iron and steel industry now is manifesting itself most conspicuously in production. Manufacturers of iron and steel, having provided themselves with liberal order books through the general disposition of buyers to come

into the market in November and December, now are putting their chief attention upon the working up of this business. Most of the producers have sufficient tonnage ahead to carry them well through the first quarter. Buyers are coming in freely with their specifications and the immediate obligations of producers have been increasing so that deliveries of material are showing a tendency to lengthen. In certain districts shipments on new business in some forms of finished steel are a matter of two months or more.

New business since the first of the year on the whole has been less vigorous, which is not surprising in view of the stress being laid by both buyers and sellers upon the shipment of previously entered orders. However, a very fair volume of tonnage has been coming out from the railroads, the building industry and some quarters of general manufacture.

Iron and steel operations have been pushed up to about 90 per cent of capacity on the average. The Steel corporation is now running around 90 per cent. Some districts, notably Chicago, are producing at 95 per cent or virtually at the utmost of workable capacity. By the further gain in that month, the December steel ingot production for the industry reached a point which was 85 per cent of the high record mark of history attained last March. It was the third largest month of the year and showed a 90 per cent gain over the low point of July. The December rate was on the scale of 42,480,000 tons annually. A further gain in the figures for January is expected.

Pig iron production in December as compiled by IRON TRADE REVIEW showed the largest monthly gain of any period since March, 1923. December's grand total production was 2,961,067 tons compared with 2,514,979 tons in November. The daily averages were 95,518 tons and 83,832 tons, respectively. A gain of 25 active furnaces was shown by the month, bringing the total on the first of the year to 229.

Prices of iron and steel, after having undergone a constant strengthening which has brought about some advances during the past few months, now are more stationary. Compared with the first of November, steel prices are now \$2 to \$4 per ton higher. Some producers have already put into effect a further advance to apply to second quarter business. A Chicago independent has advanced plates, shapes and bars for that delivery \$2 per ton and some wire mills have posted a similar raise. The advance in pig iron since early November has been more pronounced on the average than in rolled steel due to the fact that this market was further depressed at the time the revival began. Pig iron prices on the whole are up about \$3.50 per ton. There now is less disposition among producers to continue to raise their schedules and some of them are offering to take on second quarter tonnage at the same price as that which has applied to first quarter.

IRON TRADE REVIEW composite of fourteen leading iron and steel products has accurately portrayed the advance of the general market. In the third week in January this index stood at \$41.10. On the corresponding

date in December it was \$40.70, while the first week in November it was \$38.56.

Reflecting the heavy volume of building work in 1924 calling for steel supplies, the complete government figures show total bookings by fabricating shops in that period of 2,048,200 tons, equivalent to 68 per cent of capacity. This is the largest total in history and compares with 1,912,935 tons or 65 per cent of capacity in 1923.

**Coal** Several weeks of cold weather have tended to reduce coal stocks and some new buying is now reported. Little extra coal, however, is being stored, buyers apparently preferring to take a chance on prices rather than pay the extra cost of storing and handling. Then, too, they have no fear of a car shortage and do not anticipate any trouble with the miners.

Spot market prices are still below the level at which shippers can afford to contract and this continues to work against contract buying.

At present efforts are being made in many of the coal districts to bring about mergers, largely due to the unsatisfactory operating results obtained last year. There also is a tendency on the part of the operators to abandon those mines which have been running at prohibitive costs.

The production of soft coal in the week ending January 10 was the largest in any week since December, 1920, according to a recent report of the United States Geological Survey. The total output was estimated at 12,555,000 net tons. This was an increase, when compared with the preceding holiday week, of 1,750,000 and was within 800,000 tons of the highest output on record. Examination of the individual railroad returns shows that the improvement was practically country-wide and that most of the carriers contributed increased shipments.

The production of anthracite recovered promptly after the holiday season to approximately the pre-holiday rate. The total estimated output in the week ending January 10 is placed at 1,785,000 net tons, an increase of 530,000 tons over the previous week. Compared with the most recent week of full-time operations a decrease of 82,000 tons is shown.

Complete figures on lake coal shipments for the season of 1924, compiled by the Ore and Coal Exchange, show that 24,322,552 tons of soft coal were shipped last year as compared with 31,457,294 tons in 1923. Lake shipments for 1922 totaled 19,351,323 tons.

**Coke** Figures compiled by the Geological Survey show that the production of beehive coke continues to improve. Estimates for the week ending January 10 place the total output at 266,000 net tons, an increase of 9,000 over the revised figures for the preceding week. The improvement was confined to and was general in the producing districts of the east, except Virginia, where there was a loss of about 2,000 tons. According to

the CONNELLSVILLE COURIER, 307 additional ovens were fired in the Connellsville region. Production there continued to increase, but less rapidly than in the preceding week. The total production in December is estimated at 900,000 as against 630,000 tons in November.

The output of by-product coke for the month of December also increased. Total production for the month was 3,067,000 net tons. The daily rate of output was 99,000 tons, an increase of 1.4 per cent over the November rate. The ratio of production to capacity was 79.1 per cent. Of the 75 plants 68 were in operation.

The Survey's Summary shows that 43,463,000 tons of coke were produced during 1924, or about the same as 1919. The output of by-product coke was 33,795,000 tons. This volume has been exceeded but once in the history of the industry, the exception being 1923, when the record of 37,597,664 tons was reached. The year's production of beehive coke was approximately 9,668,000 tons against 19,379,000 in 1923 and 8,573,000 in 1922. By-product ovens thus contributed 77.8 per cent of the 1924 output and beehive ovens 22.2 per cent.

**Oil** While there was a substantial decrease in the daily production of crude oil in the United States at the close of December and the early part of January, the lost ground was being recovered rapidly immediately thereafter. This was due mainly to the rapid drilling of the new Wortham field in east central Texas, which had its beginning in November. The rate of production in this field, however, has begun to fall, amounting to 124,000 barrels a day during the week ending January 17 as compared with 167,000 barrels the preceding week. The effect of the bringing in of the Wortham field was probably to delay somewhat the advances in crude oil prices, which have recently been announced. An important influence in bringing about higher prices has been a rather substantial reduction in stocks. In November more than 2,000,000 barrels of oil were withdrawn from storage to meet the demand.

Aside from the Wortham pool there is no field east of California now threatening a greatly increased production.

Despite the decreased consumption of gasoline the past two months, due to winter weather throughout the country, gasoline prices have held firm at refining sources, and fuel oil and heating distillates have been in demand at advancing prices, which show no indication of softening at present. There has been a good export call for gasoline of U. S. motor grade and higher, which has kept a surplus from accumulating at refineries. Fuel oil prices are at high levels in relation to crude prices.

The advances in retail gasoline prices in the east and south are in recognition of the higher prices for this product at the refinery. An advance of 1 cent a gallon in the price of gasoline was announced by the Standard Oil Company of Indiana about the 22nd of January.

**Automobiles** The year 1924 closed with a further decline in automobile production, the December figure being 33 per cent behind the preceding December and 10 per cent behind November, 1924, according to figures furnished by the Federal Reserve Bank of Chicago. Various companies have recently announced price reductions upon their cars, and the opinion is held in some quarters that these price reductions, together with low stocks in dealers' hands, should tend to have a stimulating effect upon sales. Whether or not such a development occurs, the past year has been marked by a tendency toward lower production, particularly during the last three quarters of the year. The first three months of 1924 saw an increase of 20 per cent over 1923 in the number of cars made, but during the last nine months production fell 20 per cent below the 1923 figure. During the last several years the automobile industry has had a rapid growth, and only the future can tell whether the "saturation point" has been reached in the matter of pro-

duction, or whether the decline in 1924 may be laid chiefly to the general business depression. In this connection one prominent manufacturer has recently announced the largest January production schedule in the history of his company for the month of January, 1925, and even larger schedules for February and March, 1925.

Other developments of interest during 1924 were the growth in the use of balloon tires and of four-wheel brakes. Balloon tires have been gaining steadily in popular favor, while there appears to be some difference of opinion among manufacturers as to the public's interest in four-wheel brakes. It is stated, however, that the companies using the four-wheel brake numbered less than a dozen a year ago, while at present this number has more than trebled.

Truck manufacturers in the Fourth District report that a seasonal dullness is being felt in their line. A better feeling prevails, however, and in some cases orders are being received in encouraging volume.

### 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*

	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.....	348,287	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.....	178,570	25,333	203,903	275,287	27,275	302,562
Total.....	3,193,116	350,056	3,543,172	3,637,511	365,213	4,002,724

**Tires** In general, a spirit of confidence prevails among tire manufacturers in the Fourth District. The last six months of 1924 were much better than the corresponding period of 1923 from the point of view of the rubber industry. It is estimated that the number of tires sold in the latter half of 1924 was 9 per cent greater than during the latter half of 1923. The demand for tires began to strengthen about the middle of the year, and from June to September shipments showed a substantial increase over production, according to reports of the Rubber Association of America. This resulted in a considerable reduction of stocks in manufacturers' hands, until in August they were at the lowest point since December, 1921. Production schedules were increased about the middle of the year, and exceeded shipments during October and November; but during the greater part of the last half of 1924, stocks were below the 1923 figure.

These developments indicate that the underlying position of the tire industry has improved considerably over a year ago. The price of crude rubber, however, continues to give some concern. This stood at .3828 dollars per pound in December, an increase of about 12 per cent over November, 45 per cent over a year ago, and practically 100 per cent over June, the low point of 1924. The present price is the highest during the last two years, and tends to cut into the margin of profit, as tire prices still show no general tendency to advance.

The January report of the Rubber Association of America, giving information as of December 1, shows that production of high pressure inner tubes amounted to 4,226,841 during November, a decrease of about 1,200,000 from October. Shipments during November slightly exceeded production, aggregating 4,339,207 tubes. This figure shows an increase of nearly 500,000 over October. Production of both cord and fabric casings declined dur-

ing the same period, and shipments of fabric casings also declined, although shipments of cord casings showed an increase.

Production of balloon inner tubes continued to decline in November, and shipments continued to increase slowly, with the result that the latter exceeded the former for the first time. With respect to balloon casings, however, production still continued to run ahead of shipments, although both declined from October. It may be noted that the stocks of balloon inner tubes in manufacturers' hands on December 1 were still high compared to stocks of high pressure inner tubes, the supply of the former being sufficient to last 2.2 months, and that of the latter, 1.6 months.

Although the total value of rubber goods exported from the United States in 1924 was 8 per cent greater than in 1923, exports of automobile tires showed a decline, according to the Department of Commerce. The estimated total for 1924 is 1,250,000 casings, as compared with 1,362,241 in 1923 and 1,326,220 in 1922.

#### Textiles

The past year was a poor one for the textile industry, both in the Fourth District and in the country as a whole. In the Fourth District, the general slackening of business during the late spring and summer had a depressing effect, and when business in other lines began to pick up toward the end of the year, the unusually mild weather retarded the movement of goods for winter wear. At the present time, textile manufacturers in this District particularly emphasize the fact that their customers are buying cautiously, and no decided improvement in business has yet been noted, although a normal volume is reported in several instances. The price of raw wool made another sharp advance during December, standing at 69.5 cents per pound, as compared with 62.1 in November, 58.8 in October, 47.0 in June (the low point in 1924) and 54.2 in December, 1923.

Turning to the wholesalers, conditions appear to have improved during the month. A better feeling is reported by wholesale dry goods houses in the Fourth District, and this is borne out by the December sales of 19 firms in the District, which were 12 per cent greater than for December, 1923, and 4½ per cent greater than for November, 1924. The increase over November occurred chiefly in the larger cities. The significance of this gain becomes apparent when it is noted that December was the only month in 1924 which showed an increase over 1923, and furthermore that December showed a gain over November, whereas in each of the preceding three years declines ranging from 10 to 19 per cent occurred in December as compared with November. Sales during the past month, therefore, increased when a seasonal decline might have been expected.

The price of cotton yarn declined from 45.22 cents per pound in November to 44.03 cents in December. During the same period, cotton goods advanced from 15.59 to

15.62 cents per yard; worsted yarn, from 2.26 to 2.40 dollars per pound; and silk, from 6.61 to 6.69 dollars per pound. The sharp advance in raw wool prices has already been noted. It is estimated that during the last half of 1924, the number of suits cut declined 3.6 per cent, and the number of overcoats 18.2 per cent from the corresponding period in 1923.

#### Shoes

Reports from shoe manufacturers in the Fourth District indicate that no great change has taken place during the past month. Business is normal, with an increase in orders in some cases, but the gain in the volume of business has not been large. Buying on the part of dealers is still conservative.

Preliminary estimates of the Bureau of the Census indicate that shoe production in the Fourth District was 2 per cent less in December than in November, and in the United States was about 0.5 per cent less in December than in November. Final production figures for 1,214 factories in the United States put November production at 25,157,143 pairs, as compared with 30,825,998 pairs in October and 26,946,169 pairs in November, 1923. Final production for the first eleven months of 1924 totaled 288,305,749 pairs, as compared with 328,437,837 during the same period in 1923.

Preliminary sales figures of wholesale shoe firms in the Fourth District in December indicate an increase of 3 per cent over November, and an increase of 32 per cent over December, 1923.

#### General Manufacturing

There is no evidence of a "boom" among manufacturing industries in general in the Fourth District. Business, however, has improved materially in some lines during the past month, and in practically all other lines is moving in normal volume, with an improving tendency. Numerous manufacturers report price advances in raw materials. In some cases these advances have already resulted in an increase in the price of the finished product. All reports agree that customers are still buying cautiously, although a slightly more liberal policy is noted in a few cases. Even in these instances, however, it cannot be said that buying is "liberal."

The feeling among manufacturers is for the most part one of confidence in the future. It should be remembered, of course, that this is the dull season for many lines, and that no really marked improvement is anticipated before spring.

#### Agricultural and Agricultural Implements

The steady rise in prices of practically all farm products continued up to the end of the year, the last week of December showing a new high level for both wheat and rye, and more moderate gains in oats and barley. The corn market also made good advances, the closing figures for the year standing at about

\$1.25 per bushel for December corn—some 78 per cent above the price at the close of the preceding year.

The year closed with an average price for all grades of wheat of \$1.74, as against \$1.04 at the close of 1923, a gain of about 67 per cent. Oats prices were also included in the general advance, being quoted at 61 cents on the Chicago markets, a gain of some 17 cents on the bushel, or about 39 per cent. The marked advance in wheat prices has been brought about by a number of contributing factors, prominent among which is the shortage of the foreign wheat crop.

The higher price level of corn is attributable almost solely to the crop shortage throughout the United States, which latest estimates place at 617,000,000 bushels below that of last year. A reduction of about 12,000,000 head in the number of hogs, and a reduction of about 14 per cent in the number of cattle on feed has considerably reduced the demand for corn.

Agricultural implement manufacturers and dealers in the Fourth District report that no marked revival of activity is shown in their line as yet, but they do report an increased interest shown by prospective customers. The depression of the last few years was too severe a blow to the farmer for one to expect an instantaneous recovery, but there is a well-defined feeling of optimism shown by the trade concerning the immediate future outlook.

**Tobacco** Deliveries of the 1924 tobacco crop by members of the Burley Growers Association and also by the independent growers are going forward. The report of the Commissioner of Agriculture on loose leaf sales for the month of December indicates that approximately 12 million pounds of burley tobacco were sold for growers during that month at an average of \$21.49 a hundred.

In the January 1 Business Review two important sales of burley by the Association were reported, one involving 50 million pounds of its holdings and the other 1,750,000 pounds. These sales included the balance of the 1922 crop and part of the 1923 crop. Recently several sales of the 1924 crop have been announced, one of them being for 50 million pounds.

The government estimate of the acreage and production of tobacco by types for last year is now available and indicates that about 311 million pounds of burley were produced on 365,000 acres in 1924. According to these estimates last year's crop is only 15 million pounds below the record crop of the previous year. These figures on acreage and production are higher than most estimates made by individuals earlier in the season.

According to the latest report of the Association, its membership now stands at 107,212, new contracts numbering 255 having been signed recently.

### Car Loadings

The increase in the car loadings for the month of December over the same period of the preceding year stood at 25 per cent as compared with November's gain of 1.7 per cent over November, 1923. The gain during the last few months of the year went far toward offsetting the decline which occurred during the summer months, the close of 1924 showing the total movements as only about 1½ per cent behind the record-breaking year of 1923, and surpassing the movements of 1922 and 1921 by 13.5 per cent and 24.7 per cent respectively. The encouraging feature of the situation is found in the fact that the advance has been a gradual one and that business has entered into the new year with no indication of a recession.

Merchandise L. C. L. loadings and miscellaneous shipments both surpassed those of the preceding year, the former showing a gain of 5.2 per cent and the latter of 2.0 per cent.

### Lumber

Activity in the lumber industry in the Fourth District has quieted down during the past month. Manufacturers attribute this mainly to seasonal dullness, although there are indications that some buyers are staying out of the market on account of possible price declines. Stocks in yards are generally low, but the policy of buying conservatively still continues.

According to a report of the National Lumber Manufacturers Association, softwood lumber production of about 360 mills in the country amounted to 691 million feet for the four weeks ending January 3, while shipments were 788 million feet, or 14 per cent greater than production. Orders aggregated 811 million feet, or 17 per cent greater than production. During the same period, production of 121 mills in the Southern Pine Association was practically equal to orders and was exceeded only 3 per cent by shipments.

Figures covering 360 mills for the entire year show that 1924 production amounted to 13,196,215,353 feet, as compared to 13,923,194,174 feet in 1923, while 1924 shipments were 12,967,895,293 feet, as compared with 13,378,580,264 feet in 1923.

### Building

Building permits of 180 cities in the United States showed an increase of about 7 per cent over November, and a very slight increase over December, 1923, according to Bradstreet's. The increase over November was larger than usual; in fact, a decrease occurred in December as compared with November in both 1920 and 1921, while only in 1922 was there an increase comparable to that of December, 1924. Yearly figures for the same cities show that building permits in 1924 were 3.8 per cent greater than in 1923, the actual figures for 1924 being \$3,249,355,827 and for 1923, \$3,128,228,449. The New England cities

showed the greatest gain, with 19.1 per cent, while the greatest loss took place in the northwestern territory, the decrease there amounting to 13.6 per cent.

In the Fourth District the value of December permits fell off 7.5 per cent from the preceding year, but increased 19 per cent over November. This latter gain was due entirely to a jump of 300 per cent in the value of permits in Columbus. As compared with December, 1923, the greatest gains were shown by Columbus, with 564.3 per cent and Springfield, with 519.2 per cent, while Lexington, with 73.8 per cent, showed the greatest loss. For the year 1924, the District showed an increase of 1.1 per cent over 1923. The greatest gain was made by Youngstown, with 108.5 per cent, while the greatest loss occurred in Cleveland, with 9.7 per cent. Cincinnati showed an 8.3 per cent loss, but Pittsburgh increased 3.4 per cent.

The Aberthaw index of factory building costs for January 1 remained unchanged at 197.

#### Cement

Ohio, Western Pennsylvania and West Virginia produced 898,000 barrels of cement in December, according to the Geological Survey, as compared with 930,000 barrels in December, 1923. Shipments amounted to 346,000 barrels, as compared with 463,000 in December of the preceding year. Stocks at the end of December were 1,370,000 barrels, as compared with 1,061,000 barrels at the end of December, 1923, and with 817,000 barrels on November 30, 1924.

For the United States, December production was 10,435,000 barrels, as compared with 9,997,000 in December,

1923. The preliminary total for the year 1924 was 148,859,000 barrels, an increase of about 11,500,000 barrels over 1923. The 1924 production figures established a new high record, as did shipments, which amounted to 145,747,000 barrels, or an increase of nearly 10,000,000 over 1923.

#### Brick

Stock on hand in the vitrified paving brick industry moved upward in December as shipments slowed down, according to the monthly statistical report of the National Paving Brick Manufacturers Association. The increase in stocks totaled more than 10,000,000, an indication that manufacturers are preparing for early spring shipments.

Twenty-four companies, representing 62 per cent of the total tonnage of the industry, reported their plants operating at 75 per cent of their normal monthly tonnage capacity.

Production dropped from 27,078,000 in November to 23,000,000 in December. Shipments showed a seasonal trend when they declined from 22,833,000 to 9,207,000 during the same period. Unfilled orders on the last day of December amounted to 44,059,000. Of this total Ohio is booked for 14,000,000.

A recent report from the Common Brick Manufacturers Association states that the manufacturers are enjoying an unusual volume of January business. The spreading out of the construction peak has resulted in a more steady flow of business for the brick men and so far as possible they are operating their plants all winter.

### Comparative Percentage Statistics of Cities in the Fourth Federal Reserve District for 1924 and 1923

(Percentage increase or decrease during 1924 as compared with 1923)

	Debits to Individual Accounts	Building Permits	Department Store Sales	Wholesale Grocery Sales
Akron.....	1.1	17.9	-0.1	-3.2
Canton.....	0.5	7.9	-3.9	....
Cincinnati.....	-4.3	-8.3	4.2	1.3
Cleveland.....	-2.7	-9.7*	-1.9	0.5
Columbus.....	-10.1	-3.0	-0.8	-5.1
Dayton.....	-2.1	-5.1	0.8	....
Erie.....	-2.1	65.1	....	3.9
Lexington.....	-9.0	-9.6	....	-7.1
Pittsburgh.....	0.6	3.4	-1.6	-1.7
Springfield.....	-6.1	25.5	....	....
Toledo.....	1.8	9.0	-8.2	-6.5
Wheeling.....	-1.9	29.4	-4.9	....
Youngstown.....	-1.3	108.5	2.4	-7.3
Total.....	-1.8	1.1	-1.3	-1.9

\*Includes East Cleveland, Lakewood and Shaker Heights.



The trend of wholesale trade in this District during December was distinctly better than during November. While in November every reporting line showed declines in sales from 1923, all lines registered increases in December over the preceding year. In the case of Hardware, the gain amounted to

16.6 per cent. For the entire year all lines showed a decline from 1923, the greatest loss being in Dry Goods, with 14.2 per cent.

As compared with November, Groceries and Hardware showed decreases of 3.2 per cent and 6.0 per cent respectively, while Dry Goods and Drugs showed increases of 4.6 per cent and 5.4 per cent.

### Wholesale Trade Sales

	Number of Firms Reporting.	Percentage change in net sales during Dec., 1924, compared with Nov., 1924.	Percentage change in net sales during Dec., 1924, compared with Dec., 1923.	Percentage change in net sales from Jan. 1, 1924, to Dec. 31, 1924, compared with same period last year.
<b>GROCERIES—</b>				
Akron.....	3	6.8	11.9	-3.2
Cincinnati.....	3	-4.2	6.9	1.3
Cleveland.....	4	-5.8	2.9	0.5
Columbus.....	3	-11.8	-4.1	-5.1
Erie.....	4	-2.0	3.4	3.9
Lexington.....	3	-5.9	-7.9	-7.1
Pittsburgh.....	7	-9.5	-2.9	-1.7
Toledo.....	3	-0.3	2.9	-6.5
Youngstown.....	3	-5.3	-12.3	-7.3
Other Cities*.....	22	1.4	5.9	-5.0
<b>DISTRICT.....</b>	<b>55</b>	<b>-3.2</b>	<b>2.5</b>	<b>-2.8</b>
Dry Goods—District.....	19	4.6	11.9	-14.2
Drugs—District.....	16	5.4	5.3	-2.6
Hardware—District.....	18	-6.0	16.6	-6.1

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

### Index Numbers of Sales of Wholesale Trade Fourth Federal Reserve District

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

	Groceries (53 firms)	Dry Goods (18 firms)	Drugs (15 firms)	Hardware (17 firms)	Groceries (53 firms)	Dry Goods (18 firms)	Drugs (15 firms)	Hardware (17 firms)
1919—Year.....	109	105	89	99	1922—Nov.....	94	101	101
					Dec.....	84	91	104
1920—Year.....	132	124	111	117	1923—Jan.....	79	97	115
1921—Jan.....	81	69	100	77	Feb.....	76	95	109
Feb.....	82	87	92	77	March.....	86	109	120
March.....	95	108	105	104	April.....	86	86	106
April.....	83	91	96	105	May.....	90	84	107
May.....	83	78	89	90	June.....	97	91	105
June.....	89	82	93	92	July.....	89	81	103
July.....	84	69	90	73	Aug.....	94	120	109
Aug.....	91	95	93	79	Sept.....	100	116	107
Sept.....	89	109	97	84	Oct.....	110	114	117
Oct.....	91	107	97	87	Nov.....	97	96	106
Nov.....	84	86	93	80	Dec.....	84	77	101
Dec.....	76	74	90	65	1924—Jan.....	84	87	109
1922—Jan.....	69	74	91	60	Feb.....	83	94	107
Feb.....	67	74	93	66	March.....	83	86	115
March.....	81	85	104	88	April.....	84	79	112
April.....	70	73	90	90	May.....	85	68	105
May.....	80	74	92	98	June.....	83	69	99
June.....	90	77	97	100	July.....	88	61	104
July.....	81	61	90	83	Aug.....	84	86	102
Aug.....	89	99	96	96	Sept.....	98	105	103
Sept.....	92	107	99	101	Oct.....	106	95	110
Oct.....	94	110	102	107	Nov.....	89	83	100
					Dec.....	86	87	106

## Retail Trade

This bank's index of department store sales stood at the highest point for the last six years in December. The index numbers are as follows: 1919, 150; 1920, 165; 1921, 143; 1922, 165; 1923, 176; 1924, 178. Of eleven reporting cities, six showed increases over December, 1923, the greatest gain being shown by Akron, with 8.2 per cent.

For the last six months of the year, the District showed a decrease of 3.6 per cent from 1923. The only cities showing increases were Akron, with 3.5 per cent, and

Cincinnati, with 1.3 per cent. The greatest decreases were shown by Toledo, with 11.9 per cent, and Canton, with 8.0 per cent.

In the case of stocks on hand at the end of December, as compared with the end of November, all cities showed a seasonal decrease, due to heavy Christmas business. Four cities showed a gain in stocks over December of last year, the largest being an increase of 9.7 per cent in New Castle. Of those showing decreases, the largest occurred in Cincinnati, with 9.7 per cent, and Youngstown, with 6.9 per cent.

## 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 December 31, to average monthly sales in same period	Percentage of outstanding orders at end of Dec., 1924, to total purchases during calendar year 1923
		Dec., 1924 compared with Dec., 1923	July 1 to Dec. 31, 1924, compared with same period in 1923	Dec., 1924, compared with Dec., 1923	Dec., 1924, compared with Nov., 1924		
Akron.....	4	8.2	3.5	-3.3	-16.5	352.1	.....
Canton.....	3	-8.9	-8.0	0.8	-7.6	702.7	.....
Cincinnati.....	7	7.1	1.3	-9.7	-21.5	381.2	6.0
Cleveland.....	6	2.9	-4.8	-0.02	-16.5	342.8	4.3
Columbus.....	5	3.9	-1.1	-5.3	-18.4	321.8	6.5
Dayton.....	5	-0.7	-2.4	1.7	-17.1	369.1	2.3
New Castle.....	3	-1.3	-5.5	9.7	-16.2	573.4	.....
Pittsburgh.....	7	2.1	-3.7	6.7	-14.3	369.6	6.4
Toledo.....	5	-6.6	-11.9	-3.5	-11.3	480.8	3.4
Wheeling.....	5	-7.7	-7.5	-5.6	-22.4	388.7	1.5
Youngstown.....	3	2.6	-2.1	-6.9	-26.6	285.1	.....
Other Cities*	7	2.0	-4.6	7.1	-16.4	495.9	4.6**
District.....	60	2.1	-3.6	0.2	-16.4	368.9	5.0
U. S. Average.....	..	4.0	-0.04	-1.0	-17.2	355.2	5.1

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

\*\*Includes reports from Erie, Portsmouth, Akron, Springfield, Lima, Canton, and New Castle.

## Wearing Apparel 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 December 31, to average monthly sales in same period	Percentage of outstanding orders at end of Dec., 1924, to total sales during calendar year 1923
		Dec., 1924 compared with Dec., 1923	July 1 to Dec. 31, 1924, compared with same period in 1923	Dec., 1924, compared with Dec., 1923	Dec., 1924, compared with Nov., 1924		
Cincinnati.....	6	8.2	10.1	-13.7	-31.5	.....	.....
Cleveland.....	4	-2.7	37.7	8.4	-18.8	.....	.....
Other Cities.....	9	-5.4	8.8	-6.6	-27.4	.....	.....
District.....	19	-1.2	19.7	-2.2	-24.4	166.0*	2.6**

\*5 Firms

\*\*4 Firms

## 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
December.....	156	194	183	169	199	219	206	168	187	212	187	194	176
1924													
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
August.....	88	92	78	91	92	93	83	84	85	76	105	75	87
September.....	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
December.....	169	177	191	174	207	212	203	170	175	195	192	205	178

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

\*\*Includes Springfield, Portsmouth, and Erie.

**Debits to Individual Accounts**

(In thousands of dollars)

	1	2	3	4	5	6	7	8
	4 weeks ending Jan. 14, 1925	4 weeks ending Dec. 17, 1924	4 weeks ending Jan. 16, 1924	% incr. or decr. col. 1 over col. 2	% incr. or decr. col. 1 over col. 3	1925 to date— (Jan. 1 to Jan. 14)	1924 to date— (Jan. 3 to Jan. 16)	% incr. or decr. col. 6 over col. 7
Akron.....	75,797	69,822	71,790	8.6	5.6	36,892	38,513	-4.2
Butler, Pa.....	10,222	10,159	10,301	0.6	-0.8	5,487	5,229	4.9
Canton.....	45,044	40,068	44,776	12.4	0.6	24,841	24,234	2.5
Cincinnati.....	374,464	308,839	347,548	21.2	7.7	186,017	161,047	15.5
Cleveland.....	698,524	589,627	674,114	18.5	3.6	362,919	316,872	14.5
Columbus.....	134,558	126,793	130,871	6.1	2.8	69,140	66,073	4.6
Connellsville, Pa.....	4,464	4,187	4,552	6.6	-1.9	2,121	2,394	-11.4
Dayton.....	71,357	61,481	70,891	16.1	0.7	42,688	38,526	10.8
Erie, Pa.....	29,745	29,396	31,379	1.2	-5.2	15,439	17,293	-10.7
Greensburg, Pa.....	21,329	18,954	23,520	12.5	-9.3	9,845	12,544	-21.5
Homestead, Pa.....	3,836	4,103	4,015	-6.5	-4.5	1,918	1,943	-1.3
Lexington, Ky.....	29,200	17,700	24,234	65.0	20.5	16,120	13,891	16.0
Lima.....	17,405	19,457	17,305	-10.5	0.6	8,849	8,332	6.2
Lorain.....	6,164	6,464	5,661	-4.6	8.9	3,325	2,932	13.4
Middletown.....	*	*	*	*	*	*	*	*
Oil City, Pa.....	12,047	11,508	13,861	4.7	-13.1	6,246	8,459	-26.2
Pittsburgh, Pa.....	917,011	822,673	819,791	11.5	11.9	459,729	408,097	12.7
Springfield.....	20,991	17,285	19,585	21.4	7.2	11,351	10,489	8.2
Toledo.....	175,954	161,365	177,591	9.0	-0.9	106,465	86,954	22.4
Warren.....	13,159	11,303	12,727	16.4	3.4	7,202	6,928	4.0
Wheeling, W. Va.....	45,654	41,994	47,497	8.7	-3.9	24,757	25,503	-2.9
Youngstown.....	69,088	59,981	66,612	15.2	3.7	42,953	35,105	22.4
Zanesville.....	10,917	11,723	11,939	-6.9	-8.6	5,742	6,282	-8.6
Total.....	2,786,930	2,444,882	2,630,560	14.0	5.9	1,450,046	1,297,640	11.7

\*Incomplete.

**Building Operations**

December 1924-1923

Year 1924-1923

	No. Permits Issued		Valuation		% incr. or decr. in value	No. Permits Issued		Valuation		% incr. or decr. in value
	1924	1923	1924	1923		1924	1923	1924	1923	
Akron.....	240	261	\$1,204,513	\$ 434,687	177.1	4515	3902	\$ 8,837,420	\$ 7,493,066	17.9
Canton.....	97	193	226,868	475,207	-52.3	3112	3247	7,982,409	7,396,197	7.9
Cincinnati.....	331	314	1,735,420	2,361,160	-26.5	6463	7272	24,423,470	26,646,545	-8.3
Cleveland*.....	903	1156	5,470,280	12,461,170	-56.1	20024	20380	81,726,822	90,530,909	-9.7
Columbus.....	284	290	5,489,700	826,400	564.3	6288	7004	21,625,900	22,296,800	-3.0
Dayton.....	141	154	871,359	432,284	101.6	3741	4149	9,748,369	10,275,439	-5.1
Erie.....	153	119	1,147,560	344,960	232.7	2281	1944	7,036,300	4,262,524	65.1
Lexington.....	37	50	24,389	93,210	-73.8	869	897	1,760,703	1,947,487	-9.6
Pittsburgh.....	408	500	2,515,006	3,171,083	-20.7	8275	7179	34,256,450	33,119,009	3.4
Springfield.....	23	51	270,250	43,645	519.2	1196	1268	1,923,876	1,532,805	25.5
Toledo.....	250	312	781,708	598,590	30.6	7077	6610	16,929,710	15,536,846	9.0
Wheeling.....	57	84	138,288	231,685	-40.3	1484	1385	5,157,876	3,986,341	29.4
Youngstown.....	141	180	431,365	472,790	-8.8	3016	2394	11,833,990	5,676,970	108.5
Total.....	3065	3664	\$20,306,706	\$21,946,871	-7.5	68,341	67,631	\$233,243,295	\$230,700,938	1.1

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

**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) December, Loans, 113, Investments, 136.
2. Member Bank Deposits. (Same as preceding) December, Demand Deposits, 123, Time Deposits, 163.
3. Check Payments. (Debits to individual accounts at 140 cities, excluding New York) November, 108.
4. Commercial Failures. (Number of failures reported by Dun's), December, 158.
5. Retail Trade. (F. R. Board's index of about 350 stores recomputed to 1919-1923 base). December, 184.

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) December, 151.
8. Car Loadings. (Weekly figures of the Amer. Ry Assoc. converted into a monthly basis) December, 102.
9. Exports of Merchandise. (Bureau of Foreign and Domestic Commerce) December, 93.
10. Bituminous Coal Production. (Geological Survey) December, 111.
11. Pig Iron Production. (Iron Age) December, 118.
12. Automobile Production. (National Automobile Chamber of Commerce) December, 101.

## 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.*

