

MONTHLY BUSINESS REVIEW

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in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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An examination of the usual business barometers indicates that business continued to improve during October, and that 1925 has run well ahead of 1924 on the basis of the first nine months' figures. Conclusive proof of the latter would seem to be reflected in the strengthened financial position of the larger industrial corporations in the country, as evidenced by their earnings and dividend distributions during the first three quarters of 1925. Earnings afford an excellent index of the business trend, and, in turn, common stock dividend distributions tend to rise or fall as a result of changes in earning power.

As a measure of the improvement in 1925 over 1924, this bank has made an analysis of earnings and common stock dividends of industrial corporations for the two years.

The earnings figures taken were those of sixty-three large and representative industrial corporations in the United States. For these firms, net earnings (after all deductions, but before dividends) for the third quarter of 1925 were nearly double those in the same quarter in 1924, amounting to \$122,058,249, as compared with \$61,544,121 last year, or an increase of 98.3 per cent. For the first nine months of 1925, net earnings of the same corporations aggregated \$348,174,268, as compared with \$243,383,239 in the corresponding period in 1924, or a gain of 43.1 per cent. During the third quarter of 1925, fifty-four of the sixty-three companies earned more than last year; and fifty-three companies earned more in the first nine months of 1925 than in the same period in 1924. Only four of the sixty-three corporations showed deficits in the third quarter of 1925, as compared with eleven last year, and for the first nine months of 1925 there were three deficits, as against eight last year.

As to common stock dividend distributions, the dividend records of 200 corporations were taken, including practically all the larger industrial companies in the United States. Of these, forty-six paid no dividends whatever in 1925 on their common stock, as compared with fifty-one in 1924. During the first eleven months of 1925, the dividend rate was increased by thirty-two corporations; thirty-one declared extra dividends, as compared with twenty in 1924; twenty-one declared stock dividends, as compared with nine in 1924; seventeen resumed the payment of common dividends; eight

reduced the dividend rate, and six passed their dividends on common stock altogether.

For the whole 200 industrial corporations combined, the average dividend paid per share of common stock in 1925 was \$3.99½, as compared with \$3.59½ in 1924, the increase for 1925 being 11.3 per cent. These figures take into account stock dividends and stock split-ups.

It will be seen that industrial earnings in this country have made a marked increase during 1925, and that dividend payments have also been larger. The question naturally arises as to the source of these gains. With regard to this, reports indicate that in the Fourth District, at least, the increased purchasing power of the farmers has been an important factor in the improved situation. Numerous manufacturers state that their business with the rural districts is running well ahead of last year, and that this is mainly responsible for their increased volume of business.

Financial Conditions

Savings deposits of sixty-eight selected banks in the larger cities of the Fourth Federal Reserve District amounted to \$850,863,000 on October 31, an increase of 0.03 per cent over September 30 and an increase of 5.9 per cent over October 31, 1924.

Commercial failures in this District, according to R. G. Dun and Company, numbered 167 in October as compared with 131 in September and 176 in October, 1924. In the United States there were 1,581 failures in October, 1,465 in September, and 1,696 in October, 1924.

Between November 1 and 23, the Federal Reserve Banks of Boston, Cleveland, Philadelphia and San Francisco raised their rediscount rates on all classes of paper from 3½ to 4 per cent.

The following table gives the changes in the main items of the balance sheets of the Federal Reserve and reporting member banks:

	Federal Reserve Bank of Cleveland (In millions)			Federal Reserve System (In millions)		
	Nov. 10, 1925	Nov. 12, 1924	Oct. 14, 1925	Nov. 10, 1925	Nov. 12, 1924	Oct. 14, 1925
Gold reserves	\$295	\$284	\$306	\$2,779	\$3,048	\$2,766
Discounts	78	40	78	565	224	644
Acceptances	12	22	17	353	248	287
U. S. Securities	31	65	31	384	588	386
Total bills and securities	121	127	127	1,260	1,064	1,276
Federal Reserve notes in circulation	225	213	230	1,711	1,829	1,716
Total deposits	176	183	194	2,289	2,236	2,288

	Reporting Member Banks— Fourth District (In millions)			Reporting Member Banks— System (In millions)		
	Nov. 4, 1925	Nov. 5, 1924	Oct. 7, 1925	Nov. 4, 1925	Nov. 5, 1924	Oct. 7, 1925
	Loans secured by stocks and bonds....	\$ 503	\$ 415	\$ 508	\$5,392	\$4,399
All other	794	742	792	8,635	8,370	8,582
Total loans	1,297	1,157	1,300	14,027	12,769	13,817
Investments	632	674	636	5,462	5,575	5,447
Demand deposits	1,015	1,004	1,006	13,220	12,947	12,973
Time deposits	758	707	756	5,348	4,805	5,248

Iron and Steel

Demands for iron and steel have been steadily expanding, and to meet these requirements, operations of steelworks and blast furnaces have been further advanced. Steel ingot capacity in ac-

tion in leading districts has been pushed up to approximately 85 per cent, which is nearing the point of virtually maximum operation or at the rate in excess of 47,000,000 tons annually. The heavier buying by users has been dictated both by some further expansion of underlying consumption and also by a greater willingness to provide against expected future requirements. A liberal number of contracts covering material for delivery through the first quarter are being made. This movement has been stimulated by the general tendency of mills and furnaces, now possessed of favorable order books, to advance prices for forward delivery.

Both pig iron and finished steel prices on the average are \$2 higher than a month ago. Soaring coke prices, brought about by the heavy demand for anthracite substitutes for the domestic trade, have been a material factor in the advance in pig iron, but here also consumptive demand is the main reason for the stronger market. Many important merchant producers of pig iron at Cleveland, Chicago and elsewhere at present are shipping the largest tonnage in their history, this exceeding even the speeded-up wartime situation. Illustrating the rising plane of the market, IRON TRADE REVIEW composite of fourteen leading iron and steel products as of November 16 stood at \$38.84. Four weeks previously it was \$37.43.

The well distributed character of active demands for iron and steel remains the market's strongest feature. Building construction has held up to a remarkably high level. Bookings of structural steel in October as compiled by the government totaled 215,000 tons, the largest since June, and shipments were 91 per cent of capacity, or the highest point since these figures first were compiled. The requirements of the automobile industry have been large and exceedingly well maintained for the season. Railroad buying of equipment has been better, the number of cars ordered in October being the largest of the year, though it still is below expectations. So far in November more cars have been ordered than in October. The time of the year is at hand for the placing of rail and track material contracts for 1926 and this has been done on a very liberal scale. Rail orders for 1926 so far closed total approximately 1,600,000 tons. The production of farming implements continues the heaviest in a number of years and general manufacturing shows a very good activity on the average.

Final figures of production of iron and steel during October show a substantial gain over September. Steel ingot output gained 7.3 per cent and represented 89.3 per cent of the country's peak monthly production which was in March, 1924. Pig iron output as compiled by IRON TRADE REVIEW was raised to 3,017,000 tons, the highest since April and a gain of substantially 7 per cent. The number of furnaces in blast on the last day of October had been increased to 209, or nine more than on the corresponding date in September. This represented 54.1 per cent of the total number of furnaces in the country.

Coal and Coke

Steady improvement has recently taken place in the bituminous coal industry in the Fourth District, particularly in the union mines. The unseasonably cold weather in October is partly responsible for this improved condition, but the biggest factor has been the growing demand for anthracite substitutes. Since the calling of the anthracite strike on September 1, hard coal production has practically ceased, amounting to less than 30,000 tons a week, as compared with a normal of around 1,600,000 tons weekly. This situation has obviously meant a continued decrease of anthracite stocks, and resulted first in a demand for coke which raised coke prices from \$3.75 a ton on October 9 to \$8.00 on November 6, and more recently in increased buying of bituminous coal. The price of the latter has stiffened lately, being \$2.24 a ton (14 grades combined, f. o. b. mine) on November 13, as against \$2.19 the week previous, \$2.11 on October 16, and \$2.06 a year ago.

According to the Geological Survey, bituminous coal production gained steadily during October, the daily average having risen from about 1,850,000 tons at the beginning of the month to 2,080,000 at the end. That the union mines have been doing better is shown by the production curves in Pennsylvania and Ohio, where these mines are centered in the Fourth District. The output in both of these states showed a marked gain during October, as contrasted with only a moderate gain in West Virginia and a downward trend during the latter part of the month in Kentucky, mines in the two latter states being largely non-union.

A number of soft coal mines in the District have reopened during the past few weeks. Retailers report business as being better than during October, 1924, and state that recently demand from householders has increased even with firmer prices.

Production of by-product coke is running at record levels, the October output totaling 3,386,000 tons, as compared with 3,185,000 in September, and a monthly average of 2,833,000 in 1924 and 3,133,000 in 1923. Beehive coke production has also shown a notable gain, output for the week ending November 7 being the greatest for any week since March 29, 1924. October production was 1,006,000 tons, as compared with 746,000 in September and a monthly average of 806,000 in 1924 and 1,615,000 in 1923.

Tires

The increase in automobile production and sales during this year as compared to last has naturally resulted in greater tire consumption. Tire manufacturers in this District report substantial gains over 1924 in sales, and even allowing for the tire price advances the volume of business during the first three quarters of 1925 exceeded that of the same period in 1924. This is borne out by production figures of the Rubber Association of America, which for the nine months show an increase of around 25 per cent over a year ago for high pressure and balloon inner tubes combined. It is of interest to note in this connection that production of balloon tubes has shown an extraordinary gain during 1925, the output for the first nine months totaling 12,087,000 tubes, as compared with 3,804,824 for the entire year of 1924.

The price of crude rubber continues to cause some concern to tire manufacturers. On November 17 this was quoted at \$1.07 a pound, a slight increase from the previous month and an increase of over 200 per cent over a year ago. Announcement has recently been made of an advance in the prices of original tire equipment to automobile manufacturers.

Stocks of tires on hand in the country on October 1 amounted to 56.6 per dealer, according to the Department of Commerce, as compared with 53.6 a year ago and 62.2 on April 1, 1925. The corresponding percentages for states in the Fourth District were as follows:

	October 1, 1925	Oct. 1, 1924	April 1, 1925
Ohio	63.9	46.4	62.7
Pennsylvania ..	48.7	46.6	55.7
Kentucky	62.5	46.4	69.6
West Virginia..	44.7	34.1	62.9

Automobiles

Production of passenger cars by manufacturers in the United States, according to figures furnished by the Federal Reserve Bank of Chicago in cooperation with the National Automobile Chamber of Commerce, totaled 405,996 cars in October, the highest figure recorded. The gain over September amounted to 56 per cent, and over October, 1924, to practically 50 per cent. Truck production in October aggregated 44,695, as compared with 59,236 in September and 31,485 in October, 1924.

Truck manufacturers in the Fourth District report business considerably improved over last year.

Clothing

The extremely cold weather throughout the District in October stimulated the demand for winter clothing of various kinds, and as a result manufacturers of such clothing experienced an unusually good volume of business during the month. This has had the effect in some cases of putting this year's sales to date well ahead of those of last year. In one or two instances it is reported that the first nine months of 1925 fell behind last year, but that the third quarter showed a good gain over the same period in 1924.

Orders for immediate delivery are in good volume. Retailers, however, are showing no disposition to increase their future commitments; if anything, they are buying more conservatively than heretofore. Wool prices on November 13 showed but little change from the previous month, and were still well below a year ago. Silk was \$6.85 per pound, as against \$6.85 the previous month and \$6.10 on November 7 of last year. Cotton and cotton goods were slightly lower than a month ago.

In the wholesale dry goods trade in this District October was the best month, in point of sales, since October, 1923. Furthermore, the nineteen reporting firms showed an increase in sales of 15.7 per cent over October of last year, this being the largest gain over the corresponding month of the previous year since July, 1923, which increased 24.6 per cent over July, 1922. Only two other months in 1925—June and July—showed gains in sales over the same months last year, and these were slight. For the first ten months of 1925, sales were 4.2 per cent less than in the same period in 1924, as compared with a loss of 6.9 per cent for the first nine months.

Shoes

Preliminary reports from the Census Bureau indicate that shoe production in the Fourth District during October showed a decrease of 9 per cent from September. Final September figures place United States production at 29,658,760 pairs, as compared with 28,486,012 in August, while in the Fourth District there was a loss of 1.3 per cent as compared with August.

Sales of reporting wholesale shoe firms during October were 15.5 per cent greater than in October, 1924. For the first ten months of 1925, sales were 0.6 per cent ahead of the same period last year. October sales gained 19.8 per cent over those of September.

Paint

Sales of paint in the first three quarters of 1925 were considerably greater than during the same period in 1924, according to paint manufacturers in this District, the gain averaging around 15 per cent. Those manufacturers who deal with agricultural territories have experienced an increase in buying on the part of the farmers. It is reported that lacquers are being increasingly used by automobile, furniture, and other trades, in the place of paints and varnishes. Business in the white lead line has recently improved and the outlook is favorable.

Glass

The glass industry, which is of considerable importance in the Fourth District, has been running at capacity. Window-glass particularly is in strong demand, a result of the record volume of building during the past several months. It is reported that the price of window-glass was recently advanced 4 per cent, this being the first raise in two years. Sales of plate glass to automobile manufacturers have been increasing. According to the Plate Glass Manufacturers of America, production of polished plate glass

for the first nine months of 1925 totaled 87,115,136 square feet, which is almost equal to the entire 1924 output. Production is being maintained at the rate of over 100,000,000 square feet a year, or twice the 1921 total.

General Manufacturing A feeling of confidence is apparent among manufacturers in this District, due in large part to the fact that sales for this year to date have in nearly all cases been from 5 to 30 per cent greater than last year, and that most of this gain has occurred in recent months. Production in numerous plants is near capacity. Demand is good, though still largely for immediate needs only. There continues to be complaint concerning the practice of some customers of not reordering until they are entirely sold out, this putting a burden upon the manufacturer of furnishing goods with practically no advance notice.

One instance of foreign competition is reported in the cork industry, it being stated that cork imports are much larger than usual due to the fact that Spanish manufacturers, who already have the advantages of low wage and raw material cost, have adopted American machinery and production methods.

Agricultural Implements Manufacturers of various types of agricultural implements in this District quite generally report substantial increases in the volume of business over last year. Future orders are also

stated to be heavier, although hand-to-mouth buying by customers is still general. Some difficulty with collections during recent weeks is reported, due to the very bad weather in October which interfered with threshing and corn handling. There appears to be no doubt that the farmers are buying more agricultural implements than they were a year ago, particularly of certain types.

Agricultural Conditions *Corn*—The outstanding development in the agricultural situation during the past month has been the unseasonable weather conditions, which have seriously interfered with the harvesting of some of the later crops. In many parts of the District the continued rain and snow have not only prevented the proper drying out of the corn but have rendered it difficult to haul the grain from the fields. However, very little actual damage has been reported, and it is stated that with a few weeks of fine weather the amount of the deterioration will be negligible.

Wheat—The most discouraging feature of the weather conditions noted above has been the reduced acreage sown in wheat. While the State Departments of Agriculture have not yet issued figures showing the actual acreage reduction, individual reports from various parts of the district show decreases.

Potatoes—The latest available estimates of the potato crop, as given out by the United States Department of Agriculture, shows an increase of 6.7 per cent, while the

country at large suffered a decrease from last year's production of 23.8 per cent. Although unfavorable digging weather has caused a slight falling off from earlier estimates, the actual loss so far as reported has been slight in comparison with some of the other districts.

Summing up the situation, it is generally conceded that the advance in price of many farm products, considered in connection with the splendid yield of some crops, has given to the average farmer in the District an increased buying power over that of a year ago.

Tobacco The most important development recently with regard to burley tobacco was the announcement on November 11 that the Burley Tobacco Growers' Association had sold between 10 and 11 million pounds of its holdings to the American Tobacco Company, the amount involved being between 2½ and 3 million dollars. This is the first large sale reported by the Association since last winter. Announcement has also been made that the Association will be ready on December 1 to receive deliveries of the 1925 crop from its members.

The Department of Agriculture's November 1 estimate places total 1925 production of all types of tobacco in Kentucky at 367 million pounds, as compared to the October 1 estimate of 355 million pounds. The average yield per acre is put at 760 pounds, a falling-off of 100 pounds from the 10-year average. An earlier estimate places the total burley crop of 1925 at 255 million pounds, as compared with an estimated production of about 316 million pounds for 1924.

Building and Building Materials For the seventh successive month, the value of building permits in the United States during October broke all records for corresponding months in previous years. The total for 167 cities, as reported to Bradstreet's was \$332,775,316 in October as compared with \$263,674,585 a year ago, a gain of 26.2 per cent. New York City, with a gain of \$50,000,000 accounted for most of this increase. October showed a gain over September, and was at about the level of the summer months.

In the Fourth District the value of permits in thirteen leading cities was 9.2 per cent greater than in October, 1924. Only four cities increased, but the gains in these were large enough to offset the losses in the remaining nine. For the first ten months, the District gained 22.4 per cent over last year, all cities except Canton and Wheeling showing an increase. The greatest gains occurred in Akron, with 99.1 per cent, and Columbus, with 80 per cent.

The Aberthaw index of industrial building costs remained unchanged at 194 on November 1.

Lumber manufacturers in this District have benefited by the large amount of building, and in most cases the first three quarters of this year brought a considerable increase in the volume of business over last year. The general situation is reported to be good, although excessive rains in the south have reduced mill stocks and

have hampered small mill operators. Industrial buying is stated to have improved noticeably in recent weeks.

Building Operations

City	October, 1925			Jan.-Oct., 1925		
	No. Permits from 1924	Per cent change	Valuation from 1924	Valuation from 1924	Per cent change	Per cent change
Akron.....	554	-4.3	\$1,547,273	\$13,191,552	76.1	99.1
Canton.....	284	-17.9	394,595	7,118,423	-44.7	-2.8
Cincinnati.....	632	12.7	2,939,750	26,822,065	97.0	28.2
*Cleveland.....	1,813	-11.8	7,332,120	76,818,304	-7.0	9.0
Columbus.....	610	-6.4	3,240,700	26,583,250	137.0	80.0
Dayton.....	278	-25.3	580,100	11,413,916	-29.2	37.5
Eric.....	207	-24.2	681,482	8,059,339	-28.2	50.1
Lexington.....	76	-6.2	86,325	1,825,764	-59.2	11.2
Pittsburgh.....	726	-14.3	2,809,268	37,187,687	-13.7	27.9
Springfield.....	97	-9.3	78,055	1,358,278	-25.7	4.5
Toledo.....	656	-8.8	1,486,644	15,314,200	.008	0.5
Wheeling.....	65	-57.0	107,785	3,130,362	-74.4	-32.8
Youngstown.....	229	-37.3	3,464,630	10,991,195	12.4	8.0
District.....	6,227	-12.4	\$24,748,727	\$239,814,335	9.2	22.4

*Includes East Cleveland, Lakewood, and Shaker Heights.

Prices and Living Costs

The two charts given below show in graphic form a comparison between the high point, the low point and the present level (1) in the wholesale price of commodities and (2) in the cost of living, i.e., the retail price of the items shown. The

indexes here used are the wholesale price index of the Bureau of Labor Statistics and the cost of living index of the National Industrial Conference Board.

In every case the solid black portion of the bar represents the lowest price during the period 1919 to date, while the entire bar represents the peak price during the same years. The shaded portion in each case is the increase of the present level over the lowest point registered. From these two charts it will be seen that there is a decided tendency for prices to "flatten out", i.e., the prices in no one group are greatly out of proportion with those of another.

The accompanying tables present this same idea in a little different way. Assuming the dollar in each case to be worth one hundred cents in the base period, there is given below the value of that same dollar at both the low and peak price for each grouping as well as the purchasing power of that dollar at the present time.

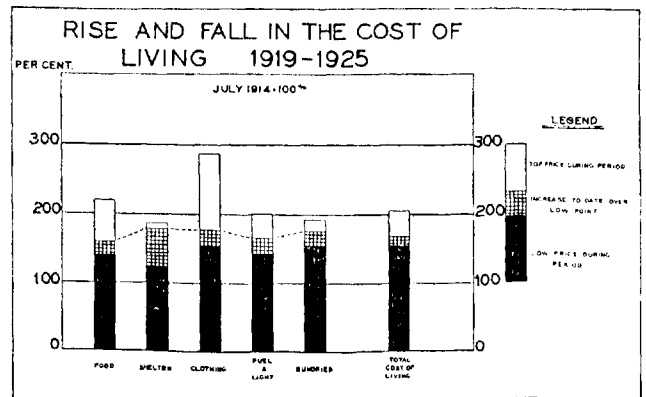
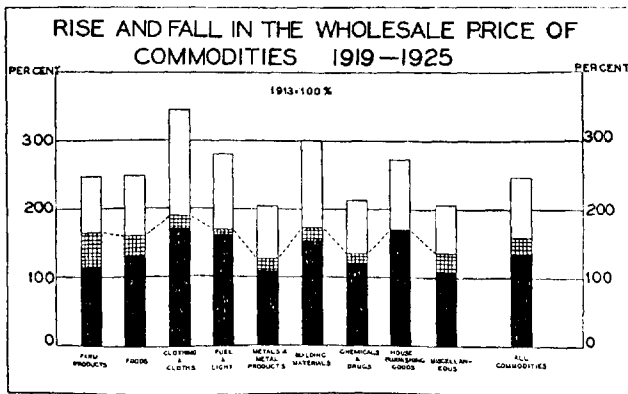
The Wholesale Dollar

Commodity Group	Price Indexes				Purchasing Power of the Dollar			
	1913	High	Low	Oct. 1925	1913	High	Low	Oct. 1925
Farm Products...	100	247	114	155	1.00	.40	.88	.65
Foods.....	100	248	131	158	1.00	.40	.76	.63
Cloths and Clothing.....	100	346	171	190	1.00	.29	.58	.53
Fuel and Lighting.....	100	281	162	172	1.00	.36	.62	.58
Metals and Metal Products.....	100	203	109	128	1.00	.49	.92	.78
Building Materials.....	100	300	155	174	1.00	.33	.65	.57
Chemicals and Drugs.....	100	213	121	135	1.00	.47	.83	.74
Housefurnishings.....	100	275	168	168*	1.00	.36	.60	.60
Miscellaneous.....	100	208	111	138	1.00	.48	.90	.72
All Commodities.....	100	247	138	158	1.00	.40	.72	.63

*New low level.

The Retail Dollar

Group of Items	Cost Indexes				Purchasing Power of the Dollar			
	July, 1914	High	Low	Oct., 1925	July, 1914	High	Low	Oct., 1925
Food.....	100	219	139	162	1.00	.46	.72	.62
Shelter.....	100	179	143	178	1.00	.56	.70	.56
Clothing.....	100	288	153	176	1.00	.35	.65	.57
Fuel and Light.....	100	200	149	170	1.00	.50	.67	.59
Sundries.....	100	192	171	174	1.00	.52	.58	.57
Total Cost of Living.....	100	205	155	170	1.00	.49	.65	.59



Retail and Wholesale Trade

Department store sales in every city in the Fourth District were larger in October than in the same month in 1924. The increase for the District was 19.8 per cent, the largest gain in many months. Cincinnati, with 32.1 per cent, showed the greatest gain, and increases of 20 per cent or over also occurred in Akron, Cleveland, Columbus, Dayton, Toledo, and Youngstown.

The unusually large gains noted above are well distributed throughout the fifty-two separate departments reported to this bank. It is noticeable, however, that the biggest increases occur in departments which have been directly affected by the unseasonably cold weather in October. For example, in seventy-nine department and apparel stores in the District, the umbrella department gained 143.2 per cent over October, 1924; women's coats, 52.2 per cent; furs, 110.6 per cent; and gloves,

76.2 per cent. In this connection it should be remembered that October, 1924, was an unusually mild month.

Percentage changes in the main departments during October were as follows:

	October, 1925, compared with October, 1924
Silks and Velvets	18.0
Woolen and Cotton Dress Goods	-15.8
Domestics	16.1
Men's Clothing	35.7
Men's Furnishings	34.9
Boys' Wear	45.0
Women's Coats, Suits, Skirts, Dresses	23.0

Retail and Wholesale Trade

	No. of Reports	Percentage Increase or Decrease	
		SALES Oct., 1925, compared with Oct., 1924	SALES Jan.-Oct., 1925, compared with Jan.-Oct., 1924
DEPARTMENT STORES			
Akron.....	5	23.2	8.5
Canton.....	5	16.4	-3.3
Cincinnati.....	7	32.1	8.7
Cleveland.....	6	20.0	3.0
Columbus.....	6	23.2	9.6
Dayton.....	5	23.0	1.1
New Castle.....	3	2.8	-2.9
Pittsburgh.....	7	13.9	-0.8
Toledo.....	5	25.6	1.2
Wheeling.....	5	7.5	-4.9
Youngstown.....	3	28.0	3.5
Other Cities.....	13	32.1	7.5
District.....	70	19.8	2.4
WEARING APPAREL			
Cincinnati.....	6	58.6
Cleveland.....	3	38.2
Other Cities.....	10	33.7
District.....	19	41.9
FURNITURE			
Canton.....	3	36.2
Cleveland.....	6	7.2
Other Cities.....	13	26.9
District.....	19	19.0
CHAIN STORES*			
Drugs—District.....	3	9.1	2.6
Groceries—District.....	5	-6.9	0.2
WHOLESALE GROCERIES			
Akron.....	3	-2.0	2.2
Cleveland.....	4	-8.1	-7.0
Erie.....	4	-7.2	-3.1
Lexington.....	3	-9.6	-14.9
Pittsburgh.....	9	-16.0	-3.2
Toledo.....	3	1.9	0.2
Youngstown.....	3	-7.0	-18.2
Other Cities.....	25	1.5	-0.8
District.....	54	-5.2	-3.9
WHOLESALE DRY GOODS			
Other Cities.....	19	16.7	-4.2
WHOLESALE DRUGS			
Other Cities.....	16	9.8	3.5
WHOLESALE HARDWARE			
Other Cities.....	7	8.7	1.7
WHOLESALE SHOES			
Other Cities.....	7	15.5	0.6

*Sales per individual unit operated.

Misses' Ready-to-Wear	80.6
Furs	110.6
Millinery	5.8
Women's and Children's Hosiery	24.9
Shoes	23.6
Furniture	23.0
Draperies, Lamps, Shades	1.4
Floor Coverings	2.9

All wholesale lines except groceries showed increases during October over October, 1924, amounting to 16.7 per cent in the case of dry goods, 8.7 for hardware, 9.8 for drugs, and 15.5 for shoes. Grocery sales were 5.2 per cent smaller than last year.

Index Numbers of Trade in the Fourth Federal Reserve District

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

	Oct., 1921	Oct., 1922	Oct., 1923	Oct., 1924	Oct., 1925
Department Stores (55)*.....	97	114	130	115	137
Wholesale Drugs (15)*.....	101	102	117	110	121
Wholesale Dry Goods (18)*.....	107	110	114	95	111
Wholesale Groceries (51)*.....	91	94	110	107	102
Wholesale Hardware (15)*.....	87	107	123	115	124
Wholesale Shoes (6)*.....	107	101	99	81	98
Wholesale—All (105)*.....	95	101	113	104	109
Chain Drugs (3)*.....	92	100	103	100	109

*Number of firms.

Debits to Individual Accounts

	4 weeks ending		1925 to date	1924 to date	% incr. or decr. 1925 over 1924
	Nov. 11, 1925	% change from 1924			
Akron.....	\$ 89,012	34.8	\$924,416	\$748,014	23.6
Butler, Pa.....	10,666	5.6	114,824	112,271	2.3
Canton.....	42,347	11.2	493,858	456,198	8.3
Cincinnati.....	345,096	19.4	3,613,396	3,192,246	13.2
Cleveland.....	666,730	18.3	7,165,155	6,439,320	11.3
Columbus.....	144,384	7.2	1,510,439	1,383,359	9.2
Cornellsville, Pa.....	4,367	1.9	48,082	49,126	-2.1
Dayton.....	69,948	9.4	806,565	706,161	14.2
Erie, Pa.....	31,860	11.4	353,913	324,196	9.2
Greensburg, Pa.....	20,026	1.9	211,925	229,236	-7.6
Homestead, Pa.....	4,187	0.9	48,444	44,534	8.8
Lexington, Ky.....	17,726	1.6	237,461	225,644	5.2
Lima.....	13,880	-17.3	187,764	190,338	-1.4
Lorain.....	5,583	-11.5	70,133	64,982	7.9
Oil City, Pa.....	13,897	25.8	155,512	136,518	13.9
Pittsburgh, Pa.....	922,361	16.4	9,639,064	8,622,653	11.8
Springfield.....	21,452	26.1	226,526	201,636	12.3
Steubenville.....	10,057	2.9	122,179	118,302	5.3
Toledo.....	188,576	1.7	2,131,725	1,882,637	13.2
Warren, Ohio.....	11,533	2.1	141,019	129,818	8.6
Wheeling, W. Va.....	47,565	17.1	465,920	466,578	-0.1
Youngstown.....	78,951	50.9	727,809	627,806	15.9
Zanesville.....	10,598	-13.5	127,164	135,708	-6.3
Total.....	\$2,770,802	15.7	\$29,523,293	\$26,487,281	11.5

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	October, 1925	October, 1924	% change	First 10 months, 1925	First 10 months, 1924	% change
Bank Debits (23 cities)	Millions of dollars.....	3,149	16.0	28,501	25,852	10.2
Savings Deposits (end of month)	Thous. of dollars.....	549,530	7.5	531,710 ¹	492,914 ¹	7.9
Ohio (28 banks)	" " ".....	232,295	4.5	233,997 ¹	219,437 ¹	6.6
Western Pennsylvania (27 banks)	" " ".....	781,825	6.6	765,707 ¹	712,348 ¹	7.5
Total (55 banks)	" " ".....	167	-5.1	1,601	1,489	7.5
Commercial Failures—Number	Actual Number.....	3,176	4,737	36,210	50,828	-28.8
Liabilities	Thous. of dollars.....	3,213	2,859	27,795	25,033	11.0
Postal Receipts—9 cities	" " ".....	82,259	79,983	906,586	816,511	11.0
Sales—Life Insurance—Ohio and Pa.	" " ".....	30,098	25,398	228,834	225,222	1.6
—Dept. Stores—(55 firms)	" " ".....	8,948	9,384	74,143	76,881	-3.6
—Wholesale Grocery—(51 firms)	" " ".....	4,877	4,178	35,250	36,807	-4.2
—Dry Goods—(19 ")	" " ".....	2,536	2,333	21,513	21,147	1.7
—Hardware—(16 ")	" " ".....	1,935	1,762	17,614	17,025	3.5
—Drugs—(16 ")	" " ".....	24,749	22,623	239,814	195,862	22.4
Building Permits, Valuation—13 cities	" " ".....	6,227	7,108	61,339	60,635	1.2
Production—Pig Iron, U. S.	Actual Number.....	3,023	2,462	30,099	25,605	17.6
—Steel Ingots, U. S.	Thous. of Tons.....	3,892	3,125	36,304	30,121	20.5
—Automobiles, U. S.	" " ".....	405,996	260,703	3,193,219	2,864,995	11.5
—Passenger Cars	Actual Number.....	44,695	31,485	411,906	309,780	33.0
—Trucks	" " ".....	19,860	18,250	161,012	155,535	3.5
—Bituminous Coal, 4th Dist.	Thous. of tons.....	1,700	1,495	13,367	12,147	10.0
—Cement, Ohio, W. Va., Wn. Pa.	" " barrels.....	2	3	2	3	12.3 ²
—Shoes, 4th Dist.	" " pairs.....	3,820 ³	3,585 ³	36,113 ³	28,738 ³	25.7 ⁴
—Tires, U. S.	" " casings.....	4,106	3,576	23,906	20,813	14.9
Bituminous Coal Shipments (from Lake Erie ports)	" " tons.....	5,147	4,461	35,453	29,557	19.9
Iron Ore Receipts (at Lake Erie ports)	" " ".....					

¹10 months' average

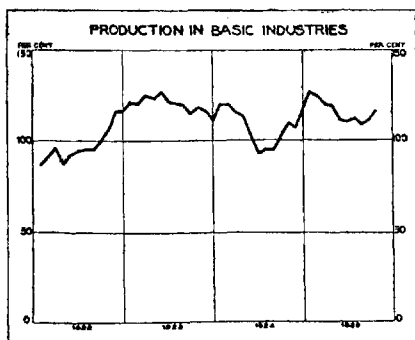
²Figures confidential

³September

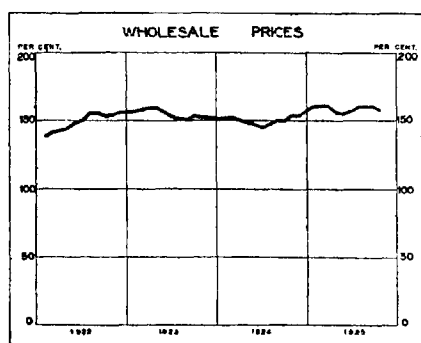
⁴First nine months

National Summary of Business Conditions

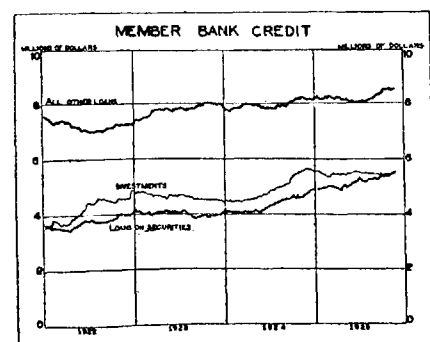
(By the Federal Reserve Board)



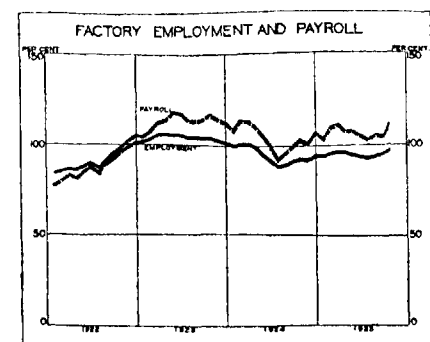
Index of 22 basic commodities corrected for seasonal variations (1919—100). Latest figure—October, 116



Index of U. S. Bureau of Labor Statistics. (1913—100, base adopted by Bureau). Latest figure—October, 158.



Weekly figures for member banks in leading cities. Latest figures—November 11th.



Index of 33 manufacturing industries (1919—100). Based on number of men employed and amount of payrolls. October figures—Employment, 97; payrolls, 111.

Industrial activity and the volume of wholesale and retail trade increased in October. Wholesale prices declined somewhat to the level prevailing at mid-year.

PRODUCTION

The Federal Reserve Board's index of production in basic industries, which makes allowance for seasonal changes, rose by about 4 per cent in October, reflecting increases in the output of most of the twenty-two commodities included in the index. Particularly large increases in activity were shown for the iron and steel and textile industries, and the output of bituminous coal and of lumber was in large volume. Production of automobiles in October was the largest on record. Payrolls at factories, including industries not covered by the production index, increased in October to the highest level since early in 1924. The value of building contracts awarded declined further in October, contrary to the usual seasonal tendency in building activity between September and October, but the total was considerably larger than in the corresponding month of any other year.

Estimates by the Department of Agriculture in November indicate a corn crop of 3,013,000,000 bushels and a cotton crop of 15,298,000 bales, compared with 2,437,000,000 bushels and 13,628,000 bales in 1924. Marketing of crops was seasonably larger in October than in September, but averaged nearly 10 per cent less than a year ago.

TRADE

Wholesale trade, according to the Federal Reserve Board's combined index of sales in six leading lines, reached a seasonal peak in October and was in larger volume than for any month of the past five years. Sales at department stores and mail order houses, owing partly to favorable weather conditions, showed considerably more than the usual increase in October and were the largest on record for that month. Stocks of dry goods, shoes, and hardware, at wholesale firms were smaller at the end of October than on September 30, but stocks of groceries were larger. Merchandise stocks at department stores showed slightly more than the usual increase in October, and were somewhat larger than at the end of October a year ago.

Freight car loadings reached a seasonal peak in October and totaled more than in any previous month, notwithstanding reduced shipments of anthracite and of grains and grain products.

PRICES

The Bureau of Labor Statistics index of wholesale prices, after remaining relatively constant for three months, declined from 160 in September to 158 in October, reflecting declines in the prices of agricultural products, particularly grains, livestock, meats, cotton, and sugar. Since November 1 prices of grains, wool, sugar, pig iron, and rubber have increased.

BANK CREDIT

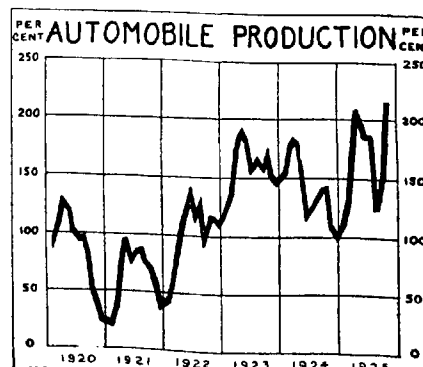
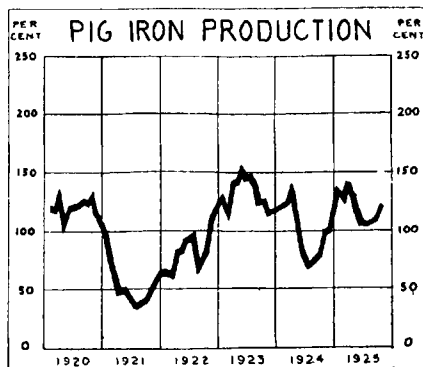
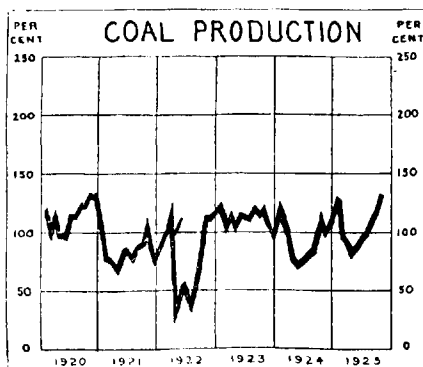
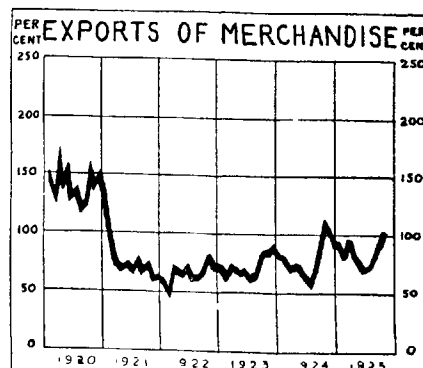
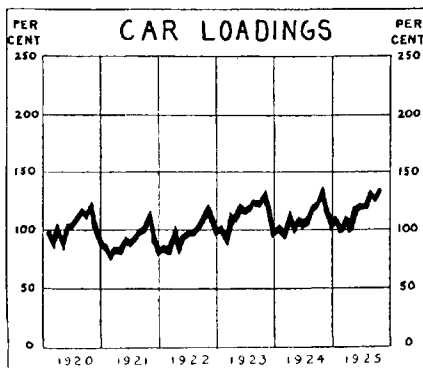
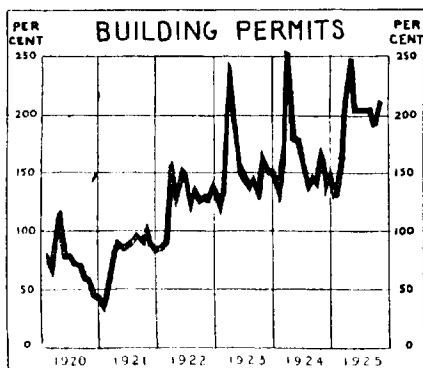
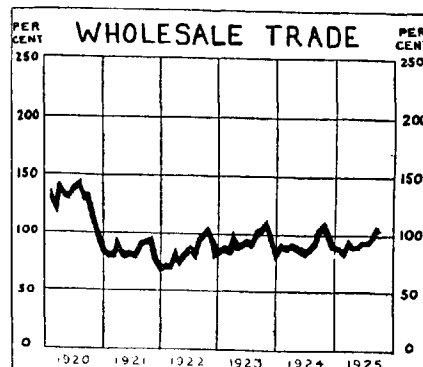
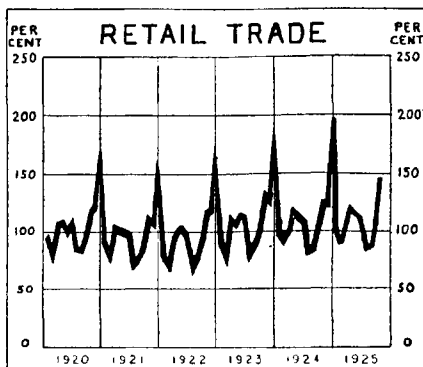
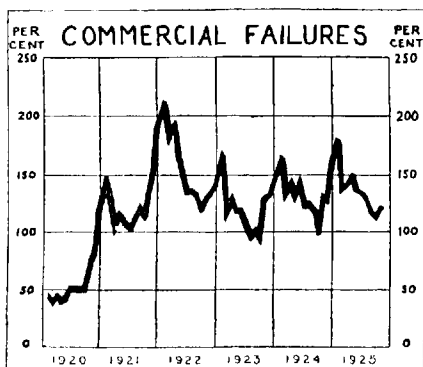
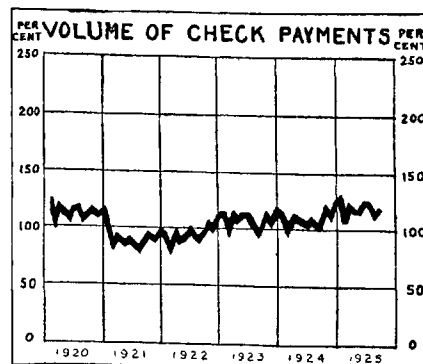
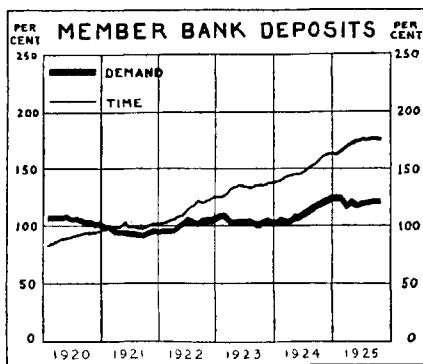
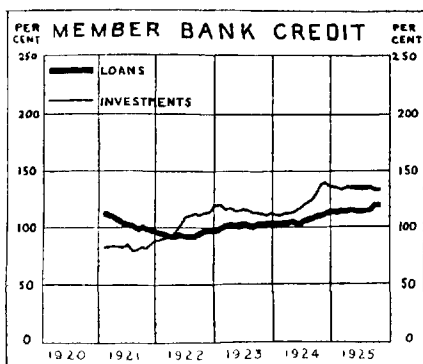
Between the middle of October and the middle of November, loans for commercial and industrial purposes at member banks in leading cities continued in a volume about \$450,000,000 larger than at mid-summer. Loans on securities increased further and total loans on November 11 were about \$1,000,000,000 larger than at the opening of the year. Demand deposits increased further during October and early November to a level near the high point of last January.

At the reserve banks total bills and securities in November were in the largest volume for the year and about \$200,000,000 larger than a year ago. Member bank borrowings declined somewhat from the high point reached early in October, while acceptance holdings continued to increase and on November 18 were larger than at any previous time for the year. The growth in reserve bank credit since mid-summer was chiefly in response to the seasonal increase of money in circulation, which on November 1 was about \$180,000,000 larger than on August 1.

During the latter part of October and early part of November open market rates for commercial paper and bankers acceptances remained substantially unchanged at the levels reached during the early autumn. Discount rates at the Federal Reserve Banks of Boston, Cleveland, Philadelphia, and San Francisco were advanced from $3\frac{1}{2}$ to 4 per cent during November.

Index of National Business Conditions

The base (100) for all the charts except the first is the monthly average for the 5 years 1919-1923 inclusive.
For the first chart, the base is the monthly average for the three years 1921-1923.



LATEST FIGURES

- | | |
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| <ol style="list-style-type: none"> 1. Member Bank Credit: Loans, October—120. Investments, October—134. 2. Member Bank Deposits; Demand, October—121. Time—October—178. 3. Check Payments, except New York, September—119. 4. Commercial Failures, October—123. 5. Retail Trade, October—148. | <ol style="list-style-type: none"> 6. Wholesale Trade, September—107. 7. Building Permits, October—212. 8. Car Loadings, October—134. 9. Exports of Merchandise, October—103. 10. Bituminous Coal Production, October—133. 11. Pig Iron Production, October—121. 12. Automobile Production, October—217. |
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