

MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

Vol. 8

Cleveland, Ohio, February 1, 1926

No. 2

General Some recessions have taken place in January in the iron and steel and other important industries, but these were not unexpected, by reason of the usual after-holiday lull and inventory taking.

It is still too early to shed any light on the question which is uppermost in the minds of many business men; i. e., whether the next few months will show a continuation of the large volume of business done in 1925.

December proved to be a notable month in several ways. In the first place, retail trade as measured by department store sales was the largest in history. Second, building permits for the ninth successive month broke all records for corresponding months in previous years. Third, the Federal Reserve Board's index of production in basic industries (1919-100) jumped from 115 in November to 121 in December. The latter figure was exceeded in 1925 only by January and February, and was higher than any previous December beginning with 1919, the first year covered by this index. Fourth, wholesale prices (Bureau of Labor Index) declined from 158 in November to 156 in December, even in the face of the great amount of business done. This was the second drop in three months, and presents a contrast to periods of rising commodity prices which frequently used to accompany an upswing in business. December also established a new record for automobile production, and pig iron output was higher than for any December in the preceding six years.

Financial Conditions Savings deposits of sixty-five selected banks in the larger cities of the Fourth Federal Reserve District amounted to \$833,270,323 on December 31, an increase of 0.2 per cent over the preceding month and of 6.1 per cent over December 31, 1924.

Commercial failures in this District, according to R. G. Dun & Company, numbered 194 in December, as compared with 165 in November and 173 in December, 1924. Liabilities aggregated \$4,338,840, as against \$3,678,708 a year ago. In the United States, there were 1,878 failures in December, 1,672 in November, and 2,040 in December, 1924.

Bank clearings as reported by 15 cities in the Fourth District totaled \$20,822,673,742 in 1925, an increase of 9.4 per cent over 1924. This figure has been exceeded by 1920 with \$22,266,931,515, but really represents a greater

volume of business than in 1920 for the reason that commodity prices were much higher then than now.

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)		
	Jan. 13, 1926	Jan. 14, 1925	Dec. 16, 1925	Jan. 13, 1926	Jan. 14, 1925	Dec. 16, 1925
Gold reserves	\$294	\$248	\$289	\$2,799	\$2,953	\$2,702
Discounts	66	29	102	506	262	619
Acceptances	8	40	7	327	824	853
U. S. Securities	36	54	29	369	487	898
Total bills and securities	111	124	139	1,212	1,081	1,882
Federal Reserve notes in circulation	219	189	233	1,783	1,788	1,788
Total Deposits	180	174	189	2,825	2,880	2,265

	Reporting Member Banks— Fourth District (In Millions)			Reporting Member Banks— System (In Millions)		
	Jan. 6, 1926	Jan. 7, 1926	Dec. 9, 1925	Jan. 6, 1926	Jan. 7, 1925	Dec. 9, 1925
Loans secured by stocks and bonds	\$498	\$404	\$502	\$5,688	\$4,715	\$5,440
All other	770	736	779	8,492	8,391	8,612
Total loans	1,268	1,140	1,281	14,180	13,106	14,052
Investments	624	667	635	5,444	5,555	6,417
Demand deposits	986	989	1,010	13,305	13,280	13,154
Time deposits	749	698	744	5,861	4,849	5,343

Iron and Steel

The first month of the new year has found the iron and steel markets running in quieter channels. New business is lighter and specifications against contracts from consumers are in reduced volume. This development in the situation is looked upon as being in logical sequence to the heavy tonnage ordered out by consumers in the closing weeks of 1925 against expiring and lower-priced last quarter contracts. Most of the mills now have sufficient tonnage in hand to assure them good rolling schedules for several weeks ahead and production is going forward on a high plane, only slightly below that before the holiday interruptions. Furthermore, the industry is emerging from the effects of the usual inventory-taking and balancing of yearly accounts.

At the same time this lull in the market has made it clear that the margin between ordering and production is unusually small for operations on the present scale. Some of the smaller mills especially reflect their dependence upon almost daily tonnage by their willingness to relax a bit on prices when new tonnage as now is limited. Some concessions of this kind have appeared the past week.

This is inspiring a spirit of conservatism when proposals of price advances are raised even though in some lines financial returns at present quotations are unsatisfactory. Finished steel prices as a whole have been unusually uniform for several months, particularly when the large volume of shipments is considered.

Railroad buying, notably that of equipment, has been moderate in extent, and since January 1 has not been up to expectations. The building situation still shows good vitality with a satisfactory amount of new work coming up for inquiry. Building steel awards are reported to have aggregated 191,019 tons or 75 per cent of shop capacity which is a better showing than in November. Identical fabricators reported a total of 2,327,437 tons booked in 1925 or 74 per cent of capacity compared with 2,088,489 tons or 68 per cent of capacity in 1924.

Final figures of production for 1925 now announced show that the total of steel ingots broke all previous records by substantially 500,000 tons. Total production for the year is officially calculated at 44,186,977 tons. This exceeds the war year of 1917 with 43,619,200 tons. Production in December showed the effects of the holiday interruptions and fell below November on a daily average by 2.1 per cent. According to the officially revised figures of capacity, this indicates the industry was operating at the rate of 90.5 per cent of practical maximum. In pig iron the year ended with about 36,500,000 tons being produced which was exceeded by five previous years—1923, 1920, 1918, 1917 and 1916. Not including charcoal iron, the twelve months' total as compiled by IRON TRADE REVIEW was 36,382,637 tons. December production of pig iron showed a further gain of 4.4 per cent and as gauged by the new capacity figures, the rate was equivalent to 85.5 per cent of practical maximum. Furnaces in blast at the close of the year had increased to 233 or 60.5 per cent of the total number in the country. This represented a gain of 13 stacks over November.

Price changes in iron and steel products in recent weeks have been slight. IRON TRADE REVIEW composite of fourteen leading iron and steel products as of January 20 stood at \$39.15. On the corresponding date four weeks previously it was \$39.10.

Automobiles

According to figures furnished by the Federal Reserve Bank of Chicago in co-operation with the National Automobile Chamber of Commerce, production of passenger cars by American manufacturers (including Canadian plants) amounted to 285,181 in December, a decrease of 15 per cent from November but a gain of 57 per cent over December, 1924. Truck output totaled 33,262, a decline of 15 per cent from November, but an increase of 25 per cent over December 1924. The decrease from November is due at least in part to the natural slowing-up at this time of year.

Production for the year 1925 broke all records. The output of passenger cars ran 17 per cent ahead of 1924,

and that of trucks gained 33 per cent. The best showing was made in the last quarter, which ran nearly 60 per cent ahead of the same period last year. The second quarter made a gain almost as large, and the third quarter a smaller gain; but the first three months of the year showed a loss of about 17 per cent from 1924.

According to figures compiled by the Goodrich Company, there were 20,229,025 registered cars and trucks in the United States in 1925, a gain of 13 per cent over 1924. Ohio was the fourth state in number of cars, with 1,300,000; Pennsylvania stood third, with 1,367,092; Kentucky was twenty-second, with 260,471; and West Virginia ranked twenty-ninth, with 212,805. The Goodrich report states that there is now one car for every five persons in the country, the lowest ratios being found in California, having one car for every 2.4 persons and Florida with one to every 2.8 persons. It is estimated by the Goodrich Company that 1,868,584 cars were discarded during 1924, and that the average life of a car is between seven and eight years.

Rubber and Tires

A noticeable slackening has recently occurred in the price of crude rubber. On January 18 it was quoted at 77 cents per pound, as compared with 91 cents a month previously and with \$1.20 in July, the high point of 1925. Even at 77 cents, however, crude rubber is selling higher than the average price from 1914 to 1924 inclusive, and is about twice as high as a year ago. The price movement of recent weeks has probably been influenced to a large extent by the coming removal, on February 1, of export restrictions under the Stevenson Act, at which time 100 per cent of production of British owned plantations will be allowed instead of 85 per cent as at present.

Various developments have taken place during the last month in connection with the world rubber situation. A large American rubber manufacturing concern has recently purchased 5700 acres in Sumatra, and now owns 124,000 acres of plantation land, excluding 12,500 acres for which negotiations are pending. The National Automobile Chamber of Commerce on January 14 announced that a corporation with a capital of \$10,000,000 would be formed, under the name of "The American Motor Rubber Corporation," to handle the production of and dealing in rubber and the manufacture of rubber products. The ten directors of the corporation are executives of automobile companies, and subscriptions to stock are to be solicited from 102 automobile corporations. It is reported also that the Rubber Association of America has under consideration the expenditure of a sum for the acquisition and development of plantation land. Congress has opened an inquiry into the rubber situation, and testimony has been given by Akron manufacturers. The foregoing developments would seem to indicate that many automobile and rubber interests are becoming convinced that the best way for American tire manufacturers to become independent of prices of foreign-grown rubber is to plant their own supply, even though several years are required to bring such a supply to the full-bearing stage and thus make it fully effective.

In addition to the above, various suggestions have been made for dealing with the situation, among which may be mentioned a greater use of reclaimed rubber, the elimination of certain styles and types of tires to promote greater economy, and the utilization of land in the Philippines for production.

According to the Rubber Association of America, production of high pressure inner tubes was 3,430,209 in November, as against 4,226,841 the previous year, while production of balloon inner tubes was 1,269,137, as against about 375,000 in November, 1924.

Coal Although conditions in the soft coal industry are still spotted, the anthracite strike continues to supply a stimulus which has meant better business to the soft coal operators as a whole during the past few months. Increasing use is being made of substitutes for anthracite, such as soft coal, coke, and gas, and it is reported that bituminous operators are making efforts to introduce their product in the New England and other markets which formerly relied on hard coal, with the intention of securing permanent customers in these markets.

On January 10 the merger of fourteen coal companies in Virginia, West Virginia, and Kentucky was announced, the new corporation to have a capital of \$10,000,000.

Average daily production of soft coal continued at a comparatively high level during early December and the first part of January. The holiday week ending December 26th showed a slump, but this was doubtless due to the fact that a great many mines did not reopen the day after Christmas. Output during the week ending January 9 was at a higher rate than during any of the preceding five years. Beginning with April 4, the 1925 production curve ran consistently ahead of that of 1924, the spread between the two curves being particularly large after the calling of the anthracite strike on September 1.

Agriculture The final estimates of the total production of crops, recently released by the United States Department of Agriculture, tend to show that the farmers of the Fourth District, as compared with the country at large, are rather advantageously situated.

While the total yield of corn was somewhat curtailed by the unseasonable snows and freezes of October and November, the figures of the Department show the Fourth District leading the country in the percentage of increase over last year's total yield. The increase of production in this district is given as 76 per cent as against 25 per cent for the entire United States.

The wheat crop shows a decrease in this district of 22.1 per cent which is approximately the same as that of the United States, and the total production of oats is shown as being 23.2 per cent above that of the 1924

crop, as compared with a country-wide decrease of 1.4 per cent.

The potato crop shows an increase in production of 7.2 per cent while a shortage of 24.0 per cent is reported for the United States.

The Institute of American Meat Packers, at Chicago, is authority for the statement that in spite of the decrease in the number marketed, the farmers of this country received approximately \$200,000,000 more for their live stock in 1925 than in 1924, the chief increase occurring in the case of hogs. The average price for hogs was \$10.72 per hundred on December 15, as compared with \$8.71 a year ago. With corn selling at a low figure the natural tendency is to obtain a better price by marketing it in the form of hogs and other live stock.

Reports from the canning industry throughout the district show very little change from conditions reported a month ago. The tendency on the part of the jobber appears to be that of permitting the canner to carry the bulk of the stock, buying only as they need the goods.

The most conservative estimates concerning the total pack of both corn and tomatoes indicate an increase of some 40 to 50 per cent over that of 1924. The increase in consumption of canned goods is reported to be keeping pace with the gain in production.

Tobacco Deliveries of tobacco in the Kentucky burley region have proceeded rapidly this season, and a good part of the independent crop has been marketed. Prices have averaged around 22 cents a pound.

Several sales have recently been announced by the Burley Tobacco Growers Cooperative Association, aggregating about 52,300,000 pounds. Since November 18, sales by the Association have totaled 107,462,000 pounds. The largest single sale during the past few weeks has been for 30,000,000 pounds.

The December 1st estimate of the United States Department of Agriculture places 1925 production of all types of tobacco in the United States at 1,349,660,000 pounds, as compared with 1,242,456,000 in 1924. For the Fourth District 1925 production was 160,958,000 pounds, as against 154,419,000 in 1924.

Building For the ninth successive month the value of building permits in the United States in December broke all records for corresponding months in previous years. Valuation amounted to \$275,-669,441 in 185 cities reporting to Bradstreet's, or a gain of 8.7 per cent over December 1924. It should be added, however, that this gain is due entirely to New York City, the rest of the country showing a loss of 2.6 per cent from December of last year.

For the entire year of 1925, building permits estab-

lished a new record of \$3,849,249,177, an increase of 17.5 per cent over 1924.

In the Fourth District, permits in thirteen reporting cities in December declined 26.2 per cent from December 1924, but the year 1925 gained 16.4 per cent over 1924. For the month, large increases occurred in Youngstown, Canton, Lexington, and Cincinnati, but were more than offset by substantial losses in Akron, Columbus, Erie, Springfield, and Wheeling. For the year, every city except Springfield and Wheeling gained over 1924, the largest increases taking place in Akron and Columbus.

Building Operations

	December, 1925		Year 1925		Valuation	% change from 1924
	No. permits	% change from 1924	No. permits	% change from 1924		
Akron.....	306	+27.5	605,342	-49.7	\$14,504,742	+64.1
Canton.....	144	+48.5	365,055	+60.9	8,033,923	+0.6
Cincinnati...	377	+19.9	2,434,185	+40.3	31,113,515	+27.4
Cleveland...	913	+1.1	4,318,795	-21.0	88,749,789	+8.6
Columbus...	336	+18.3	1,673,400	-69.2	29,510,450	+36.5
Dayton.....	113	-19.9	607,314	-30.3	12,483,526	+28.1
Erie.....	154	+0.7	287,361	-75.5	8,695,674	+23.6
Lexington...	27	-27.0	38,370	+57.3	1,966,475	+11.7
Pittsburgh...	421	+3.2	2,514,464	-0.02	41,512,222	+21.2
Springfield...	40	+73.9	106,000	-60.8	1,597,838	-16.9
Toledo.....	264	+5.6	958,105	+22.6	17,734,587	+4.8
Wheeling...	26	-54.4	56,970	-58.8	3,294,232	-36.1
Youngstown...	146	+3.5	1,003,700	+132.7	12,324,895	+4.1
Total.....	3,287	+7.2	\$14,983,061	-26.2	\$271,521,868	+16.4

Building Materials

The lumber industry is quiet, this being normal in the winter months. Conditions during the past months have been spotted. In some sections of the country, notably Florida, a large volume of business has been handled; but some disappointment is manifested by manufacturers and wholesalers in the Fourth District at the results of November and December and at the comparative scarcity of orders during the first part of January. In this connection it may be recalled that the first nine months of 1925 brought an increase in the value of building permits in the Fourth District of 24.2 per cent over 1924, whereas the last quarter showed a decrease of nearly 6 per cent from the same period in 1924.

According to the National Lumber Manufacturers Association, softwood output of about 350 mills in the United States in 1925 amounted to 12,429 million feet, as against 11,229 million feet in 1924. Production in 1925 was the largest for any year since 1916.

Hand-to-mouth buying still continues in the lumber industry, with little or no disposition on the part of buyers to stock up.

Reports indicate that the common brick industry is in excellent condition. Business during the last quarter of 1925 was ahead of last year in most sections of the country, particularly in some of the larger cities. With regard to face brick, production in 1925 by 74 plants reporting to the American Face Brick Association was 8.6 per cent ahead of 1924. The paving brick industry is also stated to have had a satisfactory year.

The Aberthaw Index of industrial building costs rose outpoint in December to 195.

General Manufacturing

It will be remembered that after an active first quarter in 1924 a prolonged slump occurred in many lines of business, lasting until the late fall and being followed by a marked recovery in the fourth quarter. With this in mind the reports of a large number of manufacturers in this District with regard to fourth quarter business in 1925 are unusually significant, inasmuch as practically all of them state that business during the last three months of 1925 was well ahead of the last quarter of 1924. The gains reported range from 4 to 33 per cent, averaging between 15 and 25 per cent. January has started well in most cases and the general feeling seems to be one of satisfaction with the results of 1925 and of confidence in the future outlook.

Buying is still reported by the majority of manufacturers as being on a hand-to-mouth basis with no evidence of a change; but in a number of instances a somewhat more liberal policy is being adopted by customers, and on the whole there appears to be a slight tendency in that direction. Quick transportation continues to be the reason most frequently given for hand-to-mouth buying.

With regard to individual industries, in most cases there has been no marked change during the past few weeks. Orders are generally stated to be good for this period of the year. Owing to seasonal dullness, activity in some lines has slowed down. Glass plants in the Fourth District continue to operate at capacity. The paper trade underwent a real improvement in 1925, although Canadian and foreign competition is severe. One electric firm has experienced a little greater margin of profits recently and another reports that continual improvements are being made in both the radio and the high tension transmission fields. The pottery industry is stated to be making good progress, an evidence of which is the increasing use in this country of dishes manufactured in the United States. Considerable improvement in hardware and automobile parts is reported by an important firm.

Wholesale Trade

For the month of December, declines from last year were reported by the grocery, dry goods, and shoe trades, while drugs and hardware showed increases over December, 1924.

The highest rate of gain is again shown in drugs, where an increase of 10.3 per cent is reported, while the greatest decline was that of 7.1 per cent shown in the wholesale shoe trade. The increase in the hardware line was 0.7 per cent, with dry goods and groceries reporting decreases of 5.6 per cent and 0.6 per cent respectively.

The year 1925 as compared with the preceding year shows increases in the drug and hardware lines of 4.2 and 1.9 per cent respectively, while the year witnessed declines of 4.2 per cent in the dry goods, 3.1 per cent in groceries, and 0.6 per cent in shoes.

Retail Trade Department store sales in the Fourth District, as in the entire country, established a new high record for all time. The increase over December of last year was 5.3 per cent, and for all of 1925 over 1924 was 2.1 per cent. For the month, all cities gained except New Castle, the largest gains occurring in Cincinnati and Dayton. For the year, the majority of cities gained, the largest increases being in Akron, Cincinnati, and Columbus, and the greatest decline in Wheeling.

Turning to departmental sales, 37 out of 52 separate departments reported by 78 firms in the Fourth District showed an increase over December of last year. Percentage changes in the departments doing the greatest business in December were as follows:

	% change—Dec. 1925 compared with Dec. 1924.
Silks and Velvets	+12.3
Toilet Articles, Drugs.....	+ 5.1
Silverware and Jewelry.....	- 2.8
Men's Clothing	+ 8.5
Men's Furnishings	+ 3.6
Boys' Wear	+12.1
Women's Ready-to-Wear.....	+ 0.3
Women's & Children's Hosiery..	+11.1
Silk & Muslin Underwear.....	+ 7.2
Shoes	- 1.0
Furniture	+ 2.6
Draperies, Lamps, Shades.....	+ 2.8
Toys, Sport Goods	+ 3.1
Books, Stationery	+ 0.7

Clothing Most lines of clothing manufacture in Ohio failed to experience any marked gain during the last quarter of 1925 over 1924, such as was felt by numerous other industries. In fact, some manufacturers of worsted and knit goods report a decline from last year, stating that although October held

up well, a slump occurred in November which continued up to the holiday season. Men's clothing and underwear makers report the fall of 1925 as being somewhat better than the year before. In some lines, keen competition keeps prices at a point where profit margins are small, and there has been some price-cutting in an effort to stimulate sales.

A large manufacturer of worsted goods reports a tendency of consumers to buy more worsteds and less woolen goods.

Sales of 19 wholesale drygoods houses in the Fourth District declined 5.6 per cent in December 1925, from the previous year, but gained 1.5 per cent over November. For the year 1925, sales ran 4.2 per cent behind 1924.

Shoes After an inactive December, orders in January have been received in large volume, according to shoe manufacturers in the Fourth District. This is the season for Easter buying on the part of the wholesalers, and the outlook for the next three months is encouraging. Buying is stated to be slightly more liberal.

Preliminary reports indicate a gain in shoe production in this District during December over November of about 10 per cent. Final figures for November show a loss of 6 per cent from November 1924, but for the first eleven months there was a gain of 10 per cent.

Sales of reporting wholesale shoe firms in the Fourth District in December were 7.1 per cent below the previous year, and in 1925 were 0.6 per cent less than in 1924. Stocks on December 31 were 20 per cent below the corresponding 1924 figure.

December sales of shoe departments in department stores, according to final figures, ran 1.0 per cent behind December 1924. Men's and boy's shoes made a slightly better showing than did women's and children's shoes.

Comparative Statistics, by Selected Cities, of 1925 and 1924

(Percentage increase or decrease in 1925 as compared with 1924)

	Debits to Individual Accounts*	Building Permits** (Valuation)	Department Store Sales	Wholesale Grocery Sales	Postal Receipts	Deposits of Member Banks***
Akron.....	23.6	64.1	6.5	0.4	19.0	8.3
Canton.....	8.2	0.6	-2.0	....	....	....
Cincinnati.....	13.0	27.4	8.5	....	15.4	10.2
Cleveland.....	11.3	8.6	2.7	-6.6	9.4	3.3
Columbus.....	9.1	36.5	8.0	....	7.0	9.7
Dayton.....	14.3	28.1	1.4	....	15.3	7.7
Eric.....	9.3	23.6	....	-2.7	....	5.5
Lexington.....	6.1	11.7	....	....	5.7	14.8
Pittsburgh.....	12.4	21.2	-0.8	-3.9	5.8	-2.3
Springfield.....	13.0	-16.9	....	....	27.4	-6.8
Toledo.....	13.8	4.8	2.3	0.9	7.6	8.6
Wheeling.....	0.6	-36.1	-4.2	....	....	6.6
Youngstown.....	15.0	4.1	3.7	-15.8	....	6.1
District.....	11.7	16.4	2.1	-3.1	11.3	3.1

* Year ending December 9.

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

*** December 23, 1925, compared with December 24, 1924.

Retail and Wholesale Trade

	No. of Reports	Percentage Increase or Decrease SALES	
		Dec. 1925, compared with Dec. 1924	Jan.-Dec. 1925, compared with Jan.-Dec. 1924
DEPARTMENT STORES			
Akron.....	5	+ 3.7	+ 6.5
Canton.....	5	+ 3.0	- 2.0
Cincinnati.....	7	+13.1	+ 8.5
Cleveland.....	6	+ 4.0	+ 2.7
Columbus.....	6	+ 5.0	+ 8.0
Dayton.....	4	+10.2	+ 1.4
New Castle.....	3	- 1.4	- 3.3
Pittsburgh.....	7	+ 3.0	- 0.8
Toledo.....	5	+ 6.5	+ 2.3
Wheeling.....	5	+ 2.3	- 4.2
Youngstown.....	5	+ 8.0	+ 3.7
Other Cities.....	13	+12.0	+ 7.4
District.....	69	+ 5.3	+ 2.1
WEARING APPAREL			
Cincinnati.....	5	+ 9.7	.....
Cleveland.....	3	+17.8	.....
Other Cities.....	10	+ 3.9	.....
District.....	18	+10.6	.....
FURNITURE			
Canton.....	3	+12.4	.....
Cincinnati.....	9	+ 5.1	.....
Cleveland.....	6	- 1.8	.....
Columbus.....	12	+ 6.6	.....
Dayton.....	4	+12.7	.....
Toledo.....	5	- 9.0	.....
Other Cities.....	8	- 3.6	.....
District.....	47	+ 2.1	.....
CHAIN STORES*			
Drugs—District.....	5	+ 4.9	+ 2.9
Groceries—District.....	5	+ 2.8	- 0.4
WHOLESALE GROCERIES			
Akron.....	3	- 6.8	+ 0.4
Cleveland.....	4	- 3.2	- 6.6
Erie.....	4	+ 2.1	- 2.7
Pittsburgh.....	10	- 7.6	- 3.9
Toledo.....	3	+ 4.3	+ 0.9
Youngstown.....	3	- 5.7	-15.8
Other Cities.....	27	+ 4.6	- 0.2
District.....	54	- 0.6	- 3.1
WHOLESALE DRY GOODS			
.....	19	- 5.6	- 4.2
WHOLESALE DRUGS			
.....	16	+10.3	+ 4.2
WHOLESALE HARDWARE			
.....	16	+ 0.7	+ 1.9
WHOLESALE SHOES			
.....	7	- 7.1	- 0.6

*Sales per individual unit operated.

Index Numbers of Trade in the Fourth Federal Reserve District

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

	Dec. 1921	Dec. 1922	Dec. 1923	Dec. 1924	Dec. 1925
Department Stores (55)*.....	143	165	176	178	186
Wholesale Drugs (15)*.....	90	104	101	106	116
Wholesale Dry Goods (18)*.....	74	91	77	87	82
Wholesale Groceries (50)*.....	76	85	85	88	87
Wholesale Hardware (15)*.....	65	91	80	94	94
Wholesale Shoes (6)*.....	59	75	58	74	71
Wholesale—All (104)*.....	75	89	83	89	90
Chain Drugs (3)*.....	112	125	122	106	127

*Number of firms.

Debits to Individual Accounts

(In Thousands of Dollars)

	5 weeks ending Jan. 13, 1926	% change from 1925	1926 to date (Dec. 31-Jan. 13)	1925 to date (Jan. 1-14)	% incr. or decr. over 1925
Akron.....	113,601	+19.8	47,562	36,892	+28.9
Butler, Pa.....	13,855	+ 7.5	6,139	5,487	+11.9
Canton.....	63,121	+12.5	28,611	24,841	+15.2
Cincinnati.....	475,119	+ 2.5	215,769	186,017	+16.0
Cleveland.....	949,378	+ 9.7	457,964	362,919	+26.2
Columbus.....	203,731	+20.4	93,423	69,140	+35.1
Connellsville, Pa.....	6,102	+ 9.8	2,468	2,121	+16.4
Dayton.....	103,425	+17.6	49,627	42,688	+16.3
Erie, Pa.....	41,096	+ 8.0	17,725	15,439	+14.8
Greensburg, Pa.....	25,461	- 4.3	10,253	9,845	+ 4.1
Homestead, Pa.....	5,117	+ 2.6	2,037	1,918	+ 6.2
Lexington, Ky.....	32,731	- 5.7	14,127	16,120	-12.4
Lima.....	18,699	-21.8	9,361	8,849	+ 5.8
Lorain.....	7,268	- 9.8	2,878	3,325	-13.4
Oil City, Pa.....	16,176	+ 5.6	6,986	6,246	+11.8
Pittsburgh, Pa.....	1,139,335	+ 0.7	474,768	459,729	+ 3.3
Springfield.....	31,336	+20.0	14,869	11,351	+31.0
Staubenville.....	14,245	+ 1.0	6,181	5,886	+ 5.0
Toledo.....	285,627	+27.6	130,108	106,465	+22.2
Warren.....	15,509	- 7.7	6,608	7,202	- 8.2
Wheeling, W. Va.....	63,166	+11.1	28,175	24,757	+13.8
Youngstown.....	87,408	+ 5.1	39,666	42,953	- 7.7
Zanesville.....	15,485	+ 8.4	6,905	5,742	+20.3
Total.....	3,726,991	+ 4.1	1,672,210	1,455,932	+14.9

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	December, 1925	December, 1924	% change	Year 1925	Year 1924	% change
Bank Debits (23 cities)	Millions of dollars.....	3,105		34,481	31,258	+10.3
Savings Deposits (end of month)	Thous. of dollars.....	553,355	+ 8.0	535,300 ¹	496,071 ¹	+ 7.9
Ohio (28 banks)	" " ".....	236,588	+ 2.3	234,402 ¹	220,800 ¹	+ 6.2
Western Pennsylvania (27 banks)	" " ".....	789,943	+ 6.3	769,702 ¹	716,871 ¹	+ 7.4
Total (55 banks)	" " ".....	194	+12.1	1,960	1,795	+ 9.2
Commercial Failures—Number	Actual Number.....	4,339	+17.9	43,977	56,948	-22.8
"—Liabilities	Thous. of dollars.....	3,645	+12.6	34,217	30,752	+11.3
Postal Receipts—9 cities	" " ".....	103,763	+ 4.9	1,098,244	1,001,174	+ 9.7
Sales—Life Insurance—Ohio and Pa.	" " ".....	41,040	+ 4.5	305,164	290,788	+ 4.9
"—Dept. Stores—(55 firms)	" " ".....	7,508	- 1.0	88,219	90,814	- 2.9
"—Wholesale Grocery—(50 firms)	" " ".....	3,619	+ 5.6	42,433	44,306	- 4.2
"—Dry Goods—(19 ")	" " ".....	1,911	+ 0.7	25,463	25,068	+ 1.6
"—Hardware—(16 ")	" " ".....	1,864	+10.4	21,170	20,317	+ 4.2
"—Drugs—(16 ")	" " ".....	14,983	-26.2	271,521	233,243	+16.4
Building Permits, Valuation—13 cities	Actual Number.....	3,287	+ 9.9	68,703	68,708	- 0.01
"—Number—13 cities	Thous. of Tons.....	3,250	+ 9.9	36,403	31,108	+17.0
Production—Pig Iron, U. S.	" " ".....	3,976	+11.4	44,187	36,811	+20.0
"—Steel Ingots, U. S.	Actual Number.....	285,181	+56.7	3,814,730	3,251,404	+17.3
"—Automobiles, U. S.	Thous. of tons.....	33,262	+25.0	484,078	363,430	+33.2
"—Passenger Cars	" " ".....	17,394	+ 6.3	15,563	188,857	+ 8.7
"—Bituminous Coal, 4th Dist.	" " ".....	955	+ 3.4	20,010 ⁴	14,322	+19.0
"—Cement, Ohio, W. Va., Wn. Pa.	" " barrels.....	1,723 ²	+ 6.2	20,010 ⁴	20,052 ⁴	- 0.2
"—Petroleum, O., Pa., Ky.	" " ".....	3,219 ³	+ 0.6	42,761 ⁴	35,913 ⁴	+10.0
"—Shoes, 4th Dist.	" " pairs.....	493	+17.1	27,863	24,322	+14.6
"—Tires, U. S.	" " casings.....	48	+ 9.1	38,702	31,576	+22.6
Bituminous Coal Shipments (from Lake Erie ports)	" " tons.....	493				
Iron Ore Receipts (at Lake Erie ports)	" " ".....	48				

¹12 months' average²Figures confidential³November⁴First eleven months⁵Figures not yet available

Summary of National Business Conditions

(By the Federal Reserve Board)

Production and distribution of commodities was in larger volume in December than in November, and the volume of retail trade was larger than in any previous month. Wholesale prices declined to the level prevailing last spring, which was the low point for the year.

PRODUCTION

The Federal Reserve Board index of production in basic industries advanced 6% in December to the highest level in ten months. The rise in this index has been nearly continuous since last August, when the volume of production was at the low point for 1925. In December the production of iron and steel and bituminous coal and factory consumption of cotton increased considerably, and the production of lumber, cement and copper was maintained at relatively high levels. The volume of factory employment and pay rolls, after increasing during the late summer and autumn months, continued practically unchanged in November and December, with increases in some important industries offsetting seasonal declines in others. Building contracts awarded during December were the largest recorded for that month and exceeded in value those awarded in November, although seasonal decrease in building activity usually occurs at that time of the year.

TRADE

Sales at Department stores, chain stores, and mail order houses in December indicated the largest volume of Christmas trade on record. Trade at wholesale declined seasonally, but continued larger than last year. Stocks at department stores showed less than the usual decline in December and 4% larger at the end of 1925 than a year earlier. Freight car loadings continued large during December with shipments of merchandise and miscellaneous commodities, coke and coal particularly heavy.

PRICES

The general level of prices, as measured by the wholesale price index of the Bureau of Labor statistics, declined by about 1% in December and was at the end of the year somewhat lower than a year earlier. The average of wholesale prices for the year 1925 as a whole, however, was the highest in five years and the changes in the price level during the year were smaller than in any year in more than a decade. Among agricultural commodities, the prices of livestock and dairy products declined in December, while grain prices advanced. Among non agricultural commodities the principal declines were in the prices of cotton goods, paper and rubber, while somewhat higher prices were shown for silk, coal and lumber. In the first three weeks of January quotations in hogs, coke and hardwood lumber advanced, while prices of corn, cattle and rubber declined.

BANK CREDIT

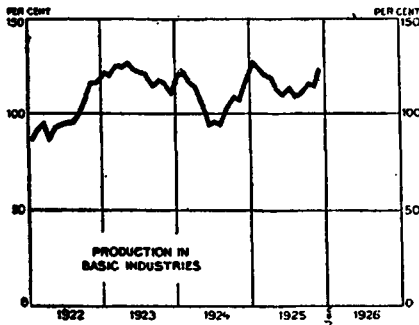
Changes in the demand for currency have been the principal factor influencing the volume of reserve bank credit in use since the middle of November.

During the five weeks between November 18 and December 23 the reserve banks paid out into domestic circulation a net amount of about \$320,000,000 of currency in the form of gold and gold certificates, Federal reserve notes, and other kinds of money, and during the following four weeks the return flow of currency from circulation amounted to about \$430,000,000.

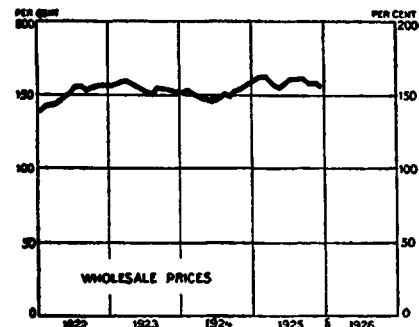
These currency movements were reflected in corresponding changes in the volume of reserve bank discounts for member banks.

At member banks in leading cities total loans and investments, which had increased almost continuously during 1925, reached the highest level on record at the end of December, but declined by about \$200,000,000 during the first two weeks of the new year. Both the increase in bank loans in the latter part of December and the decline after the turn of the year were largely in loans on securities, particularly at member banks in New York City. These changes in the demand for loans at member banks were related both to the changes in customers' currency requirements and to end of year disbursements by many industrial and financial institutions.

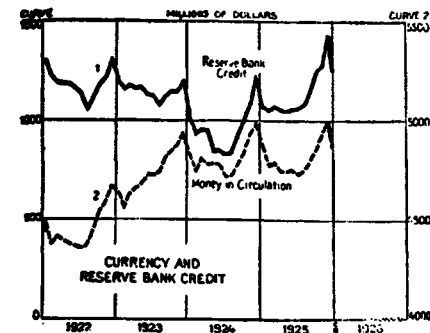
Conditions in the money market, which had become firmer in the last half of December, were easier in January. Rates of banker's acceptances increased following the advance in the buying rate of New York Federal Reserve Bank effective January 8, while rates on commercial paper showed



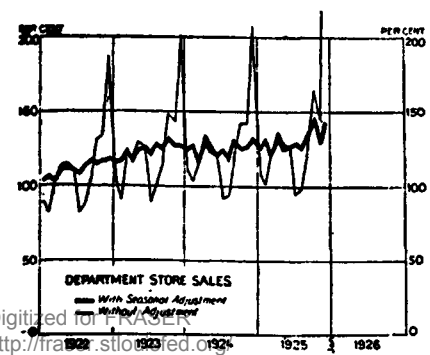
Index of 22 basic commodities adjusted for seasonal variations (1919-100) Latest figure—December, 122



Index of U. S. Bureau of Labor Statistics (1913-100, base adopted by the Bureau) Latest figure — December, 156



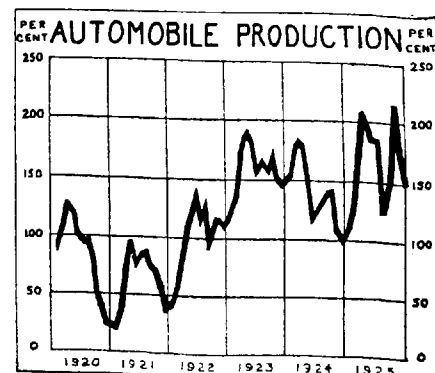
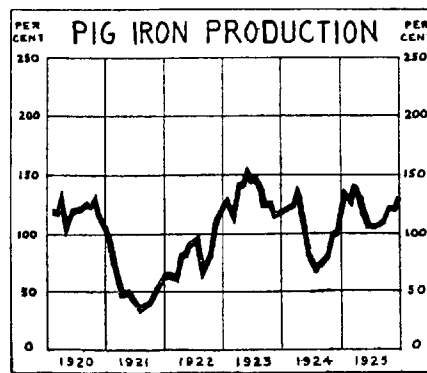
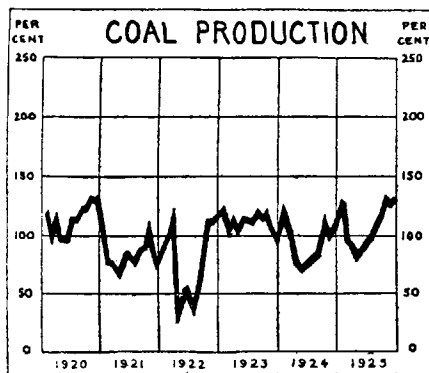
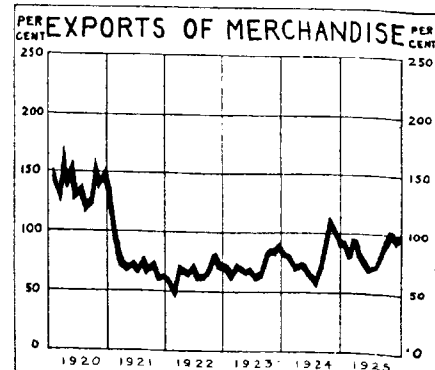
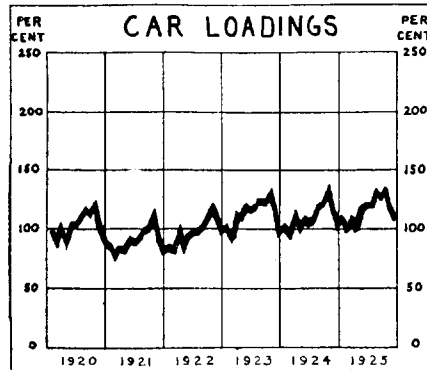
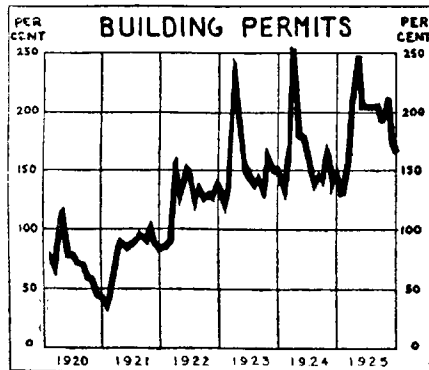
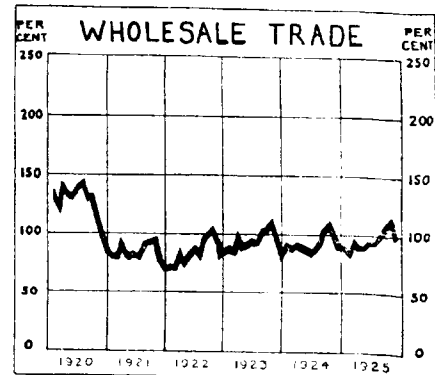
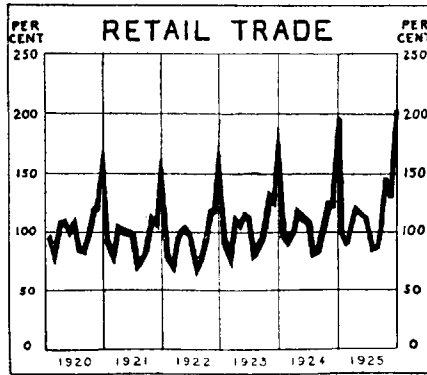
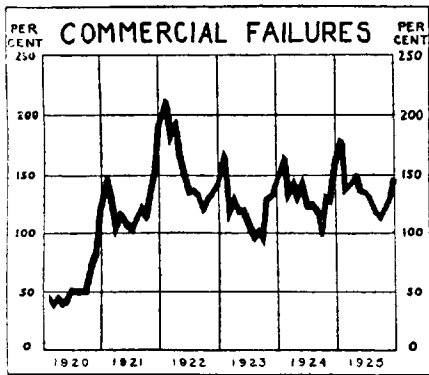
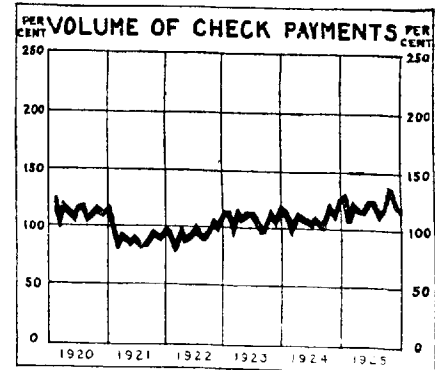
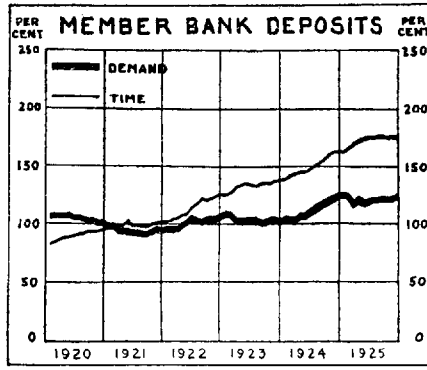
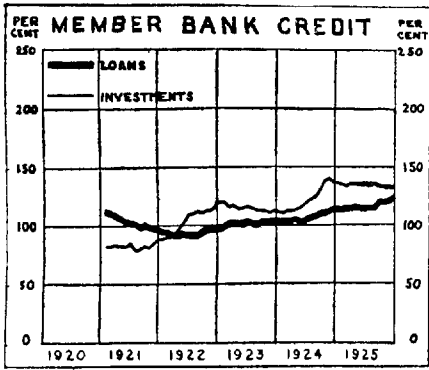
Money in circulation data are averages of first-of-month figures. Reserve bank credit data are monthly averages of daily figures. Latest figures—January (partly estimated)



Index of sales of 889 stores, (1919-100) Latest

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

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Member Bank Credit: Loans, December—123. Investments, December—134. 2. Member Bank Deposits; Demand, December—123. Time—December—180. 3. Check Payments, except New York, November—122. 4. Commercial Failures, December—146. 5. Retail Trade, December—203. | <ol style="list-style-type: none"> 6. Wholesale Trade, November—98. 7. Building Permits, December—166. 8. Car Loadings, December—108. 9. Exports of Merchandise, December—98. 10. Bituminous Coal Production, December—132. 11. Pig Iron Production, December—130. 12. Automobile Production, December—149. |
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