MONTHLY BUSINESS REVIEW

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

Federal Reserve Bank of Cleveland

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As a rule, February is the dull or "dead" season for many lines of business, which normally experience an increase in activity with the opening of spring. This seasonal dullness has been present during the past few weeks, and there is little sign as yet of the real trend of business for the spring season. There are indications that progress in iron and steel and some other lines has hardly been up to the expectations of some who were perhaps over-optimistic at the beginning of the year; but the business situation in general during the first two months of 1926 has been satisfactory. Comparative figures available for January show that check payments, car loadings, building permits, and automobile and soft coal production continued to run ahead of the same month in the preceding year. On the other hand, the Federal Reserve Board's index of production in basic industries was lower than a year ago; commercial failures were more numerous; and pig iron and steel ingot output declined from last year, though slightly. It should be borne in mind that, eliminating seasonal factors, January and February of 1925 were unusually good months, owing to the impetus of the upswing which started in the last quarter of 1924 after the pronounced depression of the second and third quarters of that year. The situation a year ago, therefore, was different from that at present, in that business activity has now been at a high level for several months (again eliminating seasonal factors).

In the Fourth District, conditions were somewhat spotty during January and early February, though the general situation appeared satisfactory. Manufacturers for the most part reported a normal volume of business. The settling of the anthracite strike caused a decline in soft coal and coke prices, and iron and steel prices were also weak. Building permits were 11.8 per cent less in January than in the same month in 1925. Department store sales gained very slightly, but some of the wholesale trades were noticeably depressed—particularly groceries and dry goods. Wholesale shoe sales, however, were the highest for any January in the past six years. Financial conditions continued strong, bank debits having increased 8.8 per cent, and savings deposits 6.3 per cent, over a year ago.

Financial Conditions

Savings deposits of sixty-seven selected banks in the larger cities of the Fourth Federal Reserve District amounted to $846,131,915 on January 30, an increase of 6.3 per cent over January 30, 1925, but a decrease of 1.5 per cent from December 30, 1925.

Commercial failures in this District, according to R. G. Dun and Company, numbered 244 in January, as compared with 194 in December and 199 in January 1925. Liabilities aggregated $5,581,160, as compared with $4,937,059 a year ago. In the United States, there were 2,296 failures in January, 1,878 in December, and 2,317 in January 1925.

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)		
	Feb. 10 1926	Feb. 11 1925	Jan. 13 1926	Feb. 10 1926	Feb. 11 1925	Jan. 13 1926
Gold reserves	307	259	294	2,795	2,896	2,799
Discounts	50	33	66	533	332	506
Acceptances	15	37	8	301	325	327
U. S. Securities	32	45	36	333	390	369
Total bills and securities	98	117	111	1,177	1,060	1,212
Federal Reserve notes in circulation	204	188	219	1,668	1,714	1,733
Total Deposits	189	179	180	2,296	2,242	2,325

	Reporting Member Banks—Fourth District (In Millions)			Reporting Member Banks—System (In Millions)		
	Feb. 3 1926	Feb. 4 1925	Jan. 6 1926	Feb. 3 1926	Feb. 4 1925	Jan. 6 1926
Loans secured by stocks and bonds	503	424	498	5,528	4,745	5,688
All other	769	745	770	8,448	8,368	8,492
Total loans	1,272	1,170	1,268	13,976	13,113	14,185
Investments	625	649	624	5,478	5,453	5,444
Demand deposits	1,007	1,015	986	13,036	13,040	13,305
Time deposits	761	707	749	5,404	4,900	5,361

Iron and Steel

Market activity in iron and steel for the first two months of the new year still has failed to measure up to the general expectations. Here and there a soft spot has appeared, contributed largely by seasonable influence and also in some measure by an unbalanced demand. With present production so high, with some capacity still in reserve and with delivery service by the railroads so exceptionally efficient, buying for future requirements is light. However, the mills continue to ship out tonnage approaching a record-breaking rate and there is every indication that consumption for current needs continues very large. In proportion to the volume of production and shipments, unfilled orders are unusually low as compared with standards of the past. Contrasted with the early months of 1925, tonnage apparently is better spread out. The high market pressure one year ago, which faded out sharply by the end of March, seems absent this year.

January showed a further gain in steel production, and with one exception reached the highest point for any January in history. The ingot output, approximating 89 per cent of the country's theoretical capacity, was within 1.2 per cent of the greatest month on record, and indicated an annual rate of production of 49,680,000 tons. This is a gain of 4.4 per cent over December and 2.8 per cent over January 1925. Pig iron in January as compiled by IRON TRADE REVIEW showed a gain in total of 2.2 per cent over December or a total of 3,222,672 tons compared with 3,249,357 tons. However, the number of furnaces in blast at the end of the month had fallen by nine to 227, or 58.5 per cent of the total number of furnaces in the country. The true significance of this decline in operating furnaces is obscured by the fact that a number of stacks were banked to enable them to sell their coke in the open market and to avail themselves of the abnormally high prices which had resulted from the coal strike.

The effects radiating from the anthracite coal strike have produced an abnormal market behavior in some lines which has found some reflection in the general situation. These elements of artificiality are now rapidly being eliminated as a result of the strike settlement. After having sold up to $13 and $13.50, ovens, coke has fallen to the more rational basis of $4 to $5 and is still in process of deflation. This precipitate drop has caused some buyers of iron and steel, particularly in pig iron, to hold back to see if prices in other lines will not be affected by the backwash. Nothing definite of this sort yet has appeared. Pig iron makers are pointing out that even current coke prices are higher than those at which they had contracted for some months ago covering present production.

Building activity has not measured up to that of a year ago, as far as steel requirements are concerned. The automobile industry is operating at a higher rate today than at this time in 1925 and is increasing its output. Advances in oil prices are the stimulus to the launching of new plans for pipe lines and greater development work, some of which involve large tonnages. The railroads continue to place their needs conservatively, especially in rolling stock. However, the number of cars ordered in January, totaling 8830, showed a marked improvement over the 1695 placed in January 1925. Miscellaneous steel demand appears to be holding up well.

Keen competition, especially where capacity is very large, has brought about greater price softness over 30 days ago, particularly in sheets, plates, and in some localities, in pig iron. Some of these irregularities have resulted from failure of the producers to maintain advances which they had announced for first quarter. IRON TRADE REVIEW composite of fourteen leading iron and steel products reflects this modest yielding of prices. In the third week in February it stood at $38.90 compared with $39.15 one month previously and with $39.26 at the beginning of the new year.

Negotiations are beginning on Lake Superior iron ore for the season of 1926.

Coal

The event of greatest importance in the coal industry during the past month was the settlement of the anthracite strike early in February. One of the effects of the settlement has been a decline in the price of some grades of soft coal and coke, the drop in the case of coke being particularly severe. The Coal Age average of spot prices of bituminous coal declined from $2.14 per ton on February 8 to $2.10 on the 15th. On January 8 it stood at $2.19. Coke prices rose from $4.50 to $10.50 per ton between January 8 and February 5, but have receded to a marked degree since the latter date.

Production of bituminous coal during the five weeks ending February 6, according to the Bureau of Mines, exceeded that for the same period of any of the preceding four years, the gain over last year being considerable. Retailers in this District report a large volume of business during recent weeks.

Automobiles

Auto production for January by American manufacturers (including Canadian plants) totaled 282,369 passenger cars, and 31,502 trucks, according to figures furnished by the Federal Reserve Bank of Chicago in cooperation with the National Automobile Chamber of Commerce. This was an increase over January 1925, of 35 per cent for passenger cars and 17 per cent for trucks. Total January output was almost as great as that of December.

Truck manufacturers in this District report that business in January and the first part of February has been well ahead of last year, and that orders are being received in encouraging volume. Makers of auto parts also report an unusually large amount of business, in some cases at record levels. The hand-to-mouth buying policy of customers is causing some difficulty, owing to the fact that it is necessary to buy materials for standard lines of auto parts in excess of sales orders.

Rubber and Tires

Business of tire manufacturers in this District quieted down more than seasonally during January, but has picked up noticeably in February. During January, dealers were restricting their purchases to their immediate needs, partly because of hesitation as to the course of tire prices due to the continued decline in the price of crude rubber, which was around 69 cents a pound in February as compared with 88 cents early in January, and partly because the manufacturers did not begin to solicit spring stock orders until February 1, three months later than formerly. During the first week of February, tire prices were cut about 10 per cent, and this, together with spring stock ordering, has been largely responsible for the increased activity of recent weeks. Crude rubber prices have sagged off somewhat during February, but not to the same extent as during the first part of January. On February 16, crude rubber was quoted at 63 cents, as compared with 69 cents at the opening of the month.

Reports indicate that the demand for original tire equipment has held up better than that for renewals, doubtless because of high automobile production. Business in hard rubber lines continues excellent.

The first rubber exchange in the United States, known as the Cocoa and Rubber Exchange of America, opened on February 2. This was followed by the opening of a second, the Rubber Exchange of New York, Inc. The membership of both consists of foreign firms as well as those in this country.

It is reported that rubber trees are being planted in Panama, and attention has also been attracted to the output of Mexican guyale rubber. This rubber is obtained from shrub trees which formerly grew wild in certain parts of Mexico, but which during recent years have been cultivated and developed commercially. Guyale is said to be as satisfactory for most uses as crude rubber found in other parts of the world.

Stocks of tires in dealer's hands are reported to have increased materially since the Department of Commerce report as of October 1. At that time the average casings per dealer were 56.6 as compared with 62.2 on April 1, and 53.6 on October 1, 1924. Production of high pressure inner tubes, according to the Rubber Association of America, totaled 3,814,617 in December, as compared with 3,430,209 in November and 4,259,609 in December, 1924. December shipments showed a 30 per cent decline from the preceding year. Production and shipments of balloon tubes in December continued to run far ahead of the preceding year.

Paint

Conditions in the paint and varnish industry in the Fourth District are satisfactory, according to the reports of manufacturers. Orders in most cases are being received in good volume. The bad weather of fall and winter, making outside painting difficult, has held the household lines back to some extent. Further development of the lacquer line is reported. No change has taken place in the hand-to-mouth buying policy of customers, which appears to have become well-established in the paint industry, at least for the time being.

Clothing

Clothing manufacturers in this District report some seasonal increase in activity during February. In men's clothing, production for spring delivery continues. Style changes have retarded early retail buying to some extent. An important maker of women's wear states that a recovery from the 1925 recession is taking place in this line, aided by a downward revision of prices which has stimulated production and distribution. In worsteds, orders for Easter delivery have recently been placed in large volume, causing a marked increase in factory operations. Seasonal quiet is reported in the knit goods industry, awaiting the opening of the spring season.

Prices on February 13 showed no great change from a month ago, wool and raw cotton having stiffened slightly. As compared with a year ago, however, wool was nearly 25 per cent lower, raw cotton 17 per cent lower, and cotton goods about 10 per cent lower.

Sales of 19 wholesale dry goods houses in the Fourth District in January ran 6.4 per cent under January, 1924, and 22.2 per cent under December. Stocks on January 31 were 6.3 per cent lower than the preceding year.

Sales of woolen dress goods by department stores in this District for the year 1925 were 16.7 per cent less than in 1924; cotton dress goods, 9.9 per cent less; silks and velvets, 15.3 per cent greater; men's clothing, 0.4 per cent greater; women's coats, 0.1 per cent greater; women's dresses, 3 per cent greater; sweaters, 20.4 per cent less.

Shoes

Boot and shoe factories have been busy with Easter orders for the past month. Customers have ordered but little beyond Easter delivery, but new samples are being made up preparatory to being sent out on the road in March. Manufacturers in the Cincinnati territory state that immediate prospects are good.

Preliminary reports indicate a gain in shoe production in this District during January as compared with December of 4.5 per cent. Final figures for December show an increase of 7.2 per cent over the same month in 1924. The output for all of 1925 was nearly 10 per cent greater than for 1924.

Sales of reporting wholesale shoe firms in the Fourth District during January gained 12 per cent over a year ago, but fell off 17.4 per cent from December, attributable entirely to seasonal factors. Stocks on January 31 were 6.6 per cent below those of a year ago.

January sales of men's shoes in department stores were 0.8 per cent greater than in January, 1924, and of women's shoes were 6.6 per cent greater.

General Manufacturing

Manufacturers engaged in various lines of industry in the Fourth District report that conditions in early February are very much the same as a month previously. In some cases, a tendency toward recession is observed which is slightly more than seasonal, but the trend of business for the spring months can hardly be determined as yet. Buying by customers in nearly all cases continues to be on a restricted basis, so that manufacturers in general are "marking time" to some extent, awaiting the opening of spring before shaping their operations for that season.

Agriculture and Live Stock

In the strictly agricultural communities, at this season of the year, interest largely centers around the live-stock situation. In this connection, it is of interest to note the gradual rise in prices of dairy products during the past several months. The two factors entering into this are the natural increase in consumption in the cities, and the decrease in the number of milk cows and heifers on the farms. The United States Bureau of Agricultural Economics is authority for the statement that consumption of fluid milk in the cities increases about five per cent yearly, while the past year showed a decrease of one per cent in cows and nine per cent in heifers on the farms.

Fluid milk prices during the latter half of 1925 ranged from six to twenty per cent higher, and prices of butter and cheese averaged six per cent above the corresponding period of 1924.

The United States Department of Agriculture reports a decline for all classes of cattle in the country of four per cent, which appears to be fairly evenly distributed throughout the several districts.

The decrease in the number of hogs is shown as eight per cent for the whole United States, with Ohio showing a loss of nine per cent; Pennsylvania, seven per cent; and West Virginia about fifteen per cent.

The decreased production in all classes of live stock has brought about considerable increases in prices, with the result that the total valuation has increased nearly seven per cent.

The decline in the number of horses for the year 1925 is but a continuation of the downward trend which has been going on for several years. There is some evidence of increased interest in the breeding of the better strains of horses in this district, but not to a sufficient extent to check this downward trend. Throughout the bluegrass regions of Central Kentucky the raising and development of thorough-bred horses has always been one of the principal industries, and is still rated as one of the chief sources of revenue.

Tobacco

Further sales have recently been announced by the Burley Tobacco Association, bringing the Association's total for the season up to February 4 to about 125,000,000 pounds, including purchases by the Italian Government. Deliveries of the previous sales are being made as rapidly as possible. At the beginning of February, the Association still had on hand about 60,000,000 pounds of the 1923 crop and 35,000,000 pounds of that of 1924. The Association reports that the 1925 crop is being taken by manufacturers almost as fast as received from the growers. According to the Commissioner of Agriculture's report, January sales of burley through the loose leaf warehouses were about 33,000,000 pounds. Total loose leaf sales of burley for the 1925 crop up to February were nearly 60,000,000 pounds, or somewhat higher than sales of the 1924 crop during the corresponding period last year.

Prices being received for burley in the Fourth District are generally satisfactory. Loose-leaf sales in January averaged $19.73 per 100 pounds, or $2.14 less than in the same month last year; but reports indicate that prices have been a little firmer in February, and that they compare very favorably with prices being received for Green River tobacco in western Kentucky, which is not in the Fourth District.

Production figures for 1925 of all types of tobacco show that Kentucky was the greatest producing state, with 29.1 per cent of the total for the country. Ohio produced 3.8 per cent; Pennsylvania, 4.3 per cent; and West Virginia, 0.5 per cent. The United States Department of Agriculture estimates the 1925 crop of burley at 271,000,000 pounds, or about 20 per cent of the total for all types. The 1924 burley production was 299,000,000 pounds.

Retail Trade

Department store sales in the Fourth District increased very slightly during January as against a year ago, the gain being 0.2 per cent. Six of the eleven centers shown separately reported increases, the largest being in Cincinnati, with 9.6 per cent.

With regard to sales by individual departments, twenty-four out of fifty-two departments reported by 73 firms in the Fourth District showed an increase over January of last year. The greatest gains occurred in musical instruments, 32.8 per cent; lamps and shades, 25.7 per cent; and silk underwear, 22.3 per cent. Decreases of over 20 per cent were shown by woolen dress goods, women's suits, women's skirts and waists and blouses. Percentage changes in the departments doing the greatest business in January were as follows:

	% change—Jan. 1926 compared with Jan. 1925
Silks and Velvets	+ 6.3%
Linens	— 1.4
Domestics	— 1.9
Toilet Articles, Drugs	+ 0.4
Men's Clothing	— 3.0
Men's Furnishings	+ 8.4
Women's Coats	— 3.1
Women's Dresses	+ 4.4
Misses' Ready-to-Wear	— 7.0
Furs	+13.9
Millinery	— 8.5
Women's and Children's Hosiery	+10.9
Shoes	+ 4.9
Furniture	— 8.8
Floor Coverings	—2.9

Sales of twenty wearing apparel firms in January increased 5.7 per cent over the same month last year, but decreased 36.0 per cent from December on account of seasonal factors. Stocks at the close of January ran 4.2 per cent higher than a year ago.

Wholesale Trade

Sales of wholesale grocery firms during January dropped 5.8 per cent below last year, all reporting cities experiencing a loss. The largest declines took place in Akron, with 12.9 per cent, and Youngstown, with 11.7 per cent, while Toledo, with 0.2 per cent recorded the smallest decrease.

Dry goods and hardware decreased 6.4 and 7.6 per cent respectively from January, 1924, but drugs gained 1.6 per cent and shoes 12.0 per cent.

Wholesale shoe sales in January were the highest for any January during the past six years. Drugs also compared favorably with previous Januarys, but dry goods sales were the lowest in six years, and the same was true of groceries, with the exception of 1922.

This bank's weighted index number of wholesale trade, including 104 firms in five lines of trade, stood at 80.8 in January (1919-1923 monthly average—100). This was slightly higher than in January, 1921 (78.8) and 1922 (70.8), but fell below the same month in 1923, 1924, and 1925. The index of January, 1923, was 88.2; 1924, 87.7; 1925, 81.3.

Building

For the tenth successive month the value of building permits in the United States in January broke all records for corresponding months in previous years. Valuation in 168 cities, according to Bradstreet's, aggregated $229,609,114, a gain of 8.8 cent over January, 1924. The Middle Atlantic, Southwestern and Southern sections of the country accounted for the gain.

In the Fourth District, the valuation of permits in 28 cities in January amounted to $13,867,305, a decline of 11.8 per cent from the same month last year. Very large declines occurred in Akron, Ashtabula, Canton, Covington, Mansfield, and Newark, while substantial gains were recorded by Erie, Lexington, Lima, and Norwood.

At the foot of this page appears a table showing building operations in the main centers in this District during the post-war period. It will be noted that except in 1921, the value of each year's permits increased over the year before in the District as a whole. Some individual cities did not follow this trend. For the District, 1925 was easily the best year, but this was not true of Akron, Cleveland, Lexington, Springfield, and Wheeling.

Building Operations

January 1926
(Valuation of Permits)

	January 1926	January 1925	Per cent change
Akron	$ 463,174	$1,072,307	—56.8
Ashtabula	8,600	20,120	—57.3
Barberton	18,172	28,313	—35.8
Canton	198,720	504,582	—60.6
Cincinnati	1,155,030	1,355,010	—14.8
Cleveland proper	2,822,800	3,454,125	—18.3
" Suburbs:			
Cleveland Heights	333,400	843,000	—60.5
East Cleveland	129,383	399,733	—67.6
Euclid	129,965	75,275	+72.7
Garfield Heights	138,500	145,500	—4.8
Lakewood	232,700	526,875	—55.8
Parma	75,325	35,500	+112.2
Rocky River	30,650	29,800	+ 2.9
Shaker Heights	232,000	453,000	—48.8
Columbus	1,003,900	1,005,600	— 0.2
Covington, Ky	53,200	129,750	—59.0
Dayton	370,810	353,801	+ 4.8
Erie, Pa.	121,015	80,345	+50.6
Lexington, Ky	351,824	63,295	+455.8
Lima	464,385	64,895	+615.6
Mansfield	65,400	806,700	—91.9
Newark	5,000	23,550	—78.8
Norwood	123,970	66,650	+86.0
Pittsburgh, Pa.	3,792,755	3,296,852	+15.0
Springfield	58,690	57,850	+ 1.5
Toledo	405,497	392,892	+ 3.2
Wheeling, W. Va.	65,090	125,921	—48.3
Youngstown	1,017,350	302,625	+236.2
Total	13,867,305	15,713,866	—11.8

Building Materials

Comparative inactivity continues in the lumber trade in the Fourth District. Weather conditions have retarded outside work, and orders in general are not plentiful. Manufacturers, however, are reasonably optimistic, feeling that the present situation is not unusual when the time of year and the severe winter are taken into consideration. Prices have shown but little variation recently, the Aberthaw index of industrial building costs remaining unchanged at 195 on February 1. Retail dealers are buying cautiously, awaiting the breaking-up of winter. Demand for lumber by furniture manufacturers is stated to have been heavy during January.

In the common brick industry, some quieting down has recently taken place, due to seasonal closing of plants. Paving brick manufacturers have also been experiencing seasonal inactivity, but prospects as measured by unfilled orders are reported to be somewhat improved over last year at this time. Shipments by hollow building tile manufacturers were very large in January, and orders now booked are sufficient to keep operations at a high level for some time. Concrete business has increased during the past few months.

Cement production in Ohio, West Virginia and Western Pennsylvania, totaled 523,000 barrels in January, as compared with 764,000 a year ago. Shipments in January, 1926, were 382,000 barrels, and in January, 1925, were 346,000 barrels.

Fourth District Building Operations

Valuation, by selected cities, 1919—1925.

(In thousands of dollars)

	1919	1920	1921	1922	1923	1924	1925	Total after war period
Akron	27,225	20,348	3,783	4,551	7,493	8,837	14,505	86,742
Canton	*	*	3,863	6,014	7,396	7,982	8,034	33,289
Cincinnati	10,245	13,188	16,197	25,944	26,647	24,423	31,114	147,758
Cleveland	47,708	65,625	46,532	52,148	69,391	63,015	69,254	413,673
Columbus	6,346	10,157	9,265	18,191	22,297	21,626	29,510	117,392
Dayton	8,055	5,858	6,133	11,509	10,275	9,748	12,484	64,062
Erie	3,305	3,701	3,358	4,861	4,263	7,036	8,696	35,220
Lexington	2,027	3,914	1,183	2,192	1,947	1,761	1,966	14,990
Pittsburgh	14,657	17,051	23,429	35,246	33,119	34,256	41,512	199,270
Springfield	2,188	791	1,336	1,274	1,533	1,924	1,598	10,644
Toledo	7,899	6,699	7,739	9,207	15,537	16,930	17,735	81,746
Wheeling	482	1,153	1,252	3,432	3,986	5,158	3,294	18,757
Youngstown	6,225	3,354	5,754	5,339	5,677	11,834	12,325	50,508
District	136,362	151,839	129,824	179,908	209,561	214,530	252,027	1,274,051

*Not available.

Retail and Wholesale Trade

		% Incr. or Decr. SALES Jan 1926 compared with Jan. 1925
DEPARTMENT STORES		
Akron	5	+0.4
Canton	5	—3.8
Cincinnati	7	+9.6
Cleveland	6	—1.6
Columbus	6	+1.5
Dayton	4	+1.7
New Castle	3	+0.6
Pittsburgh	7	+0.04
Toledo	5	—7.0
Wheeling	5	—5.5
Youngstown	3	—2.1
Other Cities	13	+4.9
District	69	+0.2
WEARING APPAREL		
Cincinnati	6	—3.1
Cleveland	3	+12.3
Other Cities	11	+7.8
District	20	+5.7
FURNITURE		
Cincinnati	9	—13.0
Cleveland	3	+4.1
Columbus	11	—15.0
Dayton	3	—16.2
Toledo	5	—17.6
Other Cities	11	—22.7
District	42	—14.3
CHAIN STORES*		
Drugs—District	3	+0.8
Groceries—District	5	—6.0
WHOLESALE GROCERIES		
Akron	3	—12.9
Cleveland	4	—7.8
Erie	4	—1.6
Pittsburgh	10	—16.9
Toledo	3	—0.2
Youngstown	3	—11.7
Other Cities	28	—1.3
District	55	—5.8
WHOLESALE DRY GOODS	19	—6.4
WHOLESALE DRUGS	16	+1.6
WHOLESALE HARDWARE	16	—7.6
WHOLESALE SHOES	7	+12.0

* 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)

	Jan. 1922	Jan. 1923	Jan. 1924	Jan. 1925	Jan. 1926
Department Stores (55)*	74	88	94	92	92
Wholesale Drugs (15)*	91	115	109	110	111
Wholesale Dry Goods (18)*	74	97	87	68	64
Wholesale Groceries (50)*	69	79	84	80	74
Wholesale Hardware (15)*	60	94	95	94	86
Wholesale Shoes (6)*	45	45	44	48	56
Wholesale—All (104)*	71	88	88	81	81
Chain Drugs (3)*	86	98	91	97	98

* Number of firms.

Debits to Individual Accounts

(In thousands of Dollars)

	5 weeks ending Feb. 17 1926	% change from 1925	1926 to date (Dec. 31-Feb. 17)	1925 to date (Jan. 1-Feb. 18)	% incr. or decr. 1926 over 1925
Akron	105,533	+17.6	153,095	126,650	+20.9
Butler, Pa	12,848	+13.1	18,987	16,847	+12.7
Canton	55,057	+ 3.5	83,668	78,021	+ 7.2
Cincinnati	473,464	+20.2	689,233	580,051	+18.8
Cleveland	804,476	+10.5	1,262,440	1,090,884	+15.7
Columbus	171,051	+ 9.0	264,474	226,004	+17.0
Connellsville, Pa	5,776	+ 9.2	8,244	7,408	+11.3
Dayton	95,824	+22.8	145,451	120,729	+20.5
Erie, Pa	39,850	+ 9.3	57,575	51,913	+10.9
Greensburg, Pa	25,335	+ 2.0	35,588	34,683	+ 2.6
Homestead, Pa	4,843	+ 5.5	6,880	6,510	+ 5.7
Lexington, Ky	36,526	—10.7	50,653	57,020	—11.2
Lima	16,801	—18.8	26,162	29,548	—11.5
Lorain	6,266	—18.4	9,144	11,001	—16.9
Oil City, Pa	15,578	— 6.5	22,564	22,902	— 1.5
Pittsburgh, Pa	1,135,122	+ 2.7	1,609,890	1,565,401	+ 2.8
Springfield	27,313	+14.6	42,182	35,180	+19.9
Steubenville	11,824	— 4.6	18,005	18,284	— 1.5
Toledo	244,699	+17.0	374,807	315,567	+18.8
Warren	15,920	+ 2.1	22,528	22,794	— 1.2
Wheeling, W. Va	63,368	+23.4	91,543	76,098	+20.3
Youngstown	74,431	— 0.3	114,097	117,633	— 3.0
Zanesville	14,198	+5.1	21,103	19,247	+ 9.6
Total	3,456,103	+ 8.9	5,128,313	4,630,375	+10.8

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

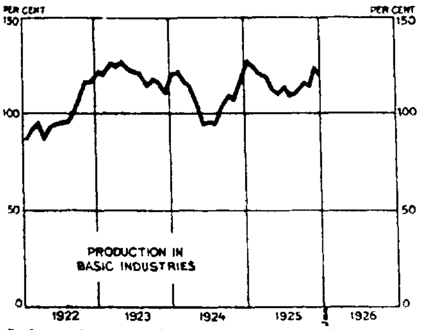
		January 1926	January 1925	% change
Bank Debits (23 cities)	Millions of dollars	3,302	3,035	+8.8
Savings Deposits (end of month)				
Ohio (43 banks)	Thous. of dollars	607,527	565,654	+7.4
Western Pennsylvania (27 banks)	" " "	234,105	226,343	+3.4
Total (70 banks)	" " "	841,632	791,997	+6.3
Commercial Failures — Number	Actual Number	244	199	+22.6
" " — Liabilities	Thous. of dollars	5,581	4,937	+13.0
Postal Receipts — 9 cities	" " "	2,884	2,732	+5.6
Sales — Life Insurance — Ohio and Pa.	" " "	76,192	83,249	—8.5
" — Dept. Stores — (55 firms)	" " "	20,269	20,338	—0.3
" — Wholesale Grocery — (50 firms)	" " "	6,444	6,923	—6.9
" — " Dry Goods— (19 ")	" " "	2,814	3,006	—6.4
" — " Hardware —(16 ")	" " "	1,759	1,904	—7.6
" — " Drugs — (16 ")	" " "	1,779	1,751	+1.6
Building Permits, Valuation — 28 cities	" " "	13,867	15,714	—11.8
Production — Pig Iron, U. S.	Thous. of Tons	3,316	3,372	—1.7
" — Steel Ingots, U. S.	" " "	4,153	4,199	—1.1
" — Automobiles, U. S.				
Passenger Cars	Actual Number	282,369	209,241	+34.9
Trucks	" "	31,507	26,984	+16.8
" — Bituminous Coal, 4th Dist.	Thous. of tons	20,725[2]	17,394[2]	+19.1
" — Cement; Ohio, W. Va., Wn. Pa.	" " barrels	523	808	—35.3
" — Petroleum, O., Pa., Ky.	" " "	1,758[2]	1,716[2]	+2.4
" — Shoes, 4th Dist.	" " pairs	[1]	[1]	+7.2[2]
" — Tires, U. S.	" " casings	3,627[2]	3,495[2]	+3.8
Bituminous Coal Shipments (from Lake Erie ports)	" " tons	......	......	
Iron Ore Receipts (at Lake Erie ports)	" " "	......	......	

[1]Figures confidential
[2]December, 1925

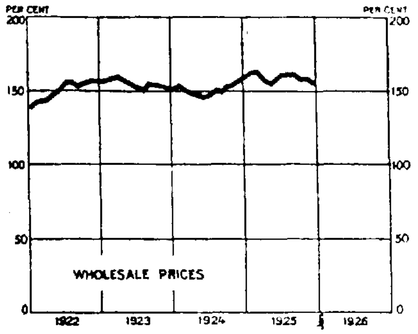
Summary of National Business Conditions

(By the Federal Reserve Board)

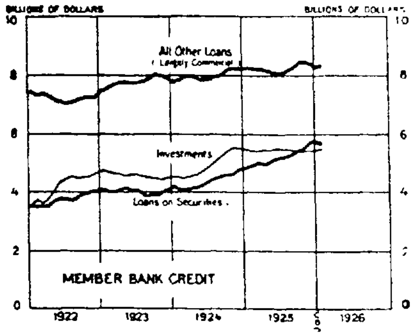
Industrial activity in January was in slightly smaller volume than in December, and the distribution of commodities showed a seasonal decline. The level of prices remained practically unchanged.



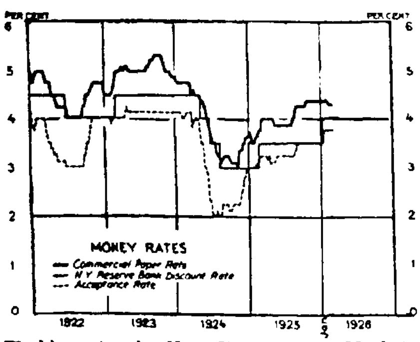
Index of 22 basic commodities adjusted for seasonal variations (1919—100). Latest figure—January, 120.



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



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first weekly report dates in February.



Weekly rates in New York Money Market: commercial paper rate on 4-to-6 months paper and acceptance rate on 90-day paper.

Production

The Federal Reserve Board's index of production in selected basic industries was about one per cent lower in January than in December. The output of iron and steel, copper, and zinc increased, while activity in the woolen and petroleum industries declined, and mill consumption of cotton, the cut of lumber, and bituminous coal production increased less than is usual at this season of the year. Automobile production, not included in the index, was slightly smaller than in December, but considerably larger than in January, 1925. Factory employment changed but little in January, but the earnings of workers decreased considerably owing to the closing of plants in most industries at the opening of the year for inventory-taking and repairs. The volume of building contracts awarded in January, although seasonally less than in December, exceeded that of any previous January on record. Contracts awarded were particularly large in the New York and Atlanta Districts.

Trade

Sales of department stores and mail order houses showed more than the usual seasonal decline in January but were larger than in January of last year. Wholesale trade declined considerably and was in smaller volume than a year ago. Stocks at department stores showed more than the usual increase in January and were about eleven per cent larger than at the end of January, 1925. Freight car loadings declined in January and the daily average for the month was approximately the same as a year earlier.

Prices

Wholesale prices, as measured by the index number of the Bureau of Labor Statistics, remained practically unchanged from December to January. By groups of commodities, prices of grains, coke, and paper and pulp increased, while dairy products, cotton goods, bituminous coal, and rubber declined. In the first three weeks of February there was a decline in the prices of grains, and following the settlement of the strike in the anthracite region, a drop in the prices of bituminous coal and coke. Price advances were shown for refined sugar, copper, and petroleum.

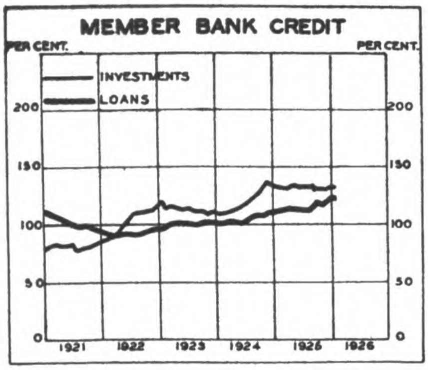
Bank Credit

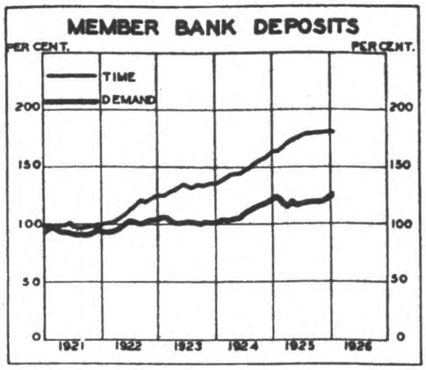
At member banks in leading cities the seasonal decline in the demand for credit, which began at the turn of the year came to an end toward the close of January, and in the early part of February the volume of loans and investments at these banks increased considerably. The increase was largely in loans for commercial purposes, which after declining almost continuously from their seasonal peak early in October, advanced by more than $50,000,000 in February. The growth in the commercial demand for credit throughout the country, together with some increase in currency requirements, was reflected in a withdrawal of funds from the New York market and was a factor in the increase in the demand for reserve bank credit after the end of January. Reserve banks' holdings of bills and securities increased by about $66,000,000 between January 27 and February 17.

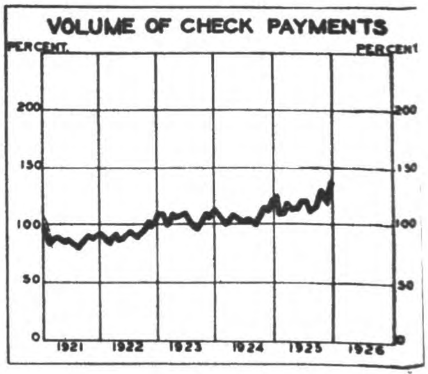
As the result of the withdrawal of funds from New York the rates on call loans became somewhat firmer in February, but commercial paper rates were slightly lower.

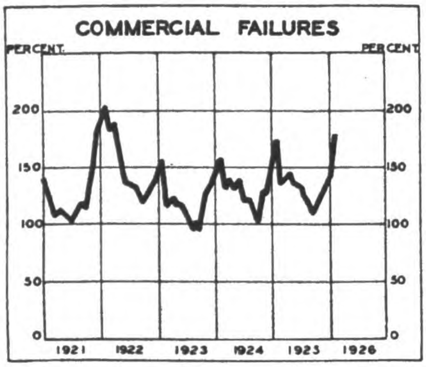
Index of National Business Conditions

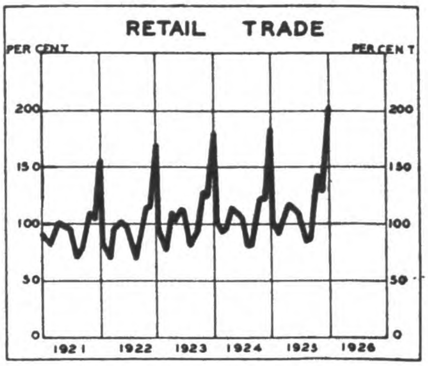
The base (100) for all the charts except the first is the monthly average for the 5 years 1919-1923 inclusive. For the first chart, the base is the monthly average for the three years 1921-1923.

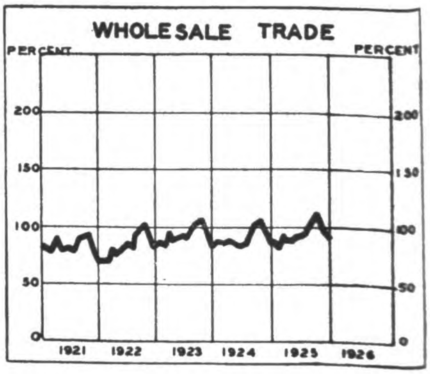


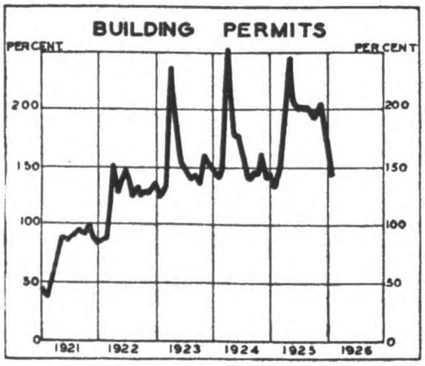


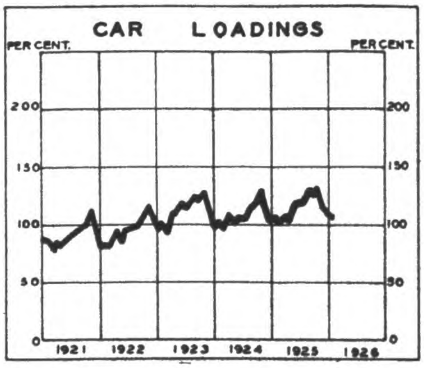


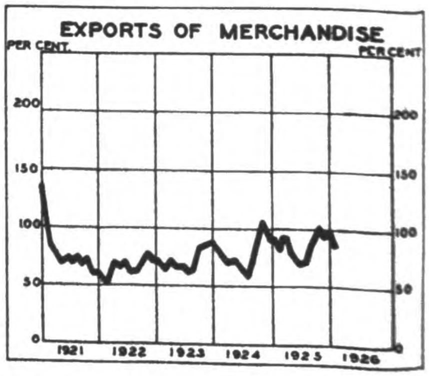


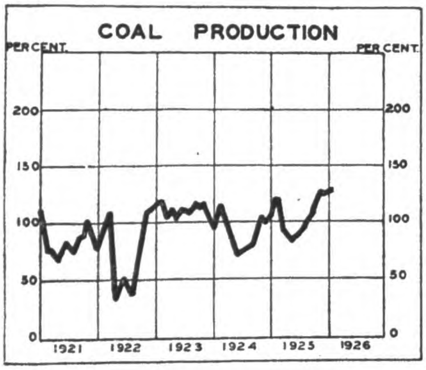


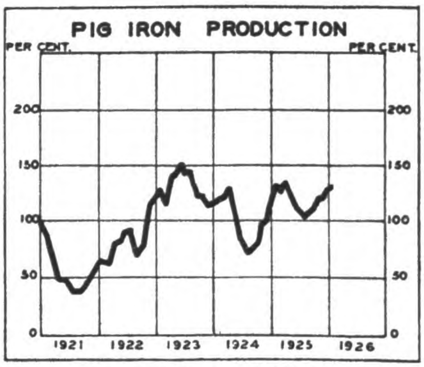


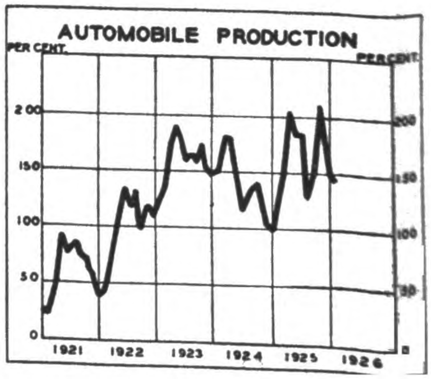












LATEST FIGURES

1. **Member Bank Credit: Loans, January—121. Investments, January—135.**
2. **Member Bank Deposits; Demand, January—121. Time—January—181.**
3. **Check Payments, except New York, December—137.**
4. **Commercial Failures, January—178.**
5. **Retail Trade, December—203.**
6. **Wholesale Trade, December—89.**
7. **Building Permits, January—141.**
8. **Car Loadings, January—110.**
9. **Exports of Merchandise, January—84.**
10. **Bituminous Coal Production, January—134.**
11. **Pig Iron Production, January—132.**
12. **Automobile Production, January—145.**