

MONTHLY BUSINESS REVIEW

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in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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As compared with the normal February, the past month may be termed satisfactory from the business viewpoint. The present situation, however, appears to be somewhat mixed. Operations in iron and steel in the first part of March have been at a high level of capacity, and various other lines, such as automobiles, continued at a high rate of activity in February and early March. On the other hand, there has been a steady, though slight, decrease in numerous wholesale prices since September, particularly in farm products. Such a decline suggests a narrowing of profit margins in some lines of manufacture and a loss in returns from farm crops. Building permits for the first time in many months declined in February from the preceding year, although in some quarters this is attributed to the weather. In the Fourth District, at least, some other industries, while enjoying a normal volume of business, are falling behind the exceptional activity of a year ago.

On the whole, conditions remain fundamentally sound, but a tendency toward a slowing-up has made its appearance. Whether this is due to the late winter or to other causes can probably be more accurately determined with the opening of spring.

Financial Conditions

Savings deposits of seventy-one selected banks in the larger cities of the Fourth Federal Reserve District amounted to \$882,723,143 on February 27, 1926, an increase of 6.5 per cent over a year ago and of 1.6 per cent over the preceding month.

Commercial failures in this District according to R. G. Dun and Company, numbered 188 in February, as compared with 244 in January and 120 in February, 1925. Liabilities aggregated \$3,966,625, as compared with \$2,057,013 a year ago. In the United States, there were 1,801 failures in February, 2,296 in January, and 1,793 in February, 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)		
	Mar. 10, 1926	Mar. 11, 1926	Feb. 10, 1926	Mar. 10, 1926	Mar. 11, 1926	Feb. 10, 1926
Gold reserves	\$292	\$262	\$307	\$2,799	\$2,875	\$2,795
Discounts	52	51	50	502	410	533
Acceptances	21	31	15	285	301	301
U. S. Securities	33	43	32	340	388	333
Total bills and securities	107	125	98	1,159	1,114	1,177
Federal Reserve notes in circulation	204	194	204	1,672	1,731	1,668
Total deposits	182	182	189	2,281	2,265	2,296

Reporting Member Banks— Fourth District (In Millions)

	Mar. 3, 1926	Mar. 4, 1925	Feb. 3, 1926	Mar. 3, 1926	Mar. 4, 1925	Feb. 3, 1926
Loans secured by stocks and bonds	\$530	\$433	\$503	\$5,435	\$4,794	\$5,523
All other	775	769	769	8,574	8,449	8,448
Total loans	1,305	1,192	1,272	14,009	13,243	13,976
Investments	623	646	625	5,503	5,336	5,478
Demand deposits	1,017	1,000	1,007	13,008	12,924	13,036
Time deposits	768	717	761	5,446	4,945	5,404

Iron and Steel

A new cycle of increased consumption apparently is being entered upon in the iron and steel industry. After having operated in January and February at a higher rate than the corresponding months in 1925, which was the year of greatest steel production in history, the industry now is finding itself obliged to spread out production further to meet the current demand. Inasmuch as the mills at present are tied to their customers in a remarkably close way due to efficient transportation, present demands constitute a peculiarly accurate gauge of current consumption. Current operations are around 90 per cent of rated steel capacity. Reflecting this speeded-up activity, the March output of the Gary works to date is ahead of March, 1925, when the previous high mark was created.

The present situation is in contrast with that which prevailed at this time in 1925. After heavy production in January and February, demand began to contract appreciably toward the end of March. It had shrunk 10 to 15 per cent within 30 days thereafter. Heavier demands at this time are attributable to a number of factors. The automobile industry is swinging into high production more quickly than a year ago. One large producer is on a materially lower basis of output but this appears to be exceptional and due to special marketing causes. Other large producers are scheduled for their heaviest March production in history. The railroads are buying steadily in good volume but without any spectacular elements.

Car orders placed during the first two months of the year totaled about 22,000 compared with about 7,000 for the corresponding period in 1925. Building activity has been better than expected with a large volume of new projects coming out. While the tonnage of structural steel for this purpose is below that of last year, the gap in recent weeks has been closing as spring has given a new impetus to the bringing of undertakings to

a definite stage. Oil, water, and gas activities are larger. Miscellaneous demand for steel is holding up well.

Steel production in February fell 1 per cent below January but reached the highest daily rate of any February in history. For the first two months of the year, steel ingot production was maintained at a rate 1.9 per cent ahead of 1925. February output was on the annual basis of 49,180,000 tons or 87.82 per cent of the theoretical maximum. It also represented 98 per cent of the highest mark for any single month in history.

In pig iron, according to the compilation of IRON TRADE REVIEW, February operations still reflected the interruptions or reductions growing out of the recent coal strike. On a daily basis, production dropped to 104,337 tons or 2.57 per cent under January. Furnaces in blast at the end of February were reduced by two to 223 or 58.5 per cent of the total number. Since then, however, a number of additional furnaces have gone into blast.

A stronger effort is being made by leading producers to stiffen up steel prices and there is evidence of some results in heavier products such as plates, shapes and bars. Sheets continue to show irregularity. Buyers of pig iron are maneuvering for advantage on their second quarter requirements and in spots some lower prices have resulted. The trend of the market is defined by IRON TRADE REVIEW composite of fourteen leading iron and steel products. In the third week of March this stood at \$38.89 compared with \$38.90 one month previously.

Coal and Coke The continued cold weather during the first half of March resulted in an increased demand by householders in this District for soft coal, particularly for low volatile grades. On the other hand, anthracite production is again on a normal scale, and it is reported that many of the markets which were using soft coal during the anthracite strike are now reverting largely to hard coal. Bituminous prices as a whole have been rather weak, reflecting the decreased demand by eastern markets. The Coal Age average was \$2.03 on March 15, as compared with \$2.10 on February 15 and \$2.19 on January 8.

Output of soft coal declined seasonally during February, following closely the 1924 and 1925 production curves. A report of the Bureau of Mines shows that stocks of soft coal in consumer's hands on February 1, amounted to 45,000,000 tons, a slight decline from January.

The coke market has recently been depressed. Tonnage in the Connellsville region has moved slowly since the settlement of the anthracite strike, and coke was quoted at \$3.25 a ton (furnace spot) on March 11, as compared with \$10.00 or more early in February.

Rubber and Tires Deliveries of tires to automobile manufacturers as original equipment continue to run ahead of last year. The situation with regard to tires for replacement, however, is not entirely satisfactory at the present time. Buying by the public has been at a minimum, owing to the decline in crude rub-

ber from 90 cents a pound three months ago to around 60 cents at present, and to the consequent desire on the part of purchasers to await possible price reductions (in addition to the 10 per cent reduction made in February). Manufacturers, however, are still stocked to a degree with tires in which the crude rubber cost ranged from 75 to 90 cents a pound. Consequently manufacturers' inventories are abnormally high. As to dealers' stocks, although the latest figures on these are as of January 1, the National Tire Dealers Association's report as of that date shows that dealers had about twice as many tires and tubes on hand as a year previous.

Another depressing factor has been the bad weather, which has kept down pleasure traveling on the part of the public. As a result of the slack demand, future orders are not up to normal. Tire makers, however, are awaiting the opening of spring with confidence. Business in such lines as hard rubber tires, rubber footwear, and mechanical goods has been excellent.

It is stated that the use of reclaimed rubber is increasing steadily, both in tire manufacturing and in other lines.

American imports of crude rubber amounted to 36,950 tons in February. Total imports in 1925 were 385,000 tons, as against 314,000 in 1924.

A recent majority report of the Interstate and Foreign Commerce Committee of the House of Representatives recommends action to create a rubber supply independent of foreign control, including encouragement of production in the Philippines.

Automobiles February automobile production was practically as great as in the previous record February of 1924, according to figures furnished by the Federal Reserve Bank of Chicago in cooperation with the National Automobile Chamber of Commerce. The output of passenger cars last month was 334,502, and of trucks was 39,763, or a combined total of 374,265. This compares with 374,409 in February, 1924, and with 286,012 in the same month of 1925.

As compared with January, February production increased 33 per cent. This is in marked contrast to the years 1923-1925, during which the second month's production declined from 8 to 11 per cent. From 1919 to 1922, however, February output showed a gain over January, ranging from 15 to 58 per cent.

Production for the first two months of 1926 was 616,871; 1925, 522,237; 1924, 697,488.

Truck manufacturers report a normal volume of orders, in excess of last year.

Paint Future orders are reported by paint manufacturers in the Cleveland territory to be in encouraging volume—in one or two cases at exceptionally high levels. Firms which receive most of their orders on an immediate shipment basis state that such orders are normal, and are either equal to, or somewhat in excess of last year.

There is some doubt as to the price situation. Linseed oil has shown a declining tendency for some time,

but up to the middle of March there appeared to be no general price reduction of products manufactured in part from linseed oil. White lead manufacturers report weakness in the pig lead market.

There has been a continued increase in lacquer sales, and it is stated that paint and varnish for finishing purposes is being supplemented to some extent by pyroxylin lacquer.

Clothing Spring business is satisfactory in most of the clothing lines in this District, although buying in the knit goods trade has been sluggish. Lower prices have helped in some cases to bring in a volume of business greater than a year ago. With regard to future orders for fall delivery, reports indicate that the situation is less favorable from the manufacturer's point of view, owing to the continued unwillingness of buyers to stock up. In one line it is stated that buying has recently become even more restricted than heretofore.

Sales of 18 wholesale dry goods houses in the Fourth District in February were 5.9 per cent below those of February, 1925. There was a gain of 17.7 per cent over January, which was slightly more than seasonal.

Shoes Boot and shoe factories in the Cincinnati territory experienced an active February. Business during the first two months of the year was ahead of last year, but some easing of orders in March is reported.

Wholesale shoe houses in February again exceeded last year's sales, though not to the same extent as in January. February sales were 4.9 per cent greater than for February, 1925, and for the first two months of 1926, sales were 8.2 per cent ahead of the same period in 1925. Collections have been slow.

Preliminary figures on retail shoe sales in department stores indicate a gain in February of 0.2 per cent over a year ago.

Final production figures for January show a gain in the Fourth District of 6 per cent over December, but a loss of about 5 per cent from January, 1925. United States production in January was 23,845,038 pairs, as against 24,403,589 in December. Preliminary reports for February indicate a gain of 3.4 per cent as compared with January.

General Manufacturing No great changes in the various manufacturing industries of the District have taken place since last month. Reports indicate that business in some trades has not as yet developed as expected, whether due to the unusually severe weather of early March or to a general slackening. In other lines, orders are running ahead of last year and prospects are favorable. On the whole, it appears that business is about normal, considering the late winter, but that it is hardly up to last year and is running below the more optimistic first-of-the-year predictions.

There is still complaint of the hand-to-mouth buying policy, which prevents manufacturers from accumulating a back-log of orders as was formerly the case.

Building For the first time in eleven months, the value of building permits in February failed to break all records for corresponding months in previous years. February permits for 164 cities reporting to Bradstreet's amounted to \$227,378,944, a loss of 8.5 per cent from a year ago. Declines occurred in all sections of the country except the Middle Atlantic and Southern. After ten successive record-breaking months, this decrease was not unexpected. Adverse weather has been a factor as well as the extraordinary building activity of the past year which has finally made up the war shortage in many localities.

In the Fourth District as in the country at large, building has been approximating a more normal volume. Combined figures for 27 cities in this District show a heavy loss from February, 1925, amounting to 46.2 per cent. Permits in all centers decreased except in Ashtabula and two Cleveland suburbs—Parma and Cleveland Heights. The decreases were particularly large in Columbus, Dayton, Erie, Lexington, Lima, Mansfield, Newark, Wheeling, and others. For the first two months of 1926, permits declined 32.4 per cent from a year ago.

Building Operations

	February, 1926 (Valuation of Permits)			
	February 1926	% change from 1925	Jan.-Feb. 1926	% change from 1925
Akron	\$ 960,854	- 9.8	\$1,424,028	\$2,137,772 -33.4
Ashtabula	39,255	+71.1	47,855	43,065 +11.1
Barberton	47,057	-37.7	65,229	103,847 -37.2
Canton	354,715	-48.8	553,435	1,197,912 -53.8
Cincinnati	1,142,140	-15.7	2,297,170	2,709,455 -15.2
Cleveland proper	2,904,125	-46.3	5,726,925	8,866,800 -35.4
" Suburbs:				
Cleveland Heights	745,250	+ 3.6	1,078,650	1,562,500 -31.0
East Cleveland	25,488	-90.5	154,871	669,218 -76.9
Euclid	94,000	-21.7	223,965	195,385 +14.6
Garfield Heights	115,800	-32.9	254,300	318,000 -20.0
Lakewood	167,475	-66.9	400,175	1,033,079 -61.3
Parma	39,700	+68.2	135,025	35,500 +280.4
Rocky River	17,050	-74.3	47,700	96,150 -50.4
Shaker Heights	401,340	-68.6	633,340	1,731,150 -63.4
Columbus	1,193,800	-34.7	2,197,700	3,639,900 -39.6
Covington, Ky.	117,700	-28.4	170,900	294,050 -41.9
Dayton	376,914	-60.7	747,724	1,313,732 -43.1
Erie, Pa.	135,690	-63.4	256,705	450,635 -43.0
Lexington, Ky.	87,870	-67.6	439,694	334,490 +31.5
Lima	20,555	-89.0	481,940	251,651 +92.7
Mansfield	39,375	-70.8	104,775	941,325 -88.9
Newark	10,300	-76.4	15,300	67,150 -77.2
Pittsburgh, Pa.	2,135,871	-46.9	5,928,626	7,317,652 -19.0
Springfield	47,515	-23.5	106,205	119,945 -11.5
Toledo	732,060	-50.6	1,137,557	1,874,572 -39.3
Wheeling, W. Va.	65,313	-73.1	130,403	369,099 -64.7
Youngstown	302,055	-48.0	1,319,405	883,255 +49.4
Total	12,330,267	-46.2	26,082,602	38,557,289 -32.4

Building Materials Unseasonable weather during early March has hampered actual building operations. However, some improvement recently in orders is noted by lumber manufacturers, and the volume of new business in most cases compares favorably with a year ago.

A report of the Common Brick Manufacturers' Association states that the proportion of residential building to all types of construction has grown steadily during the past several years. The proportion in 1920 was 34 per cent; 1921, 52 per cent; 1922, 54 per cent; 1923, 59 per cent; 1924, 61 per cent; 1925, 62 per cent.

Production of No. 1 paving brick for 100 per cent of the industry amounted to about 26,000,000 in February, as compared with 30,000,000 a year ago. The pro-

duction curve has run behind the preceding year for several months. New orders, however, have run ahead of 1925 during both January and February.

Cement output in Ohio, Western Pennsylvania and West Virginia aggregated 739,000 in February, as compared with 593,000 a year ago. February shipments were 402,000 in 1926 and 404,000 in 1925, and stocks at the end of February were 2,792,000 in 1926 and 1,977,000 in 1925.

The Aberthaw index of industrial building costs remained unchanged in March at 195.

Agriculture A recent bulletin of the United States Department of Agriculture shows that there remains on the farms throughout the country, a considerably greater percentage of the corn crop than was the case a year ago. On March 1, there remained unsold 1,318,793,000 bushels, as compared with 759,471,000 bushels on March 1, 1925, and a five-year average, (March, 1921-1925) of 1,175,403,000 bushels.

Several factors have contributed to this situation,—the chief causes being the fairly large crop, the large percentage of unmarketable grain, the unsatisfactory prices, and the reduced number of hogs and cattle on the farms. The amount of oats on farms is also reported as about 15 per cent above the five-year average.

The holdings of wheat by the farmer are more than 50 per cent less than the five year average, due to a rather short crop and prices sufficiently high to attract the farmer to unload. The coming wheat crop is reported in quite satisfactory condition to date.

Tobacco Deliveries of the 1925 burley crop in Kentucky have been practically completed. Sales are well advanced and some of the independent auction floors have closed. According to the Commissioner of Agriculture, about 77 million pounds had been sold for growers through the loose leaf warehouses up to March 1st.

Independent sales in February brought an average of \$16.55 per 100 pounds, as compared with \$20.55 a year ago. Prices have weakened somewhat since January, when sales averaged around \$19.00. The decline from a year ago is reported to be caused partly by the difference in quality between this year's crop and that of last year.

The Burley Tobacco Growers' Association increased its membership by 244 during February.

Retail Trade Department store sales in this District for the first two months of 1926 were practically the same as last year. February showed a small decrease of 0.1 per cent, but the two months combined, showed a still smaller gain of 0.03 per cent. The largest gains for the two months occurred in Cincinnati (6.7), and Akron (3.4).

Twenty-four out of fifty-two separate departments showed increases over February, 1925. In general, house-

hold articles gained, while yard goods and ready-to-wear departments decreased. Percentage changes in departments doing the greatest business in January were as follows:

	% change—Feb. 1926 compared with Feb. 1925
Silks and Velvets	— 1.8
Domestics	— 1.5
Toilet Articles, Drugs	+ 1.5
Men's Clothing	— 9.1
Men's Furnishings	+ 4.6
Women's Coats	— 6.5
Women's Dresses	+ 6.8
Misses' Ready-to-Wear	+ 1.1
Millinery	—17.8
Women's & Children's Hosiery	+ 3.7
Shoes	— 2.4
Furniture	+ 4.4
Draperies	+ 1.2
Floor Coverings	— 0.7
House-Furnishings	— 6.2

Wholesale Trade Wholesale lines in this District as measured by sales, are still in a state of depression. This bank's index number of sales of five wholesale trades combined stood at 77 in February, the lowest for any February of the past six years except in 1922. Wholesale drugs have compared favorably with previous years for several months past, and wholesale shoe sales are beginning to improve; but sales in dry goods, hardware, and groceries have failed to hold their own during 1926 to date.

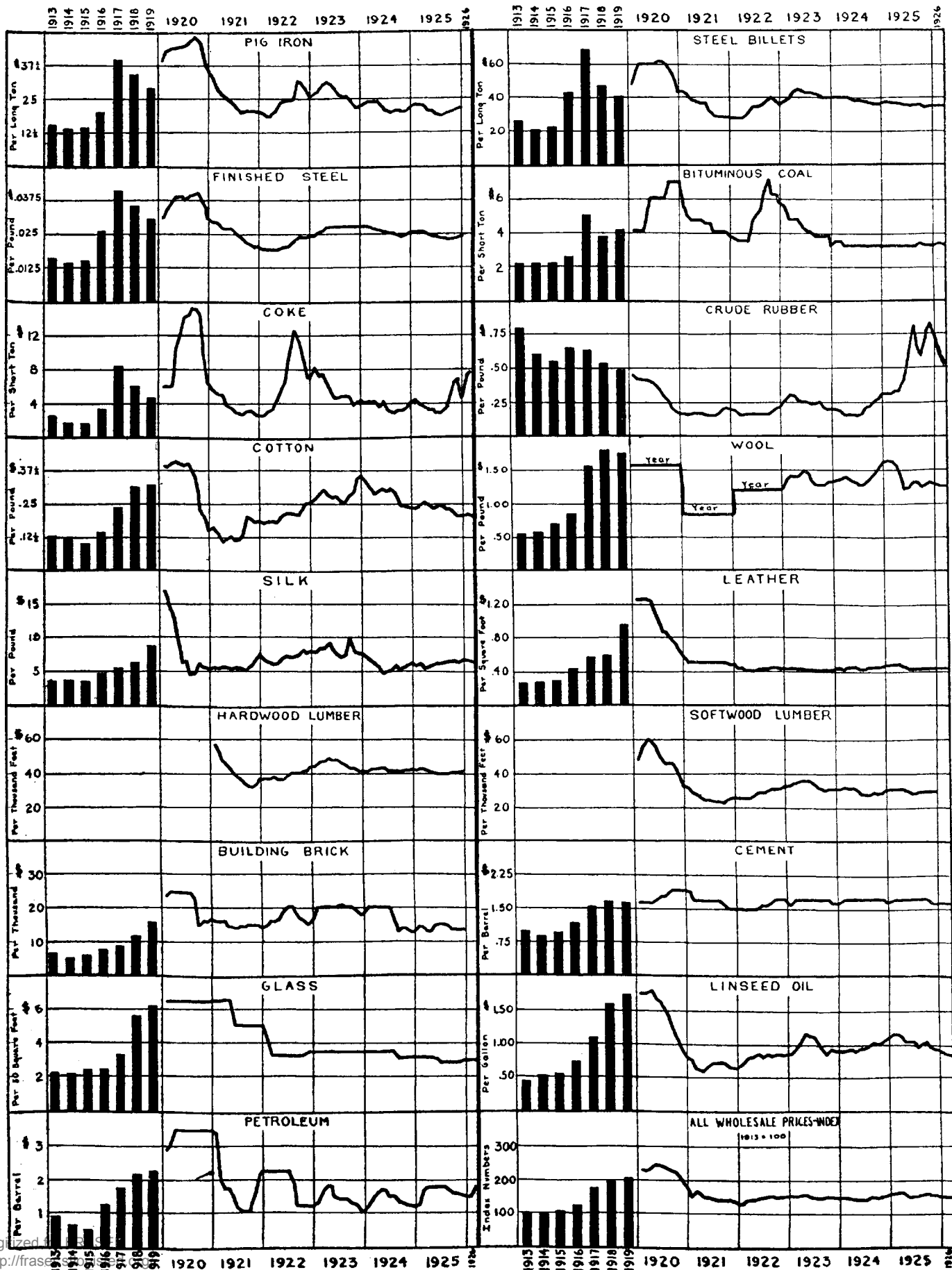
Percentage changes in February from a year ago were as follows: groceries, 2 per cent less; dry goods, 5.9 per cent less; hardware, 6.3 per cent less; drugs, 2.2 per cent greater; shoes, 4.9 per cent greater.

Wholesale Prices On the following page appears a chart showing wholesale prices of commodities of particular interest to manufacturers in the Fourth District. Prices are shown by years from 1913 to 1919, and by months from 1920 to 1926. The explanation of each is as follows: (All prices are those used by the U. S. Department of Labor unless otherwise indicated.)

Pig Iron. American Metal Market average.
 Steel Billets. Bessemer—average of weekly prices, Pittsburgh.
 Finished Steel. Iron Age Composite.
 Bituminous Coal. Run of mine, Kanawha, f. o. b. Cincinnati.
 Coke. Beehive furnace, Connellsville.
 Rubber. Para island, New York.
 Cotton. Middling upland, New York.
 Wool. Territory, scoured, fine and fine medium, staple, Boston.
 Silk. Japan, Kansai, No. 1, New York.
 Leather. Upper, chrome calf "B", Boston.
 Hardwood Lumber. "Lumber" weighted average.
 Softwood Lumber. "Lumber" weighted average.
 Building Brick. Common red, New York.
 Cement. Portland, at Chicago.
 Glass. Window, Single B, f. o. b. works.
 Linseed Oil. New York.
 Petroleum. Crude, Kansas-Oklahoma.
 All Wholesale. United States Department of Labor index.

Wholesale Prices of Selected Commodities, 1913-1926

(See preceding page for explanation)



Retail and Wholesale Trade

	No. of Reports	Percentage Increase or Decrease	
		SALES Feb. 1926, compared with Feb. 1925	SALES Jan.-Feb. 1926, compared with Jan.-Feb. 1925
DEPARTMENT STORES			
Akron.....	5	+ 6.2	+ 3.4
Canton.....	5	+ 3.9	- 0.4
Cincinnati.....	7	+ 3.4	+ 6.7
Cleveland.....	6	+ 3.1	+ 0.6
Columbus.....	6	- 0.2	+ 0.7
Dayton.....	4	+ 1.0	+ 1.4
New Castle.....	3	-16.2	- 7.6
Pittsburgh.....	7	- 4.9	- 2.5
Toledo.....	5	+ 4.0	- 1.6
Wheeling.....	5	+ 3.9	- 4.7
Youngstown.....	3	+ 1.6	+ 0.03
Other Cities.....	14	+ 7.4	+ 6.0
District.....	70	- 0.1	+ 0.03
WEARING APPAREL			
Cincinnati.....	6	+ 0.5	.....
Cleveland.....	3	+ 5.7	.....
Other Cities.....	10	- 2.1	.....
District.....	19	+ 1.2	.....
FURNITURE			
Canton.....	3	+21.1	.....
Cincinnati.....	11	- 7.4	.....
Cleveland.....	10	+12.6	.....
Columbus.....	17	+ 4.8	.....
Dayton.....	5	+30.2	.....
Toledo.....	6	+ 5.9	.....
Other Cities.....	11	+20.6	.....
District.....	63	+12.5	.....
CHAIN STORES*			
Drugs—District.....	3	+ 4.8	+ 2.8
Groceries—District.....	5	- 3.9	- 5.0
WHOLESALE GROCERIES			
Akron.....	3	- 9.9	-11.4
Cleveland.....	4	- 5.4	- 6.7
Erie.....	4	+ 1.9	+ 0.1
Pittsburgh.....	10	-11.2	-13.3
Toledo.....	3	+ 6.4	+ 3.0
Youngstown.....	3	- 4.4	- 8.2
Other Cities.....	27	+ 3.7	+ 1.1
District.....	54	- 2.0	- 4.2
WHOLESALE DRY GOODS..			
.....	18	- 5.9	- 6.9
WHOLESALE DRUGS..			
.....	16	+ 2.2	+ 1.9
WHOLESALE HARDWARE..			
.....	16	- 6.3	- 7.3
WHOLESALE SHOES.....			
.....	7	+ 4.9	+ 8.2

* Sales per individual unit operated.

Debits to Individual Accounts

	(In Thousands of Dollars)		1925 to date (Jan. 1- Mar. 18)	% incr. or decr. 1926 over 1925
	4 weeks ending Mar. 17, 1926	% change from 1925		
Akron.....	81,884	+19.5	234,979	+20.4
Butler, Pa.....	8,706	-11.4	27,693	+ 3.8
Canton.....	39,408	- 7.5	123,076	+ 2.0
Cincinnati.....	326,755	+ 5.6	1,015,988	+14.2
Cleveland.....	610,386	+ 8.3	1,872,826	+13.2
Columbus.....	129,954	+ 9.2	394,428	+14.3
Connellsville, Pa.....	4,439	+ 2.7	12,683	+ 8.1
Dayton.....	81,769	+18.0	227,220	+19.6
Erie, Pa.....	29,787	- 0.8	87,362	+ 6.6
Greensburg, Pa.....	21,792	+20.6	57,380	+ 5.8
Homestead, Pa.....	3,691	- 7.3	10,571	+ 0.8
Lexington, Ky.....	26,666	+ 7.4	77,319	+ 8.5
Lima.....	13,655	-23.3	39,817	- 5.3
Lorain.....	4,665	-16.0	13,809	-15.9
Oil City, Pa.....	11,699	- 8.9	34,263	-16.6
Pittsburgh, Pa.....	888,585	+ 7.9	2,498,425	+ 4.1
Springfield.....	21,301	+ 7.3	63,483	+ 4.6
Steubenville.....	9,564	- 5.5	27,569	+15.4
Toledo.....	192,826	+10.4	567,633	+ 2.9
Warren.....	12,173	+22.3	34,701	+15.8
Wheeling, W. Va.....	42,827	+ 9.3	134,370	+ 6.0
Youngstown.....	56,912	+ 2.1	171,009	+16.5
Zanesville.....	11,108	+ 2.2	32,211	+ 1.4
Total.....	2,630,552	+ 7.6	7,758,865	+ 9.7

Index Numbers of Trade in the Fourth Federal Reserve District

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

	Feb. 1922	Feb. 1923	Feb. 1924	Feb. 1925	Feb. 1926
Department Stores (55)*.....	69	83	96	90	90
Wholesale Drugs (15)*.....	93	109	107	102	104
Wholesale Dry Goods (17)*.....	74	95	94	78	74
Wholesale Groceries (49)*.....	67	75	83	73	72
Wholesale Hardware (15)*.....	67	97	99	101	92
Wholesale Shoes (6)*.....	54	66	60	54	58
Wholesale—All (102)*.....	71	87	90	80	77
Chain Drugs (3)*.....	92	96	96	89	98

* Number of firms.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	February, 1926	February, 1925	% change	Jan.-Feb. 1926	Jan.-Feb. 1925	% change
Bank Debits (23 cities)	Millions of dollars	2,598	2,458	5,900	5,493	+ 7.4
Savings Deposits (end of month)	Thous. of dollars	645,572	599,310	640,113 ¹	594,655 ¹	+ 7.6
Ohio (28 banks)	" " "	237,151	229,364	235,628 ¹	229,364 ¹	+ 2.7
Western Pennsylvania (27 banks)	" " "	882,723	828,674	875,740 ¹	822,509 ¹	+ 6.5
Total (55 banks)	Actual Number	188	120	432	319	+35.4
Commercial Failures—Number	Thous. of dollars	3,967	2,057	9,548	6,994	+36.5
Liabilities	" " "	2,859	2,563	5,743	5,295	+ 8.5
Postal Receipts—9 cities	" " "	88,905	92,994	165,097	176,243	- 6.3
Sales—Life Insurance—Ohio and Pa.	" " "	19,759	19,847	40,028	40,185	- 0.4
Dept. Stores—(55 firms)	" " "	6,170	6,311	12,582	13,202	- 4.7
Wholesale Grocery—(49 firms)	" " "	3,253	3,459	6,017	6,465	- 6.9
Dry Goods—(18 ")	" " "	1,920	2,049	3,665	3,953	- 7.3
Hardware—(16 ")	" " "	1,664	1,627	3,443	3,379	+ 1.9
Drugs—(16 ")	" " "	12,339	22,946	46.2	26,082	-32.4
Building Permits, Valuation—13 cities	Thous. of Tons	2,923	3,214	6,239	38,557	-5.3
Production—Pig Iron, U. S.	" " "	3,795	3,756	7,948	7,955	- 0.09
Steel Ingots, U. S.	Actual Number	334,502	252,520	616,871	461,761	+33.6
Automobiles, U. S.	" " "	39,763	35,432	71,270	60,476	+17.8
Passenger Cars	" " "	20,499 ²	19,975 ²	20,499 ²	19,975 ²	+ 2.6
Trucks	" " "	739	593	1,262	1,401	- 9.9
Bituminous Coal, 4th Dist.	" " "	1,714 ²	1,739 ²	1,714 ²	1,739 ²	- 1.4 ²
Cement; Ohio, W. Va., Wn. Pa.	" " "	2	2	2	2	+ 5.0 ²
Petroleum, O., Pa., Ky. Pa.	" " "	3,698 ²	3,606 ²	3,698 ²	3,606 ²	+ 2.6 ²
Shoes, 4th Dist.	" " "	2	2	2	2	.....
Tires, U. S.	" " "	2	2	2	2	.....
Bituminous Coal Shipments (from Lake Erie ports)	" " "	2	2	2	2	.....
Iron Ore Receipts (at Lake Erie ports)	" " "	2	2	2	2	.....

¹2 months' average²Figures confidential³January

Summary of National Business Conditions

(By the Federal Reserve Board)

Production and trade continued in February at the high level of the preceding month, while the general average of prices declined and was lower in February than at any time since the latter part of 1924.

Production

The Federal Reserve Board's index of production in basic industries, which is adjusted for seasonal variations, indicated a continuation of productive activity during February in about the same volume as in the preceding two months. Mill consumption of cotton and the output of flour, anthracite, copper, and newsprint showed increases in February, when allowance is made for usual seasonal changes, and the output of iron and steel and lumber remained practically unchanged. Activity in the woolen industry and the production of cement declined. Automobile production was in considerably greater volume in February and was larger than a year ago, although smaller than in the corresponding month of 1924. Employment and earnings of factory workers increased, after the seasonal recession of January, and were in February at practically the same levels as during the latter part of 1925. The volume of building contracts awarded declined both in January and in February, but remained larger than in the corresponding months of last year.

Reports by farmers to the Department of Agriculture of intentions to plant in 1926 indicate that the acreage of spring wheat and tobacco will be slightly smaller, the acreage of corn will be about the same, and that of oats, barley, hay, and potatoes larger than that in 1925.

Trade

Wholesale trade in February was in about the same volume as a year ago. A smaller volume of sales was reported for groceries, dry goods, and hardware, while sales of meats, shoes and drugs were larger. Inventories of wholesale firms dealing in groceries, dry goods, shoes, and hardware were smaller at the end of February than a year ago. Trade at department stores and at mail order houses was larger than in February of last year and department store stocks were about 5 per cent greater than on the corresponding date of 1925.

Freight car loadings continued at about the same daily rate in February as in the preceding two months. Shipments of merchandise in less-than-carload-lots and of miscellaneous commodities were particularly large.

Prices

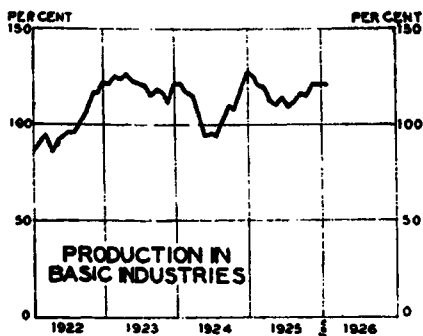
That general level of wholesale prices, as measured by the Bureau of Labor statistics index, after remaining unchanged for two months, declined in February to a point slightly below the low figure of 1925, reported for last May. The greater part of the decline since last autumn has been in prices of agricultural commodities. In February prices of all major groups of commodities except fuels, declined and particularly large reductions occurred in the prices of grains, cotton, wool, silk, and rubber. Price advances in February were shown for petroleum, coke, and paper. During the first three weeks of March prices of grains, cotton, wool and silk continued to decline and recessions were also reported in the prices of sugar and hardwood lumber.

Bank Credit

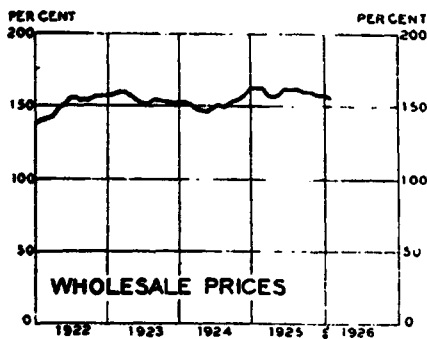
At member banks in leading cities demand for loans chiefly for commercial purposes showed an increase, partly seasonal in character, between the middle of February and the middle of March, and on March 10 the total volume of these loans was close to the high point reached last autumn. A further decline of loans on securities, which accompanied the sharp recession in security prices in March, carried the total to a point nearly \$430,000,000 below that reached at the end of the year.

Following a growth during February in the volume of Reserve Bank credit outstanding, there was a sharp decline early in March to about the same level as a year ago. Factors contributing to the decline have been continued imports of gold and some reduction in member bank reserve requirements as well as the temporary abundance of funds resulting from the excess of treasury disbursements over receipts around March 15.

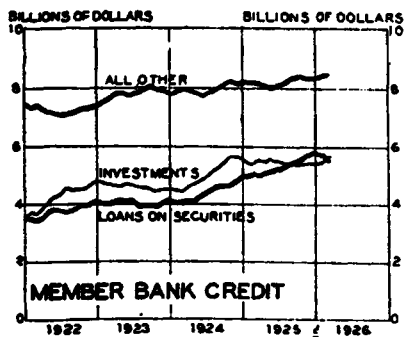
Open market rates on prime commercial paper, after a slight decline in February advanced in March to $4\frac{1}{4}$ - $4\frac{1}{2}$ per cent, the level which had prevailed since last October.



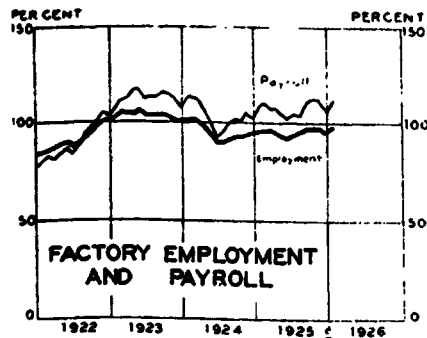
Index of 22 basic commodities adjusted for seasonal variations (1919=100). Latest figure—February, 129.



Index of U. S. Bureau of Labor Statistics (1918=100, base adopted by Bureau). Latest figure—February, 155.



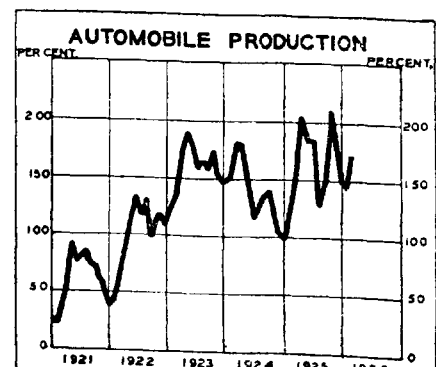
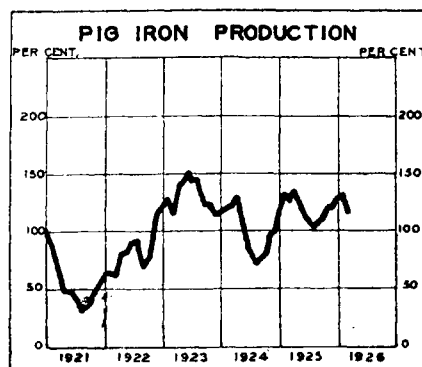
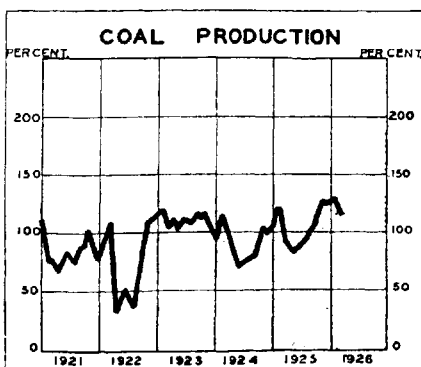
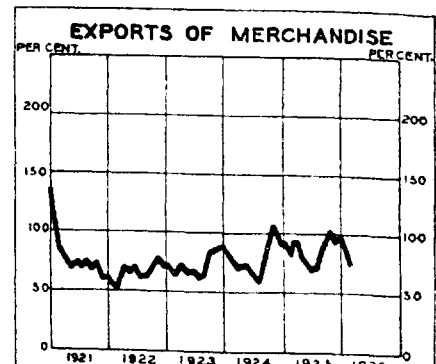
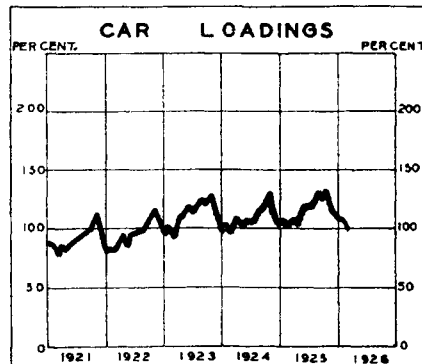
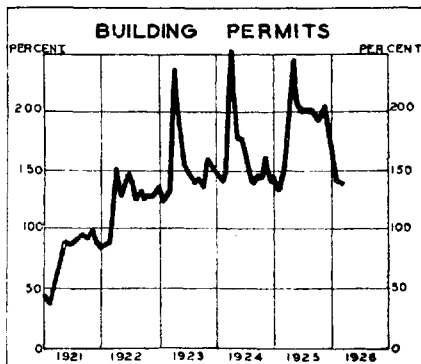
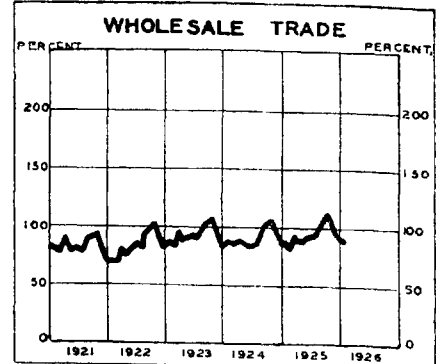
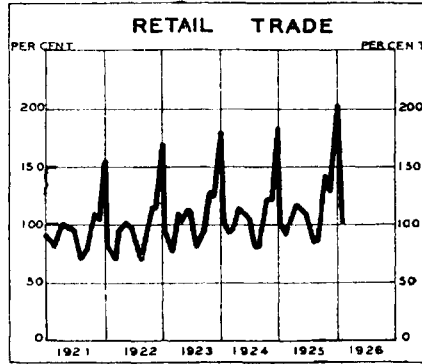
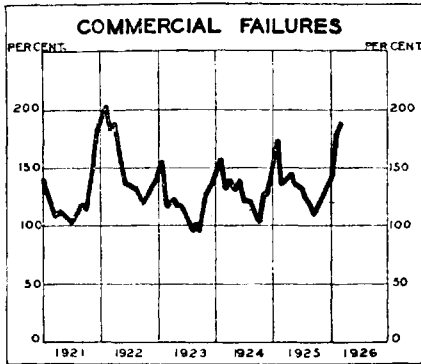
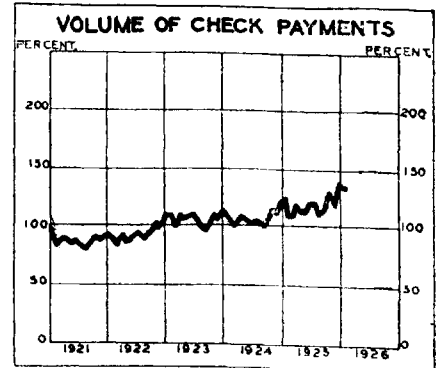
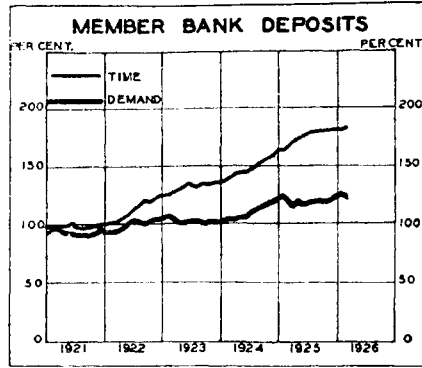
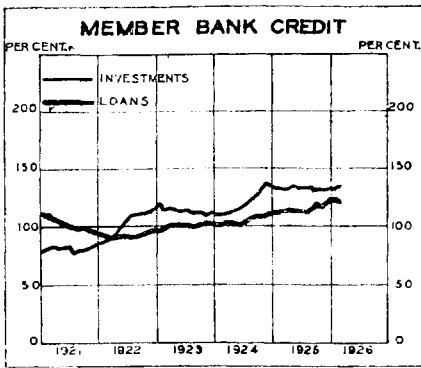
Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in March.



Federal Reserve Board's indexes of factory employment and payroll (1919=100). Latest figures (February) Employment—87; Payroll—111%.

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, February—121. Investments, February—135. 2. Member Bank Deposits; Demand, February—120. Time—February—183. 3. Check Payments, except New York, January—135. 4. Commercial Failures, February—140. 5. Retail Trade, January—102. | <ol style="list-style-type: none"> 6. Wholesale Trade, January—88. 7. Building Permits, February—139. 8. Car Loadings, February—100. 9. Exports of Merchandise, February—74. 10. Bituminous Coal Production, February—116. 11. Pig Iron Production, February—117. 12. Automobile Production, February—172. |
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