MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

Vol. 8 Cleveland, Ohio, May 1, 1926 No. 5

The month of March was marked by a further decline in the wholesale price level, and by indications of recessions in certain industries, which became more noticeable in April. In general, this slackening tendency has not been severe. A moderate slowing-down in the iron and steel trade has recently taken place, although operations are still at a high level, and in the Fourth District a number of manufacturing lines report a somewhat lower degree of activity. The unseasonable weather still persists throughout a large part of the country, and without doubt has had an effect upon the normal spring buying of the public.

With regard to the first three months of 1926 as a whole, quarterly earnings statements of industrial corporations in the United States compare very favorably with the corresponding period in 1925. Although it is still too early for the appearance of earnings statements of many large companies, a sufficient number of these statements have been published to furnish a good indicator of first quarter profits. Thus, net earnings (after all deductions) of 57 representative industrial corporations, including a considerable number of the larger concerns, amounted to $111,132,587 for the first three months of 1926, as compared with $78,376,832 for the same period in 1925. Of the 57 companies, earnings of 45 showed a gain over last year.

In the Fourth Federal Reserve District, first quarter earnings also ran ahead of 1925, although to a lesser extent than in the country at large. Of 42 large manufacturing concerns in this District who furnished the information to this bank, 21 reported that net earnings for the first quarter were greater than last year, 15 reported smaller earnings, while six stated that there was practically no change.

Financial Conditions

Savings deposits of seventy selected banks in the larger cities of the Fourth Federal Reserve District amounted to $871,203,919 on March 31, 1926, an increase of 6 per cent over a year ago and 0.6 per cent over the preceding month.

Commercial failures in this District according to R. G. Dun and Company, numbered 214 in March, as compared with 188 in February and 173 in March, 1925. Liabilities aggregated $3,738,723, as compared with $3,132,010 a year ago. In the United States, there were 1,984 failures in March, 1,801 in February, and 1,859 in March, 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)		
	Apr. 14, 1926	Apr. 15, 1925	Mar. 17, 1926	Apr. 14, 1926	Apr. 15, 1925	Mar. 17, 1926
Gold reserves	$279	$266	$290	$2,782	$2,844	$2,811
Discounts	64	51	48	577	395	481
Acceptances	21	29	21	274	274	257
U. S. Securities	36	40	25	377	358	353
Total bills and securities	122	121	95	1,242	1,039	1.102
Federal Reserve notes in circulation	202	197	199	1,681	1,698	1.659
Total deposits	185	183	177	2,347	2,208	2,265

	Reporting Member Banks—Fourth District (In Millions)					
	Apr. 7, 1926	Apr. 8, 1925	Mar. 10, 1926	Apr. 7, 1926	Apr. 8, 1925	Mar. 10, 1926
Loans secured by stocks and bonds	$589	$434	$528	$5,350	$4,725	$5,318
All other	795	775	779	8,612	8,412	8,602
Total loans	1.384	1,209	1,307	13,962	13,137	13,915
Investments	634	647	616	5,530	5.484	5,506
Demand deposits	1,006	984	1,008	12,761	12,635	12,894
Time deposits	787	723	768	5,515	5,055	5,455

Iron and Steel

Following the record-breaking first quarter just past, during which more tonnage was made and shipped than in any corresponding period in history, market conditions in the steel industry have become less active. Just what part the backward spring weather plays in this modification of new buying is not determinable, but it is clear it has had its influence, either major or minor. Furthermore, some slowing down in demand after the very high rate of production and shipments maintained during the past three months is not unexpected. It should be pointed out that this recession from peak demand has come practically a month later than in 1924 and 1925, when a large demand in the early months tapered off in March to a low point in midsummer, followed by a revival that extended the remainder of the year.

Fundamental conditions apparently have undergone no material alterations, but confidence seems to have become less firm. The automobile industry has been making some readjustment of operations which have largely represented shifts due to trade competition, since some builders have increased production schedules while others have reduced. Building activity is still large. Railroad buying while not spectacular is going along steadily. Miscellaneous demands are keeping large, but since buyers have been consistently placing new orders only as definite needs arose, it is evident that the flow of fresh business in certain lines is more irregular.

Recapitulation of the extraordinary volume of production and shipments during the first quarter accents the probability that some reaction at present is in natural and logical sequence. During the three months past, the steel works of the country produced ingots on an average of practically 90 per cent of theoretical capacity. On a gross tonnage basis, the first quarter this year was 2.4 per cent in excess of the corresponding period in 1925. March showed the apex of this period of high tire production with a gain on an average daily basis of 4.9 per cent over February and an annual indicated rate of 51,800,000 tons. The output in March—4,491,689 gross tons, or 166,359 tons by daily average—was the greatest for any single month in history, exceeding the previous high mark of March, 1924, by 2.8 per cent. Since April 1, production has come off several points from the high rate maintained in March.

Pig iron production in March rose to the highest point in 12 months, according to the statistics compiled by IRON TRADE REVIEW. This represented a gain of 6.7 per cent over February, calculated on an average daily basis. Total production in March was 3,458,171 tons or at the indicated annual rate of 40,700,000 tons. In February it was 2,923,850 tons or at the indicated annual rate of 38,100,000 tons. Furnaces in blast in the month of March showed a net gain of 12 to a total of 235. This represented 62.4 per cent of the total number of serviceable furnaces in the country.

The pig iron market has weakened in several localities and prices have receded from $1 to $1.50 a ton. This break of the market was precipitated by the action of some producers in setting out to build up their second quarter order books with offers of concessions. Buying has not been stimulated by the reduced prices; in fact, consumers appear to be holding off waiting to see if the decline has run its course. A continuation of heavy shipments is reported by producers.

IRON TRADE REVIEW composite of fourteen leading iron and steel products has fallen, reflecting primarily the drop in pig iron prices. At mid-April it stood at $38.53, compared with $38.85 one month previously and $39.26 at the beginning of the year.

Coal and Coke

The past month in the soft coal industry has been marked by weakness in prices and by a seasonal decrease in business, together with smaller output at the mines. Conditions in the union fields in this District, particularly in Ohio, are unfavorable. Numerous union mines have been forced to shut down, operators stating that they are unable to operate profitably under the Jacksonville wage agreement. The industry as a whole is still adversely affected by excess productive capacity.

Daily average production of bituminous coal declined seasonally in March. Output for the month was 46,137,000 tons, as compared with 37,626,000 in 1925, 41,288,000 in 1924, 48,446,000 in 1923, and a 10-year average (1917-26) of 43,461,200.

The Coal Age Average of bituminous prices has been falling slowly but steadily for the past two months, following the resumption of anthracite mining. On February 15, the average was $2,10; on March 12, it had fallen to $2.02, and on April 9 showed a further decline to $1.93. The latter quotation is slightly under that of a year ago, whereas previous weeks had been running ahead of last year.

Total world production of all types of coal in 1925, according to the Bureau of Mines, was 1,368,000,000 tons. This figure was slightly greater than in 1923 and 1924. The United States produced 530,775,000 tons, or 39 per cent of the total. Germany was second, with 272,519,000 tons, and the United Kingdom third, with 250,630,000. All other countries were far behind the three leaders, who among them produced three-quarters of the world's coal.

Output of by-product coke in March was 3,777,000 tons, as compared with 3,500,000 in February and a monthly average in 1925 of 3,332,000. Beehive production for March was 1,158,000 tons, as compared with 1,402,000 in February and a 1925 monthly average of 893,000.

Rubber and Tires

Weakness in the price of crude rubber has continued during past weeks, becoming more pronounced about the middle of April. Since the first of the year, the trend has been almost steadily downward. On January 1, the price stood at about 92 cents a pound; by February 1, it had fallen to 67; and on March 1, it was around 55. During March there was a slight recovery to 63 cents, but weakness again made its appearance in the latter part of the month and became more noticeable in April, as is evidenced by a decline from 60 cents on April 2 to 48 cents on the 20th. Among the reasons advanced for the fall in price are the growing use of reclaimed rubber, the longer life of some makes of tires, and a more equal relation between demand and supply.

The uncertainty of the price situation, as pointed out in last month's Review, has had a tendency to hold back tire purchases. Recent evidence indicates that manufacturers' stocks of tires are abnormally high, and the same appears to be true, with regard to inner tubes, of dealers. The preliminary semi-annual report of the Department of Commerce shows that on April 1, the average number of inner tubes per dealer in the United States was 118.1, as compared with 102.1 a year ago; casings, 63.0, against 62.2; solid and cushion tires, 24.1, against 20.1. The latest report of the Rubber Association of America shows that the excess of tire production over shipments was greater than usual during January and February, with the result that stocks on hand as of March 1, were considerably larger than usual at that time.

As a result of the unfavorable factors just discussed, first quarter sales and earnings of Akron tire manufacturers are reported on the whole to be less than in the corresponding period in 1925. The hard rubber lines have held up well, although recently a slackening has been noted. Rubber footwear sales during the winter season were heavy, and the demand for mechanical rubber goods has been steady.

Production of reclaimed rubber in 1925 was 130,000 tons, and the rate of output has increased materially in 1926. This is proving to be an important addition to our rubber supply. Announcement was recently made of the establishment in the near future of an agricultural experiment station in the Philippines for rubber culture there. It is stated that a large American tire and rubber goods manufacturing concern now owns over 7,000,000 rubber trees on its plantations in the Far East, of which 5,000,000 are producing.

Automobiles According to the Department of Commerce, combined output of passenger cars and trucks (United States and Canada) during March amounted to 449,677, as compared with 377,000 in 1925 and 393,000 in 1924. The rate of output has been high throughout the first quarter, total production for that period being ahead of both the two preceding years. The actual quarterly figures were as follows: 1926, 1,131,000; 1925, 905,000; 1924, 1,094,000.

American-owned plants in Canada have been affected by the recent lowering of the tariff on automobiles by the Canadian Government. Several temporary suspensions have been reported.

Truck manufacturers in the Fourth District report satisfactory sales during the past few weeks, and also state that the first quarter was very active as far as orders and deliveries were concerned.

Clothing No great changes of importance are reported by clothing manufacturers in Ohio from a month ago. The opening of the Fall season in men's clothing has recently taken place. Orders in men's wear are stated to be ahead of last year, owing to price concessions resulting from lower wool prices. As in other lines, complaint is made of the unseasonable weather, which has retarded retail buying and in turn has caused the wholesaler to restrict his purchases from manufacturers even more than heretofore.

The wholesale dry goods trade in this District is depressed. March sales of 18 reporting firms were 5.3 per cent less than last year, and were the lowest for any March during the past six years. This bank's index number of dry goods sales (1919-23=100) stood at 80 in March, as compared with an average of 94.4 for March, 1921, to March, 1925, inclusive. First quarter sales ran 6.3 per cent behind those of 1925.

Shoes Shoe manufacturers report that bad weather during early April has brought about some quieting down in the industry, reflected in a decline in new orders.

March proved to be a good month for wholesalers, sales running 5.9 per cent ahead of last year and 47.3 per cent ahead of February, the latter gain being seasonal. Sales for the first quarter were 7.2 per cent greater than a year ago.

Preliminary figures for March indicate a substantial gain of 12.8 per cent over March, 1925, in shoe sales by department stores in the Fourth District. The increase in women's and children's shoes was 13.5 per cent, and was 7.6 per cent in men's and boys' shoes.

Preliminary production figures for shoe manufacturing plants in this District during March indicate a gain of 5.5 per cent over February. Final figures for February show a slight loss in production in this District from a year ago. United States output was 25,513,800 pairs in February, as against 23,873,660 in January.

Paint Adverse weather is held responsible for a rather quiet March in the paint and varnish industry. Building operations in the Fourth District are considerably behind the first quarter of last year, due in part to the late spring this year as contrasted with an early spring in 1925, and demand from this quarter has naturally been less than a year ago. Demand from the automobile industry has held up well throughout the quarter. Earnings for the first three months in most cases compare somewhat unfavorably with those of the same period in 1925. Buying is still on a restricted basis.

General Manufacturing Business of most manufacturers in this District throughout the first quarter held up well. In a few instances a slackening has recently taken place, but that does not appear to be the general situation. There is, however, some indication of a narrowing of profit margins owing to lower prices, and a few concerns report smaller net profits along with larger gross earnings, as compared with the first quarter of 1925.

Spring orders in the agricultural implement industry have been somewhat delayed by cold weather, but otherwise business in this line has been steady. Demand for plate glass continues strong. The volume of shipments and orders is satisfactory in the paper trade, although an increase in raw material cost has tended to cut into profits. Various types of machinery are experiencing a normal volume of trade. Operations in boxboard factories are hardly up to last year. Electrical supply manufacturers for the most part state that conditions are satisfactory. Miscellaneous lines, including cork, watches, and ink, report good business with a high level of activity.

Building

Bradstreet's report on 185 cities shows a slight gain of 3.8 per cent in building permits in March over last year. The March total was $370,054,085. This failed to equal the record high of March, 1924 (420 millions) or the figure for March, 1923 (388 millions). For the first quarter of 1926, permits aggregated $839,540,404, as against $826,859,914 in 1925 and $921,436,441 in 1924. Last year the peak in building was not reached until April, and a high level was held throughout the summer and fall, while in 1924, peak operations occurred in March, followed by a marked decline. This year the gain over the first quarter of 1925 has been due largely to New York City and some of the southern cities; other sections of the country quite generally report decreases.

In the Fourth District, March permits in 27 cities amounted to $31,329,638, a gain of 9 per cent over March, 1925, when the figure was $28,734,176. This percentage increase, however, does not indicate the general trend, inasmuch as 18 centers reported decreases, and a single permit for the Cleveland union station gives that city a gain of 57 per cent over a year ago, when there would otherwise be a substantial decrease both in Cleveland and in the Fourth District.

For the first quarter of 1926, the District ran 14.7 per cent behind the corresponding period a year ago. Only seven cities registered gains.

Building Operations

March, 1926
(Valuation of Permits)

	March 1926	% change from 1925	Jan.-Mar. 1926	Jan.-Mar. 1925	% change from 1925
Akron	2,123,513	+66.4	3,547,541	3,414,189	+ 3.9
Ashtabula	77,035	+34.9	124,890	100,170	+24.7
Barberton	29,935	—56.8	95,163	173,062	—45.0
Canton	709,815	— 1.5	1,263,250	1,918,668	—34.2
Cincinnati	2,593,650	—14.2	4,890,820	5,730,895	—14.7
Cleveland proper	12,613,000	+57.0	18,339,925	16,899,150	+ 8.5
" suburbs:					
Cleve. Heights	843,875	—34.2	1,922,525	2,845,500	—32.4
East Cleveland	155,376	—74.6	310,247	1,281,101	—75.8
Euclid	125,900	—38.2	349,865	399,020	—12.3
Garfield Heights	205,400	—38.7	459,700	653,200	—29.6
Lakewood	650,500	—18.7	1,050,675	1,833,010	—42.7
Parma	137,615	+52.9	272,630	125,500	+117.2
Rocky River	41,050	—72.1	88,750	243,500	—63.6
Shaker Heights	578,790	—57.3	1,212,130	3,087,050	—60.7
Columbus	2,058,700	—17.2	4,256,400	6,124,800	—30.5
Covington, Ky.	134,300	—44.5	305,200	536,250	—43.1
Dayton	638,877	—31.4	1,386,601	2,245,027	—38.2
Erie, Pa.	571,505	—19.3	828,210	1,158,852	—28.5
Lexington, Ky.	162,900	+12.5	602,594	479,305	+25.7
Lima	20,620	—86.2	505,560	401,156	+26.0
Mansfield	320,440	+61.6	425,215	1,139,565	—62.7
Newark	54,475	—46.0	69,775	168,100	—58.5
Pittsburgh, Pa.	4,086,772	+45.1	10,015,398	10 134,559	— 1.2
Springfield	234,580	+36.0	340,785	292,385	+16.6
Toledo	1,420,097	+20.1	2,557,654	3,056,863	—16.3
Wheeling, W. Va.	158,338	—75.6	288,741	1,016,868	—71.6
Youngstown	582,580	—38.7	1,901,985	1,833,720	+ 3.7
Total	31,329,638	+ 9.0	57,412,229	67,291,465	—14.7

Building Materials

The lumber industry has been unusually quiet in this District during the past few weeks. Most manufacturers report first quarter earnings under those of a year ago, and all state that a distinct recession began in the latter part of March, continuing into April. This has resulted in price weakness, particularly in hardwoods; keener competition; slow collections, with more renewals than usual; and a decrease in unfilled orders. Retail lumber yards are stated to be operating with curtailed stocks, and buying continues to be on a hand-to-mouth basis.

The slackening above noted is attributed by manufacturers mainly to the delayed spring. The general attitude is one of caution, awaiting the coming of better weather. It may be mentioned in this regard that in this District, at least, weather records show that both March and April have had temperatures well below normal.

In the common brick industry, conditions have changed but little recently. In paving brick, production has been ahead of shipments for several months. Production, shipments, and unfilled orders all gained in March.

Cement output in Ohio, western Pennsylvania and West Virginia totaled 586,000 barrels in March, 1926, as against 816,000 a year ago. Shipments were 675,000 and 776,000 barrels respectively, and stocks at the end of March were 2,703,000 in 1926 and 2,017,000 in 1925.

The Aberthaw index of industrial building costs rose from 195 on March 1 to 199 on April 1, owing to increases in labor rates recently granted in 43 centers in the country to various building trades.

Agriculture

In the strictly agricultural communities at this season of the year, immediate interest largely centers on the prospects for the fruit crop, and while the season is not yet sufficiently advanced to permit any accurate forecasts, weather conditions have been such as to produce a feeling of optimism among the fruit growers. In the northern portion of the Fourth District, the prospects are exceptionally good, due to a uniform winter and a backward spring, which has prevented premature budding of the trees.

The outlook for the apple crop is reported good in all parts of the District, and, except for a few counties in central Ohio, where considerable winter killing is reported, the prospects for peaches are considered more than fair.

Reports to the Department of Agriculture of intentions to plant indicate that the acreage of feed crops will be larger. Preparations for seeding are not so well under way as is usual at this time of year, owing to the late spring, and this factor should be taken into account in considering the probable acreage planted.

With regard to corn, "intention to plant" reports to the Agricultural Department indicate that in the entire United States there will be a decrease in corn acreage from that of last year of only about one-tenth of one per cent, while in oats and barley, and Irish potatoes, there will be an increased acreage of 4.6, 5.7, and 4.3 per cent respectively.

The supply of farm labor in the Fourth District is just about the same as a year ago, with a very slight decline in wages. For the country at large, the Department of Agriculture reports a slight increase in wages over last year, with the supply 98.0 per cent of the demand, as compared with 98.7 per cent last April.

Revised figures on the world wheat production, (exclusive of Russia) recently made public by the Department of Agriculture, shows an increase in production of 7.8 per cent over that of a year ago. The total production for this year in the 42 principal wheat growing countries is given as 3,306,456,000 bushels, as against 3,066,934,000 bushels for last year.

Tobacco As the selling season draws to an end, interest in the burley tobacco sections of Kentucky is shifting to the new crop. The only information with regard to this at the date of writing is the Department of Agriculture's report on farmers' "intentions to plant" as expressed on March 1. The report warns growers of the danger of heavy acreage in 1926, and states that in spite of the large stocks of burley now on hand, present intentions indicate an acreage of 368,600, as compared with plantings of 341,400 acres last year, or a gain of 8 per cent. The report further states that the above figures are not a forecast of actual acreage, but represent only farmers' intentions to plant.

Sales of burley through independent warehouses in March totaled 2,772,518 pounds at an average price of $12.37, according to the Commissioner of Agriculture. In March, 1925, sales totaled only 2,311,593 pounds, but the price was considerably greater, averaging $18.09 per hundred pounds. It is reported that the difference in price is partly accounted for by difference in quality.

The Burley Tobacco Growers' Association recently announced a second distribution of checks to growers on their 1924 crop, to take place about April 30. The Association has now been in operation five years, during which time it has received 875,000,000 pounds of tobacco, of which over 700,000,000 have been sold. Payments on the crops of 1921-22-23-24 have so far amounted to $121,970,070.

Retail Trade Sales of 70 department stores in March increased 1.8 per cent over the same month a year ago, and for the first quarter gained 0.7 per cent. Reports from individual cities differed widely. As compared with March, 1925, Cincinnati, Columbus, and Dayton made considerable gains, while Cleveland and Pittsburgh decreased slightly and Canton and New Castle showed declines of 7.7 and 11.9 per cent respectively.

Two factors entered largely into the retail situation in March. First, Easter came on April 12th last year and on the 4th this year; thus the bulk of the Easter trade occurred in March this year, but in April in 1925. Second, March of 1925 was an unusually mild month in this District, and thus received a larger share than usual of the normal spring trade, while the past March was very severe, and the usual spring selling was delayed. The effect of the first factor would naturally be to increase sales during March, 1926, as compared with last year, while the second factor had the opposite effect. Judging by the small percentage change in sales for the District as a whole, the two factors appear to have about counterbalanced each other. It is possible that the large increase in the more southern cities may be attributed to some extent to the milder weather normally found in this section, together with the Easter trade.

Thirty out of 52 separate departments increased in March over the preceding year. Neckwear and veilings, silverware, leather goods, boys' wear, and gloves, all gained over 20 per cent, while losses of more than 20 per cent occurred in woolen dress goods, women's suits, women's skirts, and waists and blouses. Percentage changes in departments doing the greatest business in March were as follows:

	% change—Mar. 1926 compared with Mar. 1925
Silks and Velvets	— 2.8
Men's Clothing	+ 6.3
Men's Furnishings	+13.1
Boys' Wear	+28.3
Women's Coats	—10.8
Women's Dresses	+18.7
Misses' Ready-to-Wear	— 2.2
Millinery	— 0.2
Women's and Children's Hosiery	+13.8
Shoes	+10.7
Furniture	+13.4
Draperies, Lamps, Shades	— 1.0
Floor Coverings	— 4.4

March sales of 60 retail furniture firms in this District decreased 4.8 per cent from last year; 18 wearing apparel firms decreased 2.7 per cent; 3 chain drug firms gained 4.2 per cent; five chain groceries declined 0.9 per cent.

Wholesale Trade This bank's index number of sales of all wholesale firms combined stood at 90 in March, as compared with 89 a year ago. March exceeded the same month in 1922 and 1925 and was equal to 1924, but was smaller than 1921 and 1923, and therefore made a better showing than February, which recorded the lowest index number of any February in the past six years. The improvement in March is accounted for by the fact that wholesale drug sales were the highest for six years, and that hardware sales compared favorably with preceding years. Shoe sales were well ahead of the two previous years, but were considerably under 1921, 1922, and 1923. Dry goods and groceries remain depressed, both reaching a low point in March.

As compared with March of last year, groceries increased 0.04 per cent, drugs 15.1 per cent, and shoes 5.9 per cent. Dry goods and hardware declined 5.3 and 0.6 per cent respectively. For the first quarter of 1926, drugs gained 6.5 per cent and shoes 7.2 per cent, while groceries decreased 2.7, dry goods 6.3, and hardware 4.8 per cent.

Retail and Wholesale Trade

	No. of Reports	Percentage Increase or Decrease SALES Mar. 1926, compared with Mar. 1925.	SALES Jan.-Mar. 1926, compared with Jan.-Mar. 1925.
DEPARTMENT STORES			
Akron	5	+ 4.2	+ 3.7
Canton	5	— 7.7	— 3.1
Cincinnati	7	+14.2	+ 9.5
Cleveland	6	— 2.1	— 0.4
Columbus	7	+10.8	+ 4.5
Dayton	3	+10.9	+ 5.2
New Castle	3	—11.9	— 9.3
Pittsburgh	7	— 0.1	— 1.7
Toledo	5	+ 2.1	— 0.3
Wheeling	5	— 0.3	— 3.0
Youngstown	3	— 5.0	— 2.0
Other Cities	14	+ 2.0	+ 4.5
District	70	+ 1.8	+ 0.7
WEARING APPAREL			
Cincinnati	6	— 2.8	— 2.0
Cleveland	3	+ 1.0	+ 5.9
Other Cities	9	— 5.5	— 0.5
District	18	— 2.7	+ 1.0
FURNITURE			
Canton	3	—22.8	......
Cincinnati	10	— 4.2	......
Cleveland	10	— 7.2	......
Columbus	15	+ 0.6	......
Dayton	5	—12.9	......
Toledo	6	+ 6.0	......
Other Cities	11	— 6.2	......
District	60	— 4.8	......
CHAIN STORES*			
Drugs—District	3	+ 7.1	+ 4.2
Groceries—District	5	+ 7.2	— 0.9
WHOLESALE GROCERIES			
Akron	3	—11.4	—11.4
Cleveland	4	— 1.4	— 4.9
Erie	4	— 2.7	— 0.9
Pittsburgh	10	—10.6	—12.4
Toledo	3	+ 6.7	+ 4.3
Youngstown	3	— 7.0	— 7.8
Other Cities	27	+ 6.5	+ 3.0
District	54	+ 0.04	— 2.7
WHOLESALE DRY GOODS	18	— 5.3	— 6.3
WHOLESALE DRUGS	16	+15.1	+ 6.5
WHOLESALE HARDWARE	16	— 0.6	— 4.8
WHOLESALE SHOES	7	+ 5.9	+ 7.2

*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)

	Mar. 1922	Mar. 1923	Mar. 1924	Mar. 1925	Mar. 1926
Department Stores (54)*	86	117	103	106	107
Wholesale Drugs (15)*	104	120	115	112	129
Wholesale Dry Goods (17)*	85	109	86	84	80
Wholesale Groceries (49)*	81	85	84	80	80
Wholesale Hardware (15)*	88	123	106	113	113
Wholesale Shoes (6)*	90	118	74	77	86
Wholesale—All (102)*	86	101	90	89	90
Chain Drugs (3)*	97	108	103	100	107

*Number of firms.

Debits to Individual Accounts

(In Thousands of Dollars)

	4 weeks ending Apr. 14, 1926	% change from 1925	1926 to date (Dec. 31-Apr. 14)	1925 to date (Jan. 1-Apr. 15)	% incr. or decr. 1926 over 1925
Akron	98,280	+22.5	333,259	275,415	+21.0
Butler, Pa.	11,512	+ 6.1	39,205	37,518	+ 4.5
Canton	51,150	+12.9	174,226	165,919	+ 5.0
Cincinnati	364,644	+ 3.8	1,380,632	1,240,631	+11.3
Cleveland	738,478	+11.3	2,611,304	2,317,821	+12.7
Columbus	155,778	+14.9	550,206	480,590	+14.5
Connellsville, Pa.	4,560	+ 6.9	17,243	15,997	+ 7.8
Dayton	78,596	+14.8	305,816	258,502	+18.3
Erie, Pa.	32,187	+ 7.2	119,549	111,968	+ 6.8
Greensburg, Pa.	17,721	+ 1.4	75,101	70,227	+ 6.9
Homestead, Pa.	3,901	— 7.1	14,472	14,690	— 1.5
Lexington, Ky.	19,626	+ 2.6	96,945	100,981	— 4.0
Lima	15,158	—20.3	54,975	66,376	—17.2
Lorain	6,396	—10.6	20,205	23,707	—14.8
Oil City, Pa.	10,953	—15.4	45,216	48,690	— 7.1
Pittsburgh, Pa.	832,408	— 7.2	3,330,833	3,286,242	+ 1.4
Springfield	22,179	+15.4	85,662	74,252	+15.4
Steubenville	10,798	+ 2.0	38,367	38,988	— 1.6
Toledo	195,663	+ 4.2	763,296	678,072	+12.6
Warren	13,457	— 0.1	48,158	46,189	+ 4.3
Wheeling, W. Va.	43,037	— 2.4	177,407	159,410	+11.3
Youngstown	66,468	— 2.9	237,477	241,857	— 1.8
Zanesville	12,418	+ 4.2	44,629	42,031	+ 6.2
Total	2,805,368	+ 3.1	10,564,183	9,796,073	+ 7.8

Fourth District Business Statistics

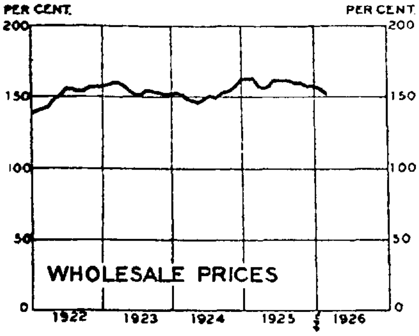
(All figures are for Fourth District unless otherwise specified)

		March 1926	March 1925	% change	Jan.-Mar. 1926	Jan.-Mar. 1925	% change
Bank Debits (23 cities)	Millions of dollars	2,969	2,772	+ 7.1	8,869	8,265	+ 7.3
Savings Deposits (end of month)							
Ohio (28 banks)	Thous. of dollars	636,922	596,691	+ 6.7	639,049[1]	595,334[1]	+ 7.3[1]
Western Pennsylvania (27 banks)	" " "	239,299	229,059	+ 4.5	236,518[1]	228,255[1]	+ 3.6[1]
Total (55 banks)	" " "	876,221	825,750	+ 6.1	875,901[1]	823,589[1]	+ 6.3[1]
Commercial Failures — Number	Actual Number	214	173	+23.7	646	492	+31.3
" " — Liabilities	Thous. of dollars	3,739	3,132	+19.4	13,287	10,126	+31.2
Postal Receipts — 9 cities	" " "	3,382	2,906	+16.4	9,125	8,201	+11.3
Sales — Life Insurance — Ohio and Pa.	" " "	110,036	97,722	+12.6	275,133	273,965	+ 0.4
" — Dept. Stores — (54 firms)	" " "	23,435	23,242	+ 0.8	63,269	63,233	+ 0.1
" — Wholesale Grocery — (49 firms)	" " "	6,915	6,934	— 0.3	19,497	20,136	— 3.2
" — " Dry Goods— (18 ")	" " "	3,521	3,719	— 5.3	9,538	10,184	— 6.3
" — " Hardware —(16 ")	" " "	2,270	2,284	— 0.6	5,935	6,237	— 4.8
" — " Drugs — (16 ")	" " "	2,069	1,797	+15.1	5,512	5,176	+ 6.5
Building Permits, Valuation —13 cities	" " "	31,330	28,734	+ 9.0	57,412	67,291	—14.7
Production — Pig Iron, U. S.	Thous. of Tons	3,442	3,571	— 3.6	9,681	10,157	— 4.7
" — Steel Ingots, U. S.	" " "	4,492	4,199	+ 7.0	12,440	12,154	+ 2.4
" — Automobiles, U. S.							
Passenger Cars	Actual Number	398,000	332,944	+19.5	1,015,000	794,705	+27.7
Trucks	" "	47,000	44,377	+ 5.9	118,000	104,853	+12.5
" — Bituminous Coal, 4th Dist.	Thous. of tons	20,422	15,847	+31.9	60,179	52,180	+15.3
" — Cement; Ohio, W. Va., Wn. Pa.	" " barrels	586	816	—28.2	1,848	2,217	—16.6
" — Petroleum, O., Pa., Ky.	" " "	1,675[2]	1,669[2]	+ 0.4	3,389[3]	3,408[3]	— 0.6[3]
" — Shoes 4th Dist.	" " pairs	[4]	[4]	— 3.3[3]	[4]	[4]	— 4.1[3]
" — Tires, U. S.	" " casings	3,708[2]	3,733[2]	— 0.7[3]	7,206[3]	7,339[3]	— 1.8[3]
Bituminous Coal Shipments (from Lake Erie ports)	" " tons	....	....	....	....	....	....
Iron Ore Receipts (at Lake Erie ports)	" " "	....	....	....	....	....	....

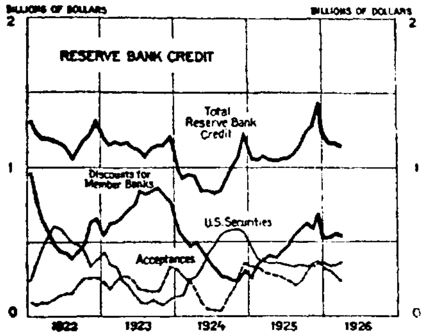
[1] 3 months' average
[2] February
[3] Jan.-Feb.
[4] Figures Confidential

Summary of National Business Conditions

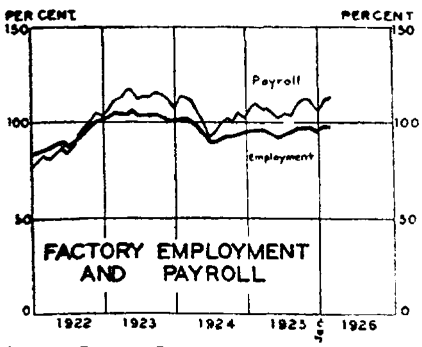
(By the Federal Reserve Board)



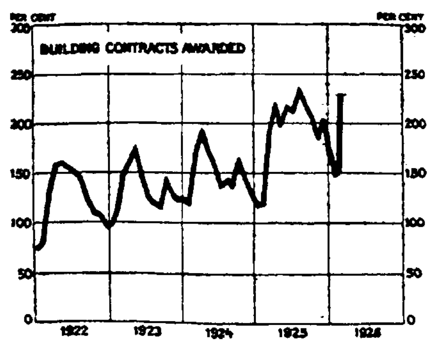
Index of U. S. Bureau of Labor Statistics (1913—100, base adopted by Bureau). Latest figure—March, 152.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages for first 22 days in April.



Federal Reserve Board's indexes of factory employment and payrolls (1919—100). Latest figures (March) Employment—97; Payrolls—113.



Index of value of building contracts awarded as reported by F. W. Dodge Corporation (1919—100). Latest figure—March, 231.

Industrial output increased in March and the distribution of commodities continued in large volume owing to seasonal influences. The level of wholesale prices declined for the fourth consecutive month.

Production

The Federal Reserve Board's index of production in basic industries increased in March to the highest level for more than a year. Larger output was shown for steel ingots, pig iron, anthracite, copper, lumber, and newsprint, and there were also increases in the activity of textile mills. The output of automobiles increased further and was larger than in any previous month, with the exception of last October. Building contracts awarded also increased in March, as is usual at this season, and the total was near the high figure of last summer. Particularly large increases in building activity as compared with a year ago occurred in the New York, Atlanta, and Dallas Federal reserve districts. Contracts awarded continued larger during the first half of April than in the same period of last year. Condition of the winter wheat crop has improved since the turn of the year and on April 1 was estimated by the Department of Agriculture to be 84 per cent of normal, compared with 68.7 per cent last year and an average of 79.2 per cent for the same date in the past ten years.

Trade

Wholesale trade showed a seasonal increase in March and the volume of sales was larger than a year ago in all leading lines except dry goods and hardware. Sales of department stores and mail order houses increased less than is usual in March. Compared with March a year ago sales of department stores were 7 per cent and sales of mail order houses 9 per cent larger. Stocks of principal lines of merchandise carried by wholesale dealers, except groceries and shoes, were larger at the end of March than a month earlier but for most lines they were smaller than a year ago. Stocks at department stores showed slightly more than the usual increase in March and were about 3 per cent larger than last year. Freight car loadings during March continued at higher levels than in the corresponding period of previous years. Shipments of miscellaneous commodities and merchandise in less-than-carload lots were especially large. Loadings of coal, owing to the large production of anthracite, were also large, while shipments of coke decreased considerably from the high levels of preceding months.

Prices

Wholesale prices, according to the Bureau of Labor Statistics index, declined by more than 2 per cent in March to the lowest level since September, 1924. The decline was general for nearly all groups of commodities and the largest decreases were noted in grains, cotton, wool, silk, coke, and rubber. In the first two weeks of April prices of basic commodities were steadier than in March. Prices of grains, flour, and potatoes increased, while prices of cotton goods, wool, silk, bituminous coal, pig iron, and rubber declined.

Bank Credit

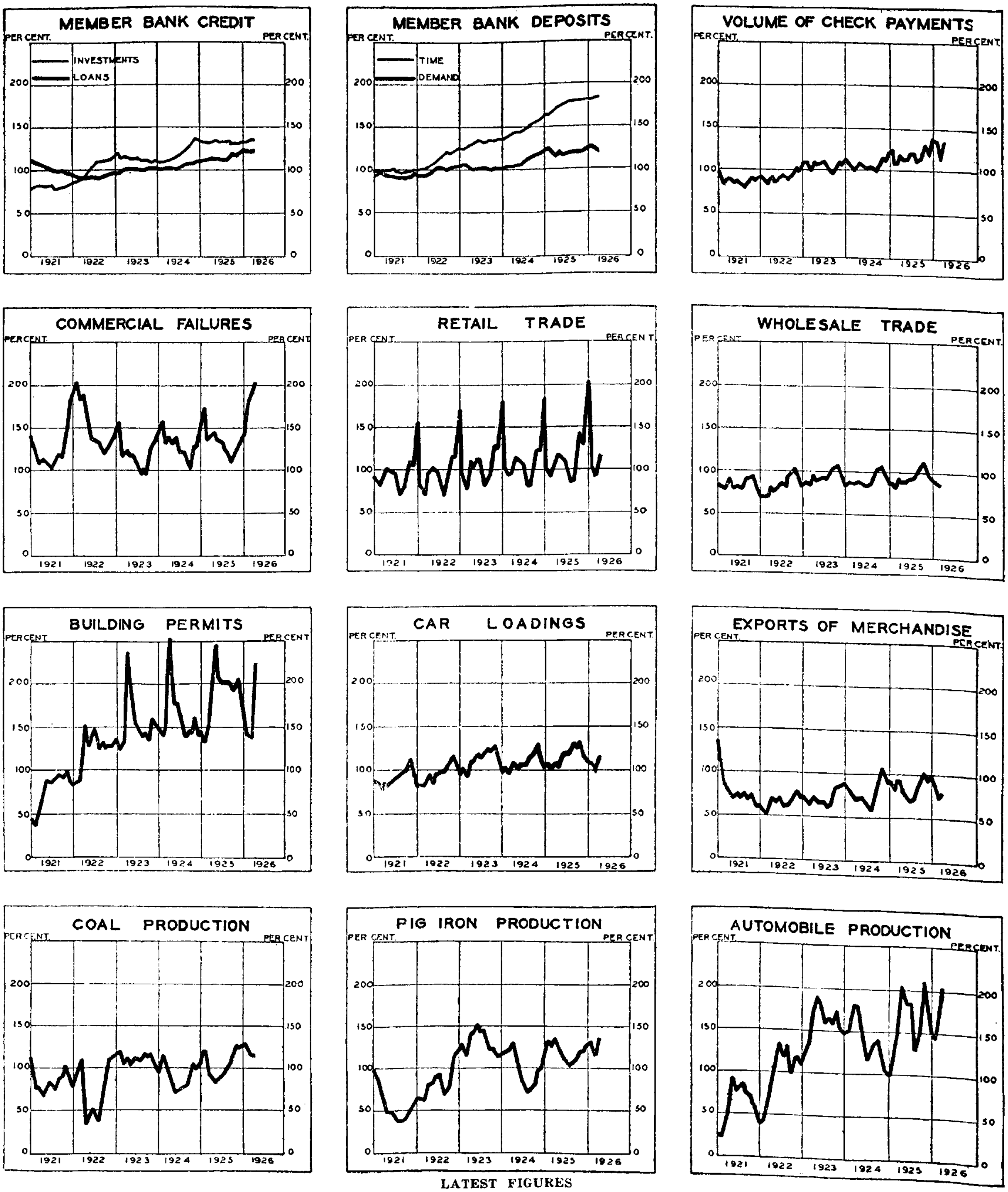
Commercial loans of member banks in leading cities were relatively constant between the middle of March and the middle of April at a level about $200,000,000 higher than at the end of January and approximately equal to the high point reached last autumn. Continued liquidation of loans to brokers and dealers was reflected in a further decline in the total of loans on securities, which on April 14 were more than $500,000,000 below the high point reached at the end of last year.

At the reserve banks an increase in the volume of member bank borrowing during the last two weeks of March was followed by a marked decline in the first three weeks of April, which brought the total near the lowest levels of the year. Holdings of U. S. securities increased continuously during the month, while acceptances declined seasonally. Total bills and securities were in smaller volume at the end of the period than at any time during the year and only slightly larger than a year ago.

Open market rates on commercial paper declined in April from 4¼-4½ per cent to 4-4¼ per cent and rates on acceptances and on security loans were also lower in April than in March. On April 23 the discount rate at the Federal Reserve Bank of New York was reduced from 4 to 3½ per cent.

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, March—122. Investments, March—135.
2. Member Bank Deposits: Demand, March—119. Time, March—184.
3. Check Payments, except New York, March—134.
4. Commercial Failures, March—154.
5. Retail Trade, March—116.
6. Wholesale Trade, February—85.
7. Building Permits, March—223.
8. Car Loadings, March—117.
9. Exports of Merchandise, March—79.
10. Bituminous Coal Production, March—115.
11. Pig Iron Production, March—137.
12. Automobile Production, March—206.