

# MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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Some hesitancy has appeared in the business world in the past few weeks, the present situation being somewhat difficult to analyze. Operations in many lines in April compared favorably with the preceding year; e. g., production of pig iron, steel ingots, and coal increased, and that of automobiles held its own; car loadings continued to run ahead of 1925, and bank clearings also gained. On the other hand, signs of curtailment in the iron and steel and automobile trades have recently developed, the extent of which cannot be determined as yet. Building permits in April fell below a year ago, and indications are that the peak of activity in this industry has been passed. Depression exists in the textile trades. On the whole, there appears to have been some slowing-up of industry, such as took place in the spring of 1924 and 1925.

Wholesale prices again declined during the past month, although slightly, the Labor Department's index standing at 151.1 in April, 151.5 in March, and 156.2 in April, 1925. The decline from last year has been particularly noticeable in clothing materials and farm products. Grains have fallen from 167.2 to 154.1, and livestock from 137.4 to 133.1.

Owing to the publication of additional earnings statements during the past month, a clearer picture of first quarter net earnings can now be obtained than was possible a month ago. Net earnings (after all deductions, but before dividends) of 134 representative industrial corporations in the United States were \$185,805,491 in the first quarter of 1926, as compared with \$143,002,155 in the same period in 1925, a gain of 29.9 per cent. Increases were reported by 92 corporations, and decreases by 42.

In the Fourth District, reports from a large number of manufacturers indicate that there has been a rather general slackening of activity recently. In a number of instances, however, it is pointed out that operations are still ahead of a year ago. The bad weather is blamed by some for the let-down but others attribute it to the general tendency which has appeared about this time in the past three years. Manufacturers are practically unanimous in reporting that customers are showing no inclination to buy more liberally, and in some cases they are restricting purchases even more than heretofore.

## Financial Conditions

Savings deposits of seventy selected banks in the larger cities of the Fourth Federal Reserve District amounted to \$883,839,106 on March 31, 1926, an increase of 6.8 per cent over a year ago and 1.5 per cent over the preceding month.

Commercial failures in this District according to R. G. Dun and Company, numbered 200 in April, as compared with 214 in March and 165 in April, 1925. Liabilities aggregated \$3,306,131, as compared with \$2,604,395 a year ago. In the United States, there were 1,957 failures in April, 1,984 in March, and 1,939 in April, 1925.

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	May 12, 1926	May 13, 1925	Apr. 14, 1926	May 12, 1926	May 13, 1925	Apr. 14, 1926
Gold reserves .....	\$272	\$292	\$279	\$2,804	\$2,854	\$2,782
Discounts .....	59	40	64	476	339	577
Acceptances .....	16	22	21	228	288	274
U. S. Securities .....	37	36	86	396	380	877
Total bills and securities	123	99	122	1,118	1,014	1,242
Federal Reserve notes in circulation .....	199	201	202	1,676	1,676	1,681
Total deposits .....	183	176	185	2,246	2,200	2,347

	Reporting Member Banks— Fourth District (In Millions)					
	May 12, 1926	May 13, 1925	Apr. 14, 1926	May 12, 1926	May 13, 1925	Apr. 14, 1926
Loans secured by stocks and bonds .....	\$538	\$454	\$581	\$5,295	\$4,828	\$5,256
All other .....	809	761	793	8,666	8,339	8,641
Total loans .....	1,347	1,215	1,324	13,961	13,167	13,897
Investments .....	659	626	685	5,670	5,594	5,500
Demand deposits .....	1,040	991	1,003	13,023	12,882	12,898
Time deposits .....	807	728	786	5,559	5,562	5,505

## Iron and Steel

Conditions in iron and steel are further reflecting a stepdown from the high rate of production and absorption during the first three months of the year. The decline in new business

in April after three months of unusually heavy demand has been followed by a moderately better showing in May. New tonnage for the industry as a whole since May 1 has been heavier than in the preceding month. The movement is not a uniform one, however, certain products making a better showing than others. Altogether, the flow of new business has not been sufficient to keep production to its expanded limits. Accumulated specifications have been coming off producers' books and with this has come a gradual contraction of operations.

Viewed in all aspects, the process of readjustment has

been mild. At present the steel industry is functioning at approximately 80 to 85 per cent of capacity. This compared with a high plane of 90 to 95 per cent reached in March. Steel output for April developed a loss of 4.5 per cent on a daily average against March, but left the industry producing at the indicated annual rate of 49,330,000 tons. This was equivalent to 88.09 per cent of theoretical capacity.

April pig iron production as compiled by IRON TRADE REVIEW actually disclosed a gain over March, this amounting to 3.05 per cent on a daily average. The rate of output was the highest since March, 1925. In total it was 3,448,898 tons compared with 3,458,171 tons in the one day longer month of March. Furnaces in blast at the end of April showed a gain of 2 over March, rising to 237 or 63 per cent of the numerical total of the country. Apparently pig iron production reached its peak for the present in April as since that time a number of furnaces have been blown out. May promises to show an appreciable reduction in the amount of pig iron turned out and this appears also to be true in steel. As the market has reacted, irregularities in demand from various quarters have been emphasized. Where the Chicago district apparently passed the low point of the reaction for the present several weeks ago and has been showing material gain since, conditions at Youngstown, Pittsburgh and certain other leading centers are sluggish. Fresh requirements of building steel are in favorable volume. Considerable tonnage is being provided by the railroads in the form of new buying of rails for last half delivery. Cars remain the weak spot in railroad demand with an exceedingly small number now being placed. However, the total of cars ordered during the first four months of the year was 35,335 compared with 15,995 for the corresponding period last year. Further buying of steel by the automobile industry has been checked down while the market is digesting the large volume of units turned out in the January-March period and the extent of future demand from this source is problematical.

As buying has been more hesitant, prices of iron and steel have yielded and concessions have appeared more freely. This is particularly true in sheets, steel bars, boiler tubes and certain other lines. Principal grades of pig iron again are 50 cents lower than a month ago. IRON TRADE REVIEW composite of fourteen leading iron and steel products, registering this softening of prices, as of May 19 had fallen to \$38.14, the lowest point since October. On the corresponding date in April it was \$38.47.

**Coal** Dullness continues to prevail in the union soft coal mining regions, amounting to depression in many sections of this District. A slight temporary firming of prices and increase in activity was noted during the British strike, but the industry on the whole is now less active than a month ago. Demand for domestic coal, which was unusually strong in April on account of the cold weather, has quieted down during the first part of May. Movement of

coal on the Great Lakes was delayed this year owing to the unseasonable weather, but the lake shipping season has finally gotten under way during the past few weeks.

Daily average bituminous production declined seasonally during April, but remained ahead of the two preceding years. The National Association of Purchasing Agents reports a steady decrease in industrial stocks on hand during the first quarter of 1926; on April 1, stocks were somewhat greater than on the same date in 1925, but were less than in 1924.

#### Rubber and Tires

The rubber and tire situation is still characterized by uncertainty. One adverse factor continues to be the excessive stocks in the hands of manufacturers, and, to a lesser extent, of dealers. Inventories of manufacturers showed the usual rise in March, in spite of the fact that they were abnormally high on March 1, and by April 1, amounted to approximately 9,000,000 casings, as compared with 7,100,000 a year previously. Although no report later than April 1 is available, indications are that a surplus of stocks still exists.

Manufacturers in this District report conditions below normal for the first four months of 1926. Buying of tires by the public in April and early May continued light, due to adverse weather and the expectation of further tire price cuts. It is stated, however, that there has been some seasonal increase in activity recently, and also that sales of tires as original equipment to automobile manufacturers have been above normal this year, owing to the high rate of automobile production.

Crude rubber prices on May 21 were about the same as a month ago, standing at 48 cents a pound. The British have recently taken action which will result in exports from British-owned rubber plantations being cut to 80 per cent of production on August 1, if the average price for the quarter beginning May 1 falls below 21 pence (42.53 cents).

Reports from the Philippines indicate a growing interest on the part of the natives in the possibilities of cultivating rubber and of tapping the wild trees already growing in the interior. The Michelin Company of France has acquired 120,000 acres in Cochin China, for rubber planting.

The United States Department of Commerce reports that the value of rubber goods exported in March was the highest for any month since 1920, amounting to \$5,696,418.

**Automobiles** Preliminary figures indicate that about 449,000 automobiles and trucks were produced in April, or slightly less than in March. Truck manufacturers in the Fourth District report a good first quarter, running well ahead of last year, but also state that April did not make such a favorable comparison. A similar condition obtains among automobile parts manufacturers; April brought somewhat decreased activity

after a heavy volume of business during the first quarter.

According to figures recently published by the National Automobile Chamber of Commerce, 81 per cent of the motor vehicles of the world are owned in the United States. Foreign sales of American-made cars in 1925 amounted to 12 per cent of total production, and exceeded such sales in 1924 by 39 per cent. The automobile industry employs 3,445,642 persons. Closed cars have gained rapidly in popularity in recent years, and in 1925 constituted 56 per cent of the total output.

**Clothing**

Several manufacturers of various lines of clothing in this District agree that the late spring has adversely affected the industry, from retailer to manufacturer, owing to the curtailment of

the usual spring buying on the part of the public. This is borne out by sales of women's wear, men's clothing, yard goods, etc., in department stores in this District, which showed substantial decreases from last year during the first four months of 1926. Many customers are buying even more conservatively than heretofore, and are slow in placing orders for fall delivery. Style changes have reacted unfavorably on certain articles such as sweaters. Stocks in dealers' hands are reported to be very low in some lines, suggesting the possibility of heavier buying for replenishment.

Depression continues in the wholesale dry goods trade in this District. Sales for April were less than for the same month in any of the five preceding years, being 15 per cent below the 1921-1925 average for April. As compared with last year, April sales decreased 9.7 per cent, and sales for the first quarter decreased 7.2 per cent. Stocks on hand at the end of April were 9.9 per cent less than a year previously.

**Shoes**

Some improvement has taken place in the shoe manufacturing industry with the coming of good weather. Cincinnati firms report operations about on a par with last year. The general situation from the manufacturers' standpoint appears to be reasonably satisfactory.

Wholesale shoe houses in this District reported a sharp decline in sales during April as compared with a year ago, amounting to 17.5 per cent. The first third of 1926, however, ran 1.5 per cent ahead of 1925.

Sales of shoes in department stores in April declined 2.1 per cent from last year. Women's and children's shoes decreased 0.2 per cent, and men's and boys', 8.9 per cent.

Preliminary production figures for shoe manufacturing plants in this District during April indicate a loss of 40 per cent from March. Final figures for March show a small increase over February. Production in the United States was 29,839,528 pairs in March and 25,697,729 in February.

**Paint**

A noticeable increase in activity within the past few weeks is reported by Fourth District paint and varnish manufacturers, most of whom attribute this gain almost entirely to seasonal fac-

tors. Customers are buying more frequently, although purchases are still for small amounts, with a tendency to cut down even further the individual purchase. Business in the automotive paint lines is reported as somewhat spotty.

**Building**

A downward trend in building permits took place in April, according to figures compiled by Bradstreet's. Valuation of permits for 170 cities amounted to \$363,074,504, a decrease of 10.4 per cent from April, 1925, as contrasted with a gain of 1.5 per cent for the first quarter. The April total was about 1 per cent less than that for March. This corresponds with the years 1922, 1923, and 1924, in each of which the peak was reached in March. The decline from last year was general throughout the country, with the exception of the Southern division. Of the 170 cities reporting, 110 showed a loss from April, 1925.

In the Fourth District, permits of 27 cities totaled \$23,697,310, a loss of 25.7 per cent from a year ago and of about 24 per cent from March. Only five cities reported gains over last year. For the first four months of 1926, permits were 18.4 per cent less than in 1925, four cities showing increases. A strike in the building trades hampered building operations in Cleveland during April.

**Building Operations**

	April 1926			
	(Valuation of Permits)		Jan.-Apr. 1926	% Change from 1925
	April 1926	% Change from 1925	Jan.-Apr. 1926	% Change from 1925
Akron.....	\$1,972,940	-1.4	\$5,520,481	\$5,415,546 +1.9
Ashtabula.....	93,352	-55.8	218,242	311,273 -29.9
Barberton.....	150,936	+36.5	246,119	269,504 -8.7
Canton.....	680,174	-13.7	1,943,424	2,706,783 -28.2
Cincinnati.....	2,497,920	-34.5	7,388,740	9,547,050 -22.6
Cleveland proper.....	3,546,325	-47.0	21,886,250	23,595,625 -7.2
"    suburbs:				
Cleve. Heights...	437,962	-63.2	2,360,487	4,036,500 -41.5
East Cleveland...	169,348	-62.6	479,595	1,734,462 -72.3
Euclid.....	189,750	-4.8	539,615	598,420 -9.8
Garfield Heights...	257,400	-32.5	717,100	1,034,750 -30.7
Lakewood.....	244,080	-74.1	1,294,755	2,774,490 -53.3
Parma.....	165,050	-38.7	437,690	541,840* -19.2
Rocky River.....	73,750	-29.7	162,500	348,340 -53.4
Shaker Heights...	341,050	-63.9	1,553,180	4,032,900 -61.5
Columbus.....	2,949,400	+10.8	7,205,800	8,787,700 -18.0
Covington, Ky.....	140,600	-16.8	445,800	705,150 -36.8
Dayton.....	1,369,691	-7.3	2,756,292	3,722,686 -26.0
Erie, Pa.....	643,530	-1.2	1,471,740	1,810,518 -18.7
Lexington, Ky.....	178,197	+109.4	780,791	564,410 +38.3
Lima.....	114,684	-39.0	620,244	589,026 +5.3
Mansfield.....	736,000	+54.2	1,161,215	1,616,630 -28.2
Newark.....	41,375	-64.1	111,150	283,280 -60.8
Pittsburgh, Pa.....	2,488,436	-49.1	12,503,834	15,019,598 -16.7
Springfield.....	134,893	-47.4	455,678	548,680 -13.3
Toledo.....	1,071,678	-17.4	3,629,332	4,355,014 -16.7
Wheeling, W. Va.....	374,532	-9.2	665,373	1,429,309 -53.6
Youngstown.....	2,634,237	+136.4	4,536,222	2,947,995 +53.9
Total.....	23,697,310	-25.7	81,009,549	99,327,479 -18.4
*Revised				

**Building Materials**

Some betterment in the lumber trade is reported by manufacturers in the Fourth District, but this is largely seasonal. Profit margins are still narrow, and the price situation remains somewhat unsatisfactory.

The common brick industry was hampered by unfavorable weather during the first quarter for both manufacture and consumption. The usual seasonal increase

in activity, however, has recently taken place, although later than ordinarily. Present operations in the larger centers are about normal.

Cement output in Ohio, Western Pennsylvania, and West Virginia amounted to 1,198,000 barrels in April, as compared with 1,275,000 a year ago. Stocks at factories in the United States were unusually high in March, but declined slightly in April.

The Aberthaw Index of industrial building costs remained unchanged at 199 on May 1.

#### Agriculture

The wheat crop in the Fourth District is reported as some three weeks later than usual, owing to the backward season, but the condition of the growing crop is generally satisfactory.

Seeding was rather late last fall, but the winter was not severe enough to damage the crop, and practically all of the acreage presents a good stand. Abandonment of wheat acreage in this District ranges from 3 to 5 per cent as compared with some 25 or 30 per cent last year.

Spring plowing and planting are from ten days to two weeks behind last year's program, but no marked change is noted in the acreage reported in the "intention to plant" reports of the Department of Agriculture, issued earlier in the year.

Stocks of hay and grain on the farms are only about half as great as a year ago, due to the backward condition of pastures. For the country at large, the U. S. Department of Agriculture reports a somewhat larger abandonment of wheat acreage than is shown in the Fourth District,—the estimate for the entire U. S. being 5.6 per cent.

The drouth of the late fall caused severe losses in some of the Northwestern states, but this condition is not general.

The Canadian Pacific Railway Company reports that the prairie provinces of Canada show a very slight decrease in acreage from last year,—less than half of one per cent,—with soil conditions favorable. This decrease is mainly in Saskatchewan, where weather conditions were such as to prevent fall plowing. Acreage in other provinces is practically unchanged from that of last year.

#### Tobacco

As the burley tobacco crop has not been set out yet to any extent, no accurate information on acreage is available at this time. Judged by the number of plant beds and by the Govern-

ment "intentions to plant" report, present indications, which of course are subject to change, point to a little larger acreage than last year in Kentucky. The selling season is over, the last important transaction being the payment on the 1924 crop made by the Burley Association to its members. This amounted to \$10,600,000.

Leaf tobacco held by manufacturers and dealers on April 1 was reported to be 578,298,027 pounds, as compared with 562,769,273 a year ago. Stocks have increased gradually for the past several years.

#### Retail Trade

Sales of seventy department stores in this District in April decreased 6.7 per cent from last year. All cities shared in the decline except Dayton, which gained 5.8 per cent. For the first four months of 1926, the District showed a loss of 1.5 per cent, the only cities to report increases being Cincinnati, Columbus, and Dayton.

Eighteen out of 52 separate departments increased in April over the preceding year. Departments showing a gain of more than 10 per cent were domestics, 13.0; leather goods, 16.4; umbrellas, parasols, and canes, 25.8; gloves, 16.0; women's and children's hosiery, 13.9; and furniture, 13.6. The losses from last year were scattered throughout all 52 departments, but were particularly noticeable in yard goods and men's and women's wear. Departments showing a loss of over 10 per cent were silks and velvets, woolen dress goods, cotton dress goods, laces, men's clothing, boys' wear, women's coats, suits, and skirts, misses' ready-to-wear, furs, juniors' and girls' ready-to-wear, waists and blouses, sweaters, corsets, muslin underwear, and toys and sport goods.

Percentage changes in departments doing the largest business in April were:

	% change—Apr. 1926, compared with Apr. 1925
Silks and Velvets	—16.5
Men's Clothing	—12.7
Men's Furnishings	— 3.4
Women's Coats	—14.1
Women's Dresses	— 0.7
Misses' Ready-to-Wear	—15.8
Millinery	— 7.2
Women's and Children's Hosiery	+13.9
Shoes	— 2.1
Furniture	+13.6
Draperies, Lamps, Shades	— 4.6
Floor Coverings	— 1.8
House Furnishings	— 8.0

#### Wholesale Trade

Sales of all reporting wholesale lines in this District except drugs increased during April from the same month in 1925. The greatest decline was in shoes, with a loss of 17.5 per cent. The decrease in dry goods was 9.7 per cent; hardware, 4.5 per cent; and groceries, 0.07 per cent. Drugs gained 11.7 per cent. For the first four months, drug sales gained 7.8 and shoes 1.5 per cent, the other lines showing decreases. Sales of all lines declined in April as compared with March.

#### Corporation Earnings

The chart below shows the net earnings (after all deductions but before dividends) of representative corporations in the leading industries of the United States, by years, from 1919 to 1925 inclusive. In all, 158 of the largest railroad, industrial, and public utility corporations in the country

having total resources of \$38,835,100,000, are represented on the chart.

A study of the graph gives a good idea of the ups and downs of business during the post-war period, since net earnings furnish an excellent indicator of business conditions. It will be noted that 1925 was the high point in earnings in eight of the twelve groups, while 1921 was at the other extreme, being the low point for nine groups. Five groups showed deficits in 1921, and one—the railroads—in 1920.

The public utility and tobacco companies were very little affected by the 1920-1921 depression and their earnings increased throughout the seven years with but little interruption. The motor and rubber groups experienced a very marked upswing in 1925, and the same was true, to a slightly less extent, of copper and oils. The equipment companies enjoyed their best year in

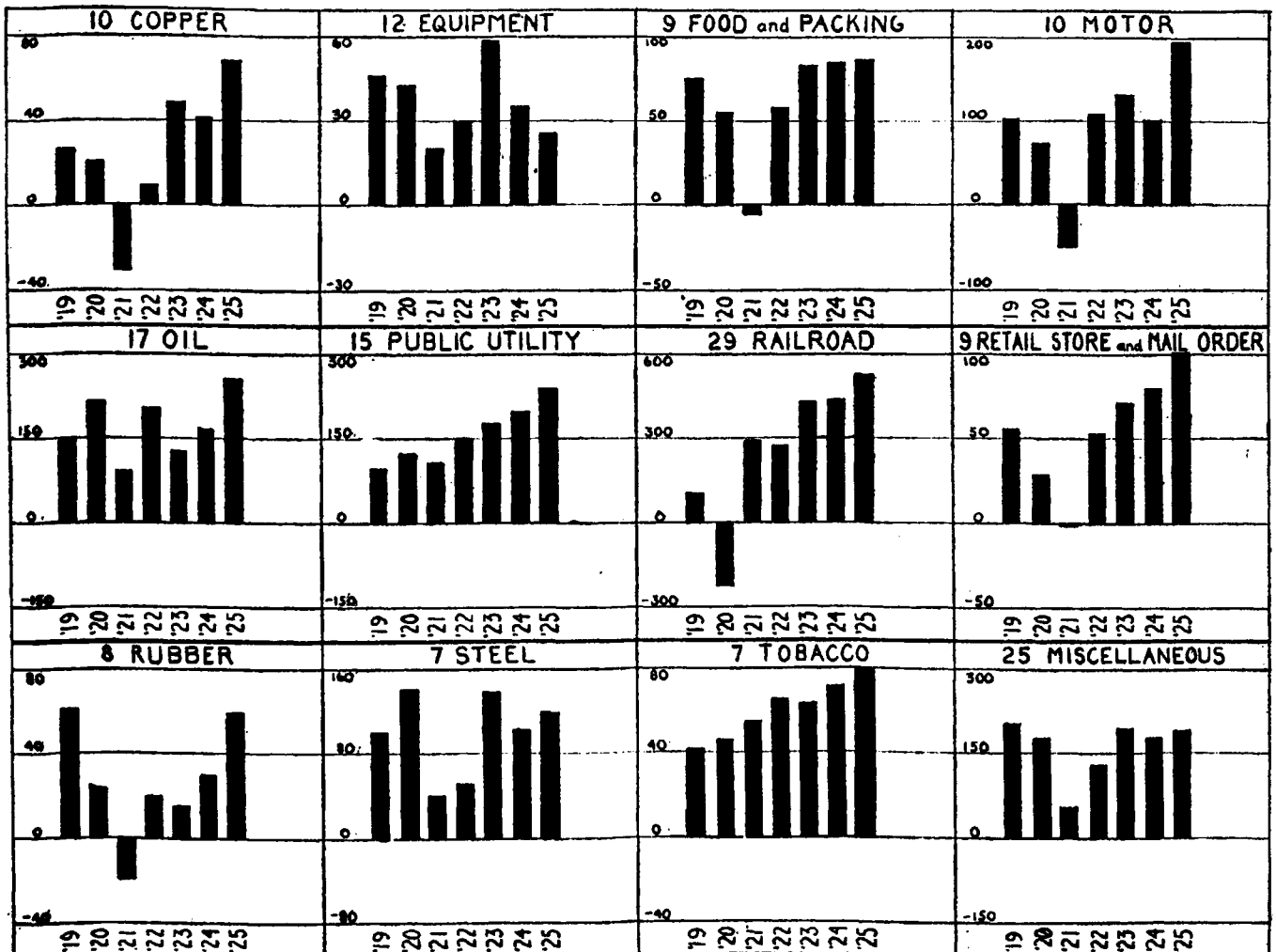
1923, as a result of the railroad come-back which started in 1921 and 1922. Retail stores recovered quickly from the 1921 slump, and their earnings have been steadily on the upgrade for the last four years. Steels have been somewhat erratic, declining from a high point in 1920 to their low in 1921, recovering almost to the high in 1923, and again declining somewhat in 1924.

Net earnings by years for the 158 companies combined were as follows:

1919	\$1,092,604,000
1920	728,599,000
1921	559,341,000
1922	1,151,128,000
1923	1,546,298,000
1924	1,524,810,000
1925	1,944,085,000

### Corporation Earnings

Yearly net earnings, (after all deductions but before dividends) 1919-1925, of 158 leading corporations in representative industries. The scale for each chart is in millions of dollars, and is both positive and negative to show net profits or deficits



## Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

		April 1926	April 1925	% change	Jan.-Apr. 1926	Jan.-Apr. 1925	% change
Bank Debits (23 cities)	Millions of dollars	3,066	2,913	+ 5.3	11,935	11,178	+ 6.8
Savings Deposits (end of month)							
Ohio (43 banks)	Thous. of dollars	656,084	608,290	+ 7.9	643,308 <sup>1</sup>	598,573 <sup>1</sup>	+ 7.5 <sup>1</sup>
Western Pennsylvania (27 banks)	" " "	238,284	228,349	+ 4.4	237,210 <sup>1</sup>	228,279 <sup>1</sup>	+ 3.9 <sup>1</sup>
Total (70 banks)	" " "	894,368	836,639	+ 6.9	880,517 <sup>1</sup>	826,852 <sup>1</sup>	+ 6.5 <sup>1</sup>
Commercial Failures—Number	Actual Number	200	165	+21.2	846	657	+28.8
"—Liabilities	Thous. of dollars	3,306	2,604	+27.0	16,593	12,730	+30.3
Postal Receipts—9 cities	" " "	3,155	2,964	+ 6.4	12,280	11,165	+10.0
Sales—Life Insurance—Ohio and Pa.	" " "	102,170	101,373	+ 0.8	377,303	375,338	+ 0.5
"—Dept. Stores—(54 firms)	" " "	23,942	26,619	-10.1	87,211	89,852	- 2.9
"—Wholesale Grocery (49 firms)	" " "	6,696	6,699	- 0.04	26,193	26,835	- 2.4
"—Dry Goods (18 " )	" " "	3,039	3,367	- 9.7	12,578	13,551	- 7.2
"—Hardware (16 " )	" " "	2,049	2,146	- 4.5	7,984	8,383	- 4.8
"—Drugs (16 " )	" " "	1,996	1,788	+11.6	7,507	6,963	+ 7.8
Building Permits, Valuation—13 cities	" " "	23,697	31,889	-25.7	81,109	99,180	-18.2
Production—Pig Iron, U. S.	Thous. of Tons	3,450	3,211	+ 7.4	13,131	13,368	- 1.8
"—Steel Ingots, U. S.	" " "	4,124	3,588	+14.9	16,564	15,742	+ 5.2
"—Automobiles, U. S.	Actual Number	402,000	392,000	+ 2.5	1,417,000	1,187,000	+19.4
"—Passenger Cars	" " "	53,000	47,000	+12.8	172,000	152,000	+13.2
"—Trucks	" " "	16,685	14,078	+18.5	78,708	68,878	+14.3
"—Bituminous Coal, 4th Dist.	Thous. of Tons	1,198	1,275	- 6.0	3,046	3,492	-12.8
"—Cement: Ohio, W. Va., Wn. Pa.	" " barrels	1,877 <sup>2</sup>	1,858 <sup>2</sup>	+ 1.0 <sup>2</sup>	5,266 <sup>3</sup>	5,266 <sup>3</sup>	..
"—Petroleum: Ohio, Pa., Ky.	" " "	4,149 <sup>3</sup>	4,014 <sup>3</sup>	+ 3.4 <sup>3</sup>	11,355 <sup>3</sup>	11,353 <sup>3</sup>	+ 0.02 <sup>3</sup>
"—Shoes, 4th Dist.	" " pairs	950	1,658	-42.7	1,069	1,791	-40.3
"—Tires, U. S.	" " casings	0	865	....	....	865	....
Bituminous Coal Shipments (from Lake Erie ports)	" " tons						
Iron Ore Receipts (at Lake Erie ports)	" " "						
<sup>1</sup> 4 months' average							
<sup>2</sup> March							
<sup>3</sup> Jan.-Mar.							
<sup>4</sup> Figures Confidential							
* No change							

## Retail and Wholesale Trade

	No. of Reports	Percentage Increase or Decrease SALES	
		April 1926, compared with April 1925	Jan.-April 1926, compared with Jan.-April 1925
<b>DEPARTMENT STORES</b>			
Akron	5	-11.5	- 1.0
Canton	5	-10.5	- 5.3
Cincinnati	7	- 0.1	+ 6.7
Cleveland	6	- 3.6	+ 1.4
Columbus	7	-10.0	+ 0.1
Dayton	3	+ 5.8	+ 5.4
New Castle	3	-23.1	-13.5
Pittsburgh	7	- 9.7	- 4.0
Toledo	5	-13.9	- 4.4
Wheeling	5	-14.2	- 6.4
Youngstown	3	- 6.3	- 3.2
Other Cities	14	+ 0.5	+ 3.2
District	70	- 6.7	- 1.5
<b>WEARING APPAREL</b>			
Cincinnati	6	+ 2.8	- 0.7
Cleveland	3	-17.6	- 1.8
Other Cities	9	-12.4	- 3.3
District	18	- 9.9	- 2.0
<b>FURNITURE</b>			
Canton	3	-13.8	.....
Cincinnati	11	- 9.5	.....
Cleveland	10	-12.1	.....
Columbus	16	+ 2.0	.....
Dayton	5	+ 6.4	.....
Toledo	6	-13.1	.....
Other Cities	11	- 6.4	.....
District	62	- 6.2	.....
<b>CHAIN STORES*</b>			
Drugs—District	3	+ 3.8	+ 4.1
Groceries—District	5	+ 2.7	+ 0.04
<b>WHOLESALE GROCERIES</b>			
Akron	3	- 6.7	-10.2
Cleveland	4	- 4.0	- 4.7
Eric	4	+ 4.2	+ 0.4
Pittsburgh	10	- 5.9	-11.8
Toledo	3	- 2.7	+ 2.4
Youngstown	3	- 1.6	- 6.3
Other Cities	27	+ 6.4	+ 3.8
District	54	- 0.07	- 2.2
<b>WHOLESALE DRY GOODS</b>			
Akron	18	- 9.7	- 7.2
Cleveland	16	+11.7	+ 7.8
Eric	16	- 4.5	- 4.7
Youngstown	7	-17.5	+ 1.5
District	7		

\*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)

	April 1922	April 1923	April 1924	April 1925	April 1926
Department Stores (54)*	101	111	124	121	109
Wholesale Drugs (15)*	90	106	112	112	125
Wholesale Dry Goods (17)*	73	86	79	76	69
Wholesale Groceries (49)*	69	85	84	78	78
Wholesale Hardware (15)*	90	125	110	105	101
Wholesale Shoes (6)*	116	87	99	93	78
Wholesale—All (102)*	77	93	90	85	84
Chain Drugs (3)*	96	98	100	99	103

\*Number of firms.

## Debits to Individual Accounts

(In Thousands of Dollars)

	4 Weeks ending May 12, 1926	% change from 1925	1926 to date (Dec. 31- May 12)	1925 to date (Jan. 1- May 13)	% incr. or decr. 1926 over 1925
Akron	83,453	+ 3.5	416,712	356,080	+17.0
Butler, Pa.	10,374	- 4.5	48,579	48,382	+ 2.5
Canton	46,603	+ 7.1	220,829	211,980	+ 4.2
Cincinnati	333,541	+ 7.1	1,714,173	1,552,173	+10.4
Cleveland	644,209	- 0.01	3,255,513	2,962,104	+ 9.9
Columbus	148,040	+14.7	698,266	609,622	+14.5
Connellsville, Pa.	4,753	+7.5	21,996	20,418	+ 7.7
Dayton	77,052	+ 0.2	382,868	326,644	+17.2
Eric, Pa.	32,497	+ 0.2	152,046	144,402	+ 5.3
Greensburg, Pa.	18,843	+ 0.01	93,944	89,069	+ 5.5
Homestead, Pa.	4,700	- 3.2	19,172	19,543	- 1.9
Lexington, Ky.	21,061	+20.3	118,006	118,495	- 0.4
Lima	15,927	-13.8	70,902	84,850	-16.4
Lorain	5,449	-14.3	25,654	30,062	-14.7
Oil City, Pa.	12,673	- 3.6	57,889	61,838	- 6.4
Pittsburgh, Pa.	861,256	+ 2.8	4,192,089	4,123,833	+ 1.7
Springfield	22,690	+14.4	108,352	94,094	+15.2
Steubenville	9,856	-13.0	48,223	50,323	- 4.2
Toledo	187,676	- 2.9	950,972	871,365	+ 9.1
Warren	10,810	-14.3	58,968	58,806	+ 0.3
Wheeling, W. Va.	42,181	+ 0.6	219,588	201,348	+ 9.1
Youngstown	61,824	+ 5.8	299,301	300,297	- 0.3
Zanesville	11,762	- 0.5	56,391	53,847	+ 4.7
Total	2,667,250	+ 2.8	13,231,433	12,389,577	+ 6.8

## Summary of National Business Conditions

(By the Federal Reserve Board)

There was a slight decline in the activity of industry and trade in April, and a further reduction in the general price level. Commercial demand for bank credit continued large and the volume of security loans, after a rapid decline since the turn of the year, remained at a constant level.

### Production

Production in basic industries, according to the Federal Reserve Board's index, decreased 1 per cent in April, slight increase in production of lumber and pig iron being more than offset by declines in output in other industries. Particularly large recessions were shown in the production of steel ingots and in textile mill activity. Automobile production, not included in the index, continued in large volume. Factory employment and pay rolls declined slightly in April, particularly in the food, tobacco, textile, and boot and shoe industries. The value of building contracts awarded during April was smaller than in March and practically the same as in April of last year. Awards for the first two weeks in May, however, showed increases as compared with the same weeks in 1925.

Reports by the department of agriculture indicate that up to the first of May 68 per cent of spring plowing and 56 per cent of sowing and planting was completed, compared with about 83 per cent and 66 per cent last year. On the basis of the condition of winter wheat on May 1, a yield of 549,000,000 bushels is forecast compared with a final yield of 398,000,000 bushels in 1925.

### Trade

The volume of wholesale trade in April was seasonally smaller than in March for all lines except meats. Compared with a year ago, sales of groceries, meats and drugs were larger in April, while sales of dry goods, shoes and hardware were smaller. Department store sales increased less than usual and were somewhat smaller than a year ago. Sales of mail order houses were slightly smaller than in March, but continued to be larger than in the corresponding month of 1925. There was some decrease in the stocks of merchandise held by wholesale firms during the month, and inventories of department stores showed less than the usual seasonal increase, though they were larger than a year ago. Weekly freight car loadings decreased in the early part of April but later increased, and the volume of shipments for the month of April as a whole and for the first two weeks in May was larger than in the corresponding periods of any previous year.

### Prices

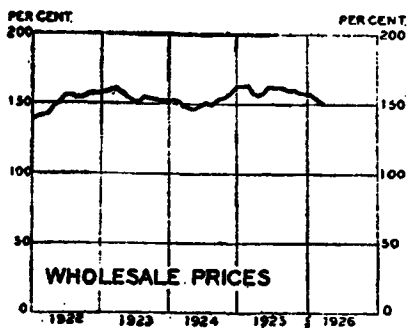
Wholesale commodity prices, according to the Bureau of Labor Statistics' index, declined slightly from March to April. Increases in the farm products and foods groups, which had been declining for several months, were more than offset by decreases in other groups. The greatest declines were in the prices of clothing materials. In the first three weeks of May prices of wheat, cattle, sheep, cotton goods, pig iron, bricks, and rubber declined, while those of hogs, raw silk, and crude petroleum increased.

### Bank Credit

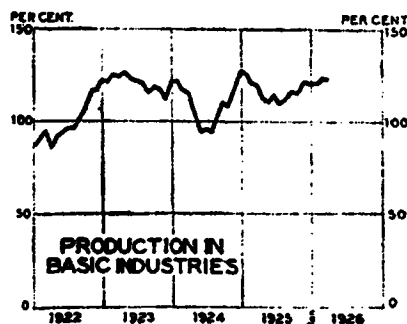
Commercial demand for bank credit at member banks in leading cities continued in large volume between the middle of April and the middle of May. Liquidation of security loans, which had been rapid since the beginning of the year, did not continue after the middle of April and the volume of these loans remained fairly constant at a level about \$450,000,000 below the peak at the end of 1925. There was some addition to the banks investments and the total of their loans and investments was about \$1,000,000,000 larger than at the same period of last year.

Withdrawals of funds from New York were reflected in an increase between the middle of April and the middle of May in borrowings at most of the other reserve banks declined. Open market holdings of the reserve banks remained fairly constant during the period and there was little change in the total volume of reserve bank credit outstanding.

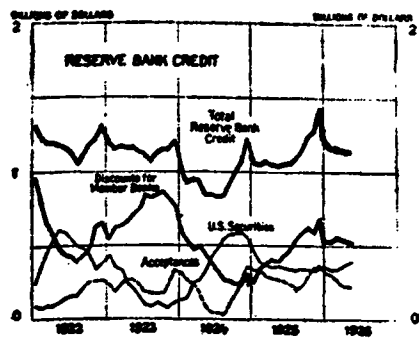
Money rates in April reached the lowest level for a year, but in May conditions in the money market became somewhat firmer.



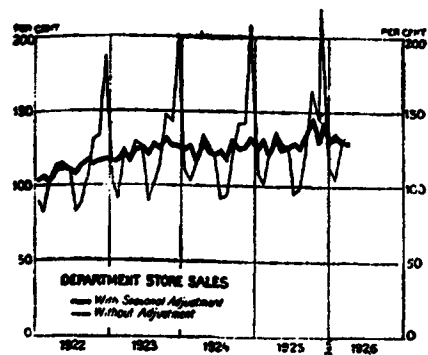
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—April, 151.



Index of 22 basic commodities, adjusted for seasonal variations (1919=100). Latest figure—April, 122.



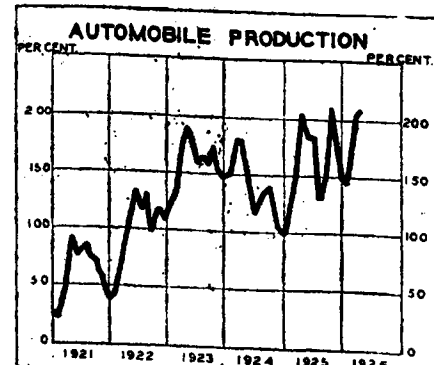
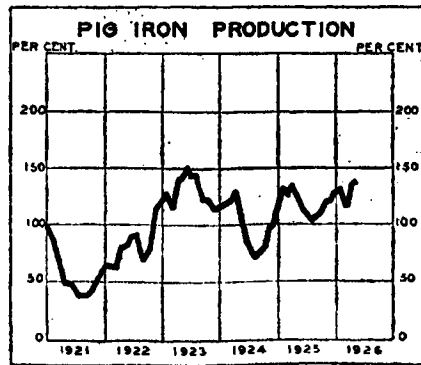
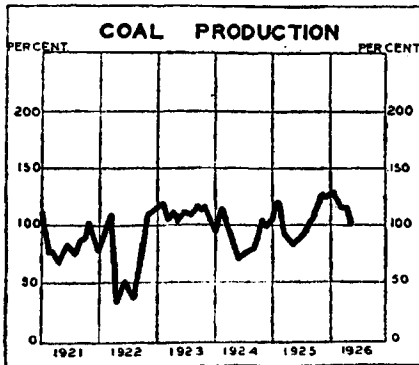
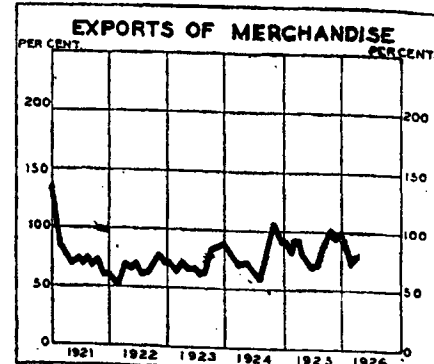
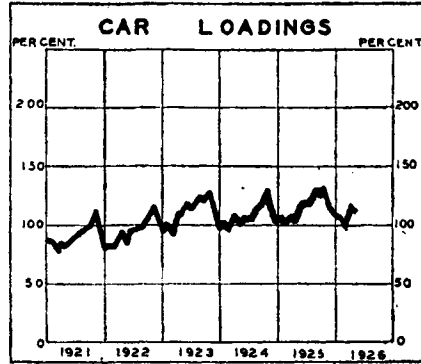
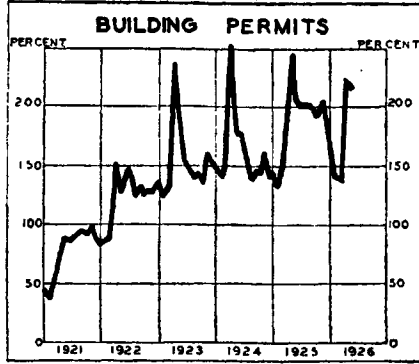
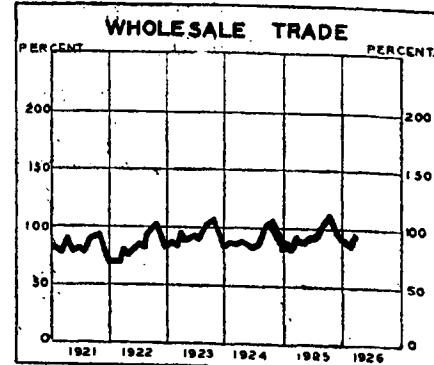
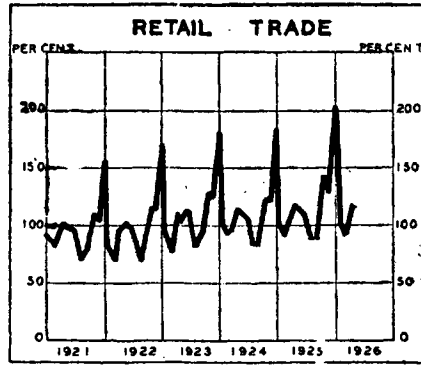
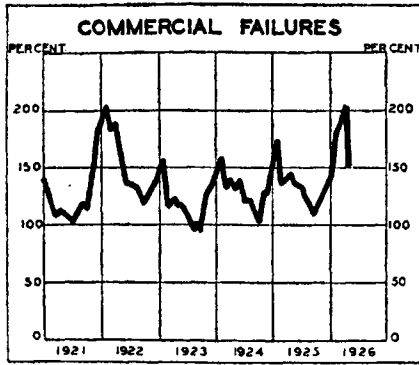
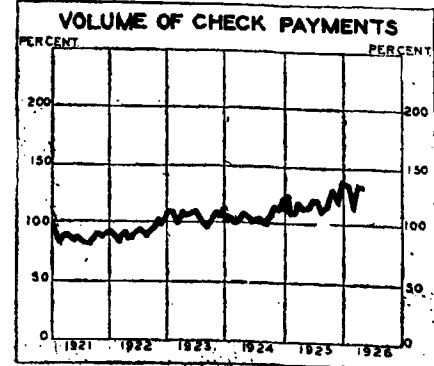
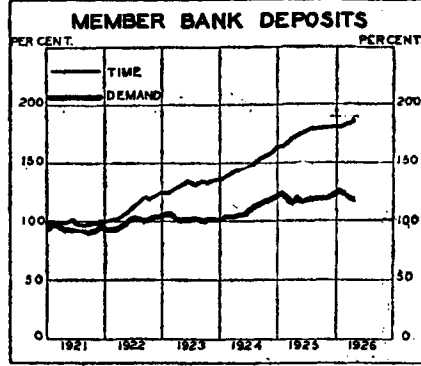
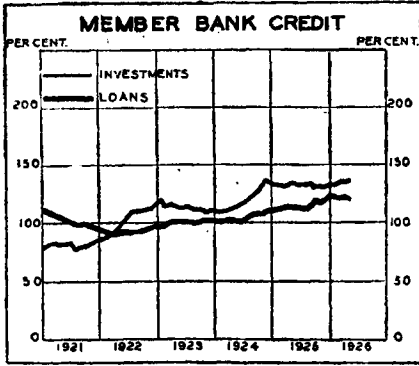
Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages for 21 days in May.



Index of sales of 359 stores (1919=100). Latest figures, April, adjusted—129; unadjusted—123.

# 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"> <li>1. Member Bank Credit: Loans, April—121. Investments, April—137.</li> <li>2. Member Bank Deposits: Demand, April—119. Time, April—137.</li> <li>3. Check Payments, except New York, March—134.</li> <li>4. Commercial Failures, April—152.</li> <li>5. Retail Trade, April—118.</li> <li>6. Wholesale Trade, March—96.</li> </ol> | <ol style="list-style-type: none"> <li>7. Building Permits, April—221.</li> <li>8. Car Loadings, April—118.</li> <li>9. Exports of Merchandise, April—81.</li> <li>10. Bituminous Coal Production, April—100.</li> <li>11. Pig Iron Production, April—138.</li> <li>12. Automobile Production, April—209.</li> </ol> |
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