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Fourth Federal Reserve District

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A seasonal increase in business activity in this District has been going on during February, but operations in many lines are still running behind last year. Recent improvement is reported by the iron and steel trade, aided by the recovery in automobile production from December's low point. The position of the tire industry is distinctly better than a year ago, in contrast to most other industries. The coal situation is confused by the possibility of a strike in April. Business in clothing and various other lines has been fair to good, even if behind the exceptionally active levels of 1926. Retail trade in this District was a little disappointing in January, falling slightly behind last year. Credit conditions remain sound, with the supply ample to cover requirements.

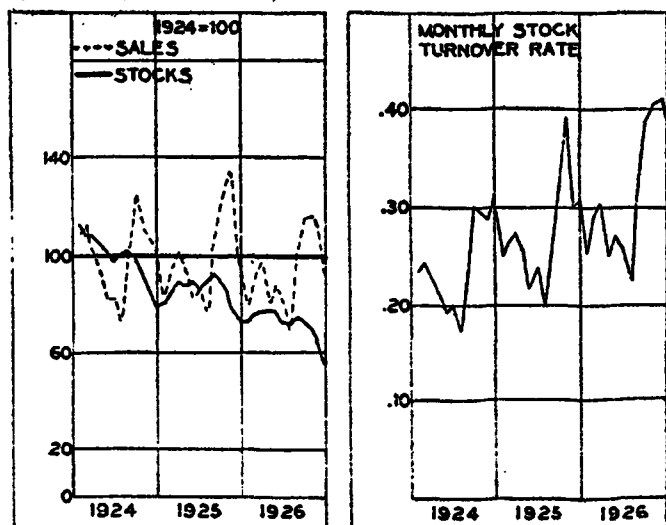
Although February statistics are not yet available, a comparison of January figures of three highly important industries—iron and steel, automobile, and building—throws considerable light upon the decline in general business from 1926. Automobile output in that month ran over 20 per cent behind a year ago; pig iron output was 6.5 per cent less, steel ingots 8.3 per cent less, and building contracts awarded, 16 per cent less.

Hand-to-Mouth Buying In August, 1926, this bank requested statements from about 50 leading manufacturers in the Fourth Federal Reserve District as to whether customers were showing any tendency to buy more liberally. The replies in nearly all cases indicated that hand-to-mouth buying was still the general practice; only 10 out of 43 firms reported any increase in forward buying, and these were mostly slight.

In order to keep track of recent developments, this bank has again requested statements from the above manufacturers as to whether any change has taken place during the past six months. The replies show that the hand-to-mouth policy is still as much in use as ever, if not more so, in this District. Of 42 replies, 26 state that no change has occurred recently; 5 report customers buying more freely; and 11 report even more conservative purchasing than heretofore. Several of the latter came from clothing and lumber manufacturers. Most firms did not comment upon the merits of this buying policy, but of those who did, the majority appear to be antagonistic toward it.

One concrete and striking example of the growth of hand-to-mouth buying is found in the rapid decline in

the stocks of wholesale dry goods firms in the Fourth District during the past three years. The chart below shows (a) an index number of sales and stocks, 1924-1926, the base (100) being 1924, and (b) the monthly rate of stock turnover. The latter shows a pronounced increase during the period, and stocks held by wholesalers show a parallel decline. For the year 1924, the index number of stocks was 100; for 1925, it was 85.3; and for 1926, it was 72.2, or a decline of 28 per cent in two years. Sales meanwhile had declined only from 100 in 1924 to 94 in 1926. In 1924, wholesalers turned their stock over 2.87 times during the year; in 1925, 3.30 times; and in 1926, 3.73 times.



COMPARISON OF (A) SALES AND STOCKS, AND (B) RATE OF STOCK TURNOVER, FOR REPORTING WHOLESALE DRY GOODS FIRMS IN THE FOURTH FEDERAL RESERVE DISTRICT

Employment According to the Federal Reserve Board's index, factory employment in this country has declined rather noticeably in the past three months. In October, this index (1919=100) stood at 96.8; in January, it had fallen to 92.4. This can hardly be explained on seasonal grounds on the basis of the previous four years' experience, in two of which (1922 and 1924) there was an increase in employment between October and January. In the case of the Reserve Board's index of payrolls, the decline is even more marked—from 112.4 in October to 101.9 in January.

In this connection, a number of large and representative manufacturers in the Fourth District were recently requested by this bank to outline their practice when reducing plant operations. The 37 replies received showed an equal division between those who prefer to reduce the number of men employed, and those who prefer to keep their employees but reduce the number of working hours; 17 reported in favor of the former, 17 of the latter, and three stated that they usually reduced both the number of men and the number of working hours. A considerable number of firms stated that they would adopt the last-named plan if a prolonged period of slackness were encountered, but the question, as put, was to ascertain what they would do first.

In the case of those firms who first reduce the number of men employed, the usual procedure appears to be to drop the incompetents and the newer men; but if any further curtailment be necessary, to cut down on working hours rather than to dismiss the older and more highly-trained men. In some cases, where full-time operations require three shifts, one shift is laid off. Only one or two of the 37 replies indicated that the plant would be closed entirely.

As to shorter hours, this may be accomplished either by shortening the number of working hours per day, or by cutting down on the number of working days per week. The preference here was very distinctly in favor of the latter plan; of the 17 firms who preferred shorter hours, only four followed the plan of shortening the working hours per day. Several other firms stated that they would do this only as a last resort. The usual practice among the remaining 13 is to cut out Saturdays, and if necessary to reduce even further to a four-day week.

Financial Conditions

Bills discounted by the Cleveland Federal Reserve Bank continued to decline seasonally during the past month, standing at 44 millions on February 16. This is one million higher than a year ago but 56 millions less than on December 22, the high point in 1926. Cash reserves increased heavily from 260 millions on December 29 to 309 millions on February 2, but then declined to 297 millions on February 16. Note circulation in the same period fell from 225 to 198 millions.

Total credit extended by reporting member banks in the Fourth District fell from 1361 to 1349 millions between January 19 and February 16, the latter being 60 millions higher than a year ago. Investments rose from 618 to 625 millions, or five millions higher than last year. Demand and time deposits both rose slightly during the month, demand deposits on February 16 amounting to 1024 millions, or two millions more than last year, and time deposits to 828 millions, or 66 millions more.

Interest rates in the large cities are virtually unchanged from last month. On February 15, 5 to 6 per cent prevailed on prime commercial paper, and 6 per cent on stock exchange collateral.

Debits to individual accounts at 24 cities in the District were \$3,635,148,000 in the five weeks ending February 16, a gain of 4.8 per cent over last year.

Commercial failures in the Fourth District as reported by Dun's numbered 220 in January as compared

with 244 last year and 182 in December. Liabilities were \$3,048,821 in January, \$3,263,000 in December and \$5,581,160 a year ago. In the United States there were 2465 failures in January, 2069 in December and 2296 in January, 1926.

Changes in the main items in the balance sheets of Federal Reserve and reporting member banks are as follows:

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	Feb. 16, 1927	Feb. 17, 1926	Jan. 19, 1927	Feb. 16, 1927	Feb. 17, 1926	Jan. 19, 1927
Gold reserves	286	300	266	2,990	2,789	2,986
Discounts	44	43	59	396	538	416
Acceptances	28	17	29	315	302	337
U. S. Securities	36	33	35	312	334	313
Total bills and securities	108	93	123	1,025	1,185	1,069
Federal Reserve notes in circulation	198	200	200	1,685	1,661	1,710
Total deposits	190	187	183	2,342	2,327	2,318
	Reporting Member Banks					
	Fourth District (In Millions)			United States (In Millions)		
	Feb. 16, 1927	Feb. 17, 1926	Jan. 19, 1927	Feb. 16, 1927	Feb. 17, 1926	Jan. 19, 1927
Loans secured by stocks and bonds	541	515	554	5,427	5,447	5,524
All other	808	774	808	8,697	8,514	8,760
Total loans	1,349	1,289	1,361	14,124	13,961	14,284
Investments	625	618	620	5,603	5,465	5,523
Demand deposits	1,024	1,022	1,016	12,939	13,017	13,040
Time deposits	828	782	819	6,902	5,421	5,870

Iron and Steel

In a general way in recent years, February output of pig iron and steel ingots has been about on a parity with January, while March has forged ahead to a high degree of activity. This year, January production of pig iron barely nosed out December, while steel ingots gained about 10 per cent, and February registered fair gains in the daily rates over January. Throughout the month, new business in iron and steel picked up moderately, but unlike a year ago it was at the expense of price. The recent reductions appear to have brought out business instead of deferring it until consumers were convinced bottom was reached. While some products, notably sheets and strip, have suffered sharp reductions, most steel lines experienced a shaking-out of several dollars. The \$2 per ton reduction in steel bars, structural shapes and tank plates at Pittsburgh, to a basis of \$1.90 per hundred pounds for bars and shapes and \$1.80 for plates, seemed to clear up the weakness in these products.

Weakness in semifinished material developed early in February in the Cleveland district and ran through the month. Billets and slabs dropped \$1 to \$2 a ton, making the quotation \$33 to \$34 at Cleveland, while sheet bars receded from \$36 to \$34. These prices, broadly, also obtained in the Pittsburgh and Youngstown markets, although some makers in the Mahoning valley held to the old levels. Wire rods went off \$2, to \$43, Pittsburgh and Cleveland.

Pig iron experienced a spotty market. Basic, bessemer, foundry and malleable dipped slightly at Pittsburgh and Youngstown early in the month and then toward the end recovered the lost ground. Melters in the Pittsburgh district were extremely apathetic in spite of the uncertainty over the fuel situation. Producers with headquarters at Cleveland booked more than 50,000 tons in each of two consecutive weeks following a price cut of 50 cents per ton, to \$19 delivered, Cleveland. One Cleveland interest solicited business in southern Ohio at \$18, Cleveland furnace. The activity at Cleveland represented safeguarding against a possible coal strike

rather than an increase in the melt, and holdup orders to the furnaces were fairly large.

Sales of heavy finished steel in the Cleveland district were only moderate. Inquiry was fair but by the time business reached the order stage the tonnage usually had shrunk. Even so, slight improvement was shown over January. The slow comeback in the automobile and its allied industries proved a severe damper. Much of the weakness in sheets and strip resulted from a dearth of orders from automotive interests, but betterment was the rule in the last half of February.

The Iron Trade Review index of fourteen leading iron and steel products continued to fall through February. At the beginning of the month it stood at \$37.32; by the end it had fallen below \$36.75. In January this barometer averaged \$37.68.

January pig iron production totaled 3,096,000 tons, compared with 3,089,175 tons in December and 3,319,789 tons in January, 1925. Steel ingot output in January was 3,806,888 tons, against 3,472,000 tons in December and 4,150,469 tons last January.

Coal In spite of the threatened strike of union soft coal workers on April 1, the price trend of bituminous has been almost steadily downward since the first of the year. On January 1, the Coal Age average price was \$2.40 a ton; by February 7, it had declined to \$2.16, and a week later was \$2.11—about the same as a year ago.

In considering the price decline since the high point of \$3.61 on November 8, it should be remembered that a very rapid rise took place in October, so that a good part of the recent fall counterbalances the October advance. Another factor, however, also enters into recent price weakness—that of production. In October and November, this mounted to record levels; and after a temporary falling-off in December, following the end of the British coal strike, the production curve again turned upward in January. Output in February continues heavy, although in previous years a seasonal decline has appeared during this month. This large production has enabled consumers to add to their storage stocks in anticipation of a strike without any advance in prices.

No statistics on storage stocks since January 1 are available, but reports indicate a gradual increase since that date. The government report puts stocks in the hands of commercial consumers at 55,000,000 tons on January 1, this being a high figure as compared with previous reporting dates and representing a steady gain since the middle of 1926. This is confirmed by the January report of the National Association of Purchasing Agents, which shows stocks at the beginning of 1927 to be the highest since late in 1925.

In the Fourth District, householders' demand has been about normal except during the middle of February, when exceptionally mild temperatures caused a drop. The feeling among dealers and operators is one of caution, induced by the possibility of a strike and by the confused condition of the soft coal market.

Exports of bituminous coal in 1926 far exceeded those of 1925, according to the Department of Commerce. In 1926, they totaled 155,838,572 tons, as compared with 68,402,668 in 1925—the increase being caused by the British strike.

Rubber and Tires

An improvement has recently taken place in the tire industry in this District, which manufacturers feel is only partly explained by seasonal factors. Conditions are distinctly better than a year ago, when crude rubber prices were on the downgrade and consumers were consequently buying at a minimum while waiting to see how far prices would fall. In contrast, crude rubber this year has been relatively stable, fluctuating mostly within a narrow range of between 37 and 40 cents a pound; the spring dating plan has been in operation this year, while a year ago it was not; and dealers have bought more heavily than in the first two months of 1926, it being stated that their stocks have been unusually low for this time of year. The combined effect of these factors appears to have more than counteracted the smaller demand by automobile makers this year for tires as original equipment.

Another 10 per cent cut in the amount of rubber allowed for export from British owned plantations took place on February 1, the amount now being 70 per cent of standard production. This was in accordance with the provisions of the Stevenson Act, the London price during the quarter ending February 1 having failed to average 21 pence (42 cents) a pound. A further reduction will automatically take place on May 1, unless the 42 cent average is maintained in the present quarter. So far, the cut has had but little, if any, effect on crude rubber prices and it is stated that an ample reserve supply of rubber now exists, both in London and in this country.

The United States imported 411,962 long tons of rubber in 1926, as compared with 384,837 in 1925 and 314,058 in 1924.

On February 17, there was announced a reduction of 7½ per cent in the prices of tires to manufacturers as original equipment.

Automobiles January automobile production in the United States turned sharply upward from December's very low figure, but was far behind the month of January, 1926. Actual figures for passenger cars and trucks combined were: January, 1927—234,130; December, 1926—165,822; January, 1926—302,741; January, 1925—232,188. Reports indicate a further increase of activity during February.

Truck manufacturers in the Fourth District report business during January and the first half of February as being considerably less than in the same period last year.

Clothing Clothing manufacturers are doing a fair amount of business, and 1927 to date compares reasonably well with last year. There continues to be some complaint concerning the hand-to-mouth buying policy, which has been the rule in this industry for some time. Reports from nine clothing concerns in this District are unanimous in saying that this policy still continues, and more than half (particularly in men's wear) state that the tendency of customers is more and more to get away from advance orders and to buy only for current needs. This is hampering some manufacturers who are faced with the necessity of carrying larger stocks and who are less

certain than formerly as to how much future business may be expected.

The men's clothing trade is spotty, with a cautious spirit apparent. Retailers are fairly well cleaned up on surplus stocks. Conditions in the men's underwear line are only fair. Business in women's dresses compares favorably with last year, and the spring trade is developing satisfactorily. Worsteds manufacturers are "between seasons" and are preparing for fall lines. Knitted wear makers are enjoying an increase in trade over last year.

Preliminary reports indicate a loss of about ten per cent in January sales of wholesale dry goods houses in this District as compared with last year.

Retail clothing sales also underwent several losses in January as compared with a year ago. Reports from 44 retail firms show decreases of 5.5 per cent in men's wear, 2.7 in boys' wear, 12.1 in waists and blouses, 16.7 in sweaters, 3.7 in corsets, 2.6 in silk and muslin underwear, and 9.1 in negligees. Gains were as follows: women's coats, 3.5 per cent; women's dresses, 4.4; misses' ready-to-wear, 4.5; juniors' and girls' ready-to-wear, 2.9; knit underwear, 6.5; petticoats, 8.8; and aprons and house dresses, 4.6.

Prices of cotton and cotton goods have advanced lately, while wool and woolen goods remain unchanged. Silk prices weakened in January but recovered in the middle of February.

Shoes Reports from this industry are rather conflicting, but on the whole there appears to be no great change from a month ago as far as the manufacturing end is concerned.

Wholesale shoe sales in this District in January finally showed a loss from the preceding year for the first time since last April. The decline was 12.5 per cent from January, 1926, and 39.8 per cent from December, the latter being seasonal.

Retail sales in January also weakened for the first time in several months, women's and children's shoes in department stores showing a loss of 3 per cent, while men's and boys' shoes gained 0.1 per cent.

Preliminary production figures for January indicate a loss of about 5 per cent from December in this District, and of 2 per cent in the United States. Production in December in the Fourth District was 14.8 per cent ahead of the same month of 1925.

General Manufacturing No great change is apparent since last month in the business of various lines of manufacture in this District. In those lines where February normally brings an uptrend, such an uptrend has taken place; but activity in general is still behind that of a year ago.

Agricultural implement makers are doing a fair volume of business in this section but report conditions unfavorable in their branch territories throughout the Southern cotton regions. A slight downward trend has taken place in the electrical manufacturing industry in the Pittsburgh area. Some machinery makers are doing better than last year, and one or two other lines also report this condition. The stove trade is quiet. No changes of importance have occurred in the paper indus-

try. Firmer prices have induced buying on the part of boxboard consumers who had been waiting for a possible further price decline. The paint trade was quiet in January, but February showed an improvement, mild weather and better automobile demand being responsible. Demand for lacquers continue strong. White lead sales have been up to last year.

Livestock The livestock outlook in the Fourth District is rather favorable at this time. Although the total livestock on farms has decreased about two per cent as compared with last year, the value per head on all classes, with the exception of horses and mules, has increased appreciably.

While the number of dairy cows on the farms during the past two years has declined, there has been a decided upturn in the number of heifers and heifer calves held for milk cow replacement. This seems to indicate that the dairy industry is in an optimistic frame of mind, with cattle prices well sustained during the past two years and recently advancing. There has been a generally more satisfactory relation between feed costs and milk prices, and barring the pasture situation, other conditions have been such as to give dairy men encouragement.

Beef cattle marketings are adversely affected by the steady decrease in the number owned by farmers in the Fourth District.

Favorable market prices on hogs for the past year or more have resulted in expansion in this line. The domestic demand is strong, and with the price of corn continuing lower than last year, conditions are satisfactory.

The number of sheep is showing a tendency to increase and lamb supplies are also large, due to the large number of ewe lambs kept for breeding purposes last year. The market outlook for both lambs and wool appears fairly good.

The number of horses in the District has declined 5 per cent from last year. The supply of old stock is probably enough to meet the farmers' needs but the number of colts is only large enough to replace half the number of work stock on the farms.

Tobacco January sales of Kentucky burley tobacco, according to the Commissioner of Agriculture, amounted to 66,000,000 pounds, at an average of 13.8 cents a pound. Of this total, the Burley Tobacco Growers Cooperative Association sold 36,000,000 pounds, at an average of 14.1 cents. Prices have been fairly stable in the last two months, although very low in comparison with the price of about 21 cents a pound received a year ago.

Stocks of burley in the hands of manufacturers and dealers at the beginning of 1927 were around 470,000,000 pounds, a gain of almost 200,000,000 pounds in the last five years. The Government crop report of January 1 calls attention to the fact that production of burley from 1921 to 1925 inclusive exceeded consumption by 34,000,000 pounds a year, and that in 1926 this excess was over 44,000,000 pounds. This overproduction has finally had its effect in the prices being received this year. The report urges a reduction in burley acreage.

Building For the tenth successive month the value of building permits in the United States during January was less than for the corresponding month in the previous year, according to Bradstreet's. Permits in 159 cities totaled \$196,872,815, a loss of 13.6 per cent from a year ago. Contracts awarded in 37 eastern states, according to the Dodge Corporation, amounted to \$384,455,400 in January, a decrease of 16 per cent from last year.

In the Fourth District, plus western Kentucky and all of West Virginia, contracts awarded in January totaled \$50,057,700, a gain of 29 per cent over last year. The main items making up this total were: public works and utilities, \$16,941,200; residences, \$14,502,700; commercial buildings, \$10,916,300; educational, \$2,787,500; industrial, \$2,333,000; and religious and memorial, \$1,147,000.

Building permits for 27 cities in the Fourth District in January were \$13,655,117, a loss of 0.9 per cent from last year. Large increases occurred in Akron, Ashtabula, Cincinnati, Erie, Newark, and Toledo and large decreases in Barberton, Cleveland, Hamilton, Lexington, Lima and Youngstown.

Building Operations

January, 1927
(Valuation of Permits)

	January 1927	% change from 1926
Akron.....	\$2,584,432	+458.0
Ashrabula.....	55,020	+540.0
Barberton.....	6,551	-64.0
Canton.....	206,195	+3.8
Cincinnati.....	1,878,145	+62.6
Cleveland.....	1,451,625	-48.6
" suburbs:		
Cleveland Heights.....	194,100	-41.8
East Cleveland.....	62,130	-52.0
Euclid.....	72,695	-44.1
Garfield Heights.....	76,500	-44.8
Lakewood.....	34,047	-85.4
Parma.....	200,020	+165.9
Rocky River.....	71,625	+133.7
Shaker Heights.....	523,500	+125.6
Columbus.....	1,009,300	+0.5
Covington, Ky.....	53,400	+0.4
Dayton.....	399,490	+7.7
Erie, Pa.....	236,635	+95.5
Hamilton.....	50,274	-49.7
Lexington, Ky.....	170,575	-51.5
Lima.....	14,374	-96.9
Newark.....	13,900	+178.0
Pittsburgh, Pa.....	1,368,203	-11.2
Springfield.....	62,600	+6.7
Toledo.....	557,757	+35.8
Wheeling, W. Va.....	76,674	+17.8
Youngstown.....	226,350	-77.8
Totals.....	\$13,655,117	-0.9

Building Materials Lumber manufacturers and dealers in this section, with one or two exceptions, report business as dull, with demand sluggish. Some increase in activity has taken place in February, but this is seasonal, and in general, business is running behind last year. Prices on both softwoods and hardwoods have weakened slightly in the last two months. Profit margins are stated to be small.

Cement output in Ohio, West Virginia and Western Pennsylvania in January aggregated 527,000 barrels, a gain of 4,000 over last year.

The Aberthaw index of building costs stood at 194 on February 1, a reduction of two points, which was caused largely by a cut in cement prices and lower steel and lumber prices.

Retail Trade Sales of 66 department stores were 0.8 per cent smaller in January than a year ago. Material gains in Columbus, Dayton and Toledo were more than offset by losses in Cleveland and Pittsburgh.

In separate departments, preliminary figures indicate increases over last year of more than ten per cent in jewelry, umbrellas, hosiery, luggage, and books and stationery. Losses of more than ten per cent were recorded in silks and velvets, woolen dress goods, laces, art goods, women's suits, women's skirts, waists and blouses, sweaters, furniture, toys and sport goods and musical instruments.

Wholesale Trade This bank's index of sales of 100 wholesale firms in this District (1919-1923=100) stood at 73 in January, the lowest for that month during the past seven years except 1922. In January of both 1923 and 1924, the index was 88; in 1925, it was 81, and in 1926, it was 77. The decline in the past two years is partly, but not altogether, the result of lower wholesale prices.

January sales of wholesale drugs were 3.6 per cent greater than a year ago, and of hardware, 0.1 per cent more. Grocery sales, however, fell off 5.7 per cent; shoes, 12.5 per cent; and dry goods, 12.7 per cent.

The monthly stock turnover rate in groceries was .461 in January, or 5.53 annually; and in dry goods was .294, or 3.53 annually.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	Millions of dollars	January 1927	January 1926	% change from 1926
Bank Debits (23 cities)		3,405	3,302	+3.1
Savings Deposits (end of month)				
Ohio (43 banks)	Thous. of dollars	678,453	634,653	+6.9
Western Pennsylvania (27 banks)	" " "	247,765	234,105	+5.8
Total (70 banks)	" " "	926,218	868,758	+6.6
Commercial Failures—Number	Actual Number	220	244	-9.8
" —Liabilities	Thous. of dollars	3,049	5,581	-45.4
Postal Receipts—9 cities	" " "	3,054	2,884	+5.9
Sales—Life Insurance—Ohio and Pa.	" " "	85,941	76,192	+12.8
" —Dept. Stores—(50 firms)	" " "	19,798	20,103	-1.5
" —Wholesale Grocery (51 firms)	" " "	5,988	6,412	-6.6
" — " Dry Goods —(16 ")	" " "	2,331	2,669	-12.7
" — Hardware —(16 ")	" " "	1,746	1,745	+0.1
" — " Drugs —(15 ")	" " "	1,843	1,779	+3.6
Building Permits, Valuation—28 cities	" " "	13,656	13,783	-0.9
Production — Pig Iron, U. S.	Thous of Tons	3,100	3,316	-6.5
" — Steel Ingots, U. S.	" " "	3,807	4,150	-8.3
" — Automobiles, U. S.	" " "			
Passenger Cars	Actual Number	196,973	272,922	-27.8
Trucks	" "	37,157	29,819	+24.6
" — Bituminous Coal, 4th Dist.	Thous. of Tons	23,735 ^a	20,725 ^a	+14.5 ^a
" — Cement: Ohio, W. Va., Wn. Pa.	" " barrels	527	523	+0.8
" — Petroleum, Ohio, Pa., Ky.	" " "	1,890 ^a	1,758 ^a	+7.5 ^a
" — Shoes, 4th Dist.	" " pairs	2	1	+14.8 ^a
" — Tires, U. S.	" " casings	3,556 ^a	3,627 ^a	-2.0 ^a
Bituminous Coal Shipments (from Lake Erie ports)	" " tons			—
Iron Ore Receipts (at Lake Erie ports)	" " "			—

^a December^a Figures Confidential

Index Numbers of Trade in the Fourth Federal Reserve District

(Average Monthly Sales for the Five-Year Period 1919-1923 inc. = 100)

	January 1923	January 1924	January 1925	January 1926	January 1927
Department Stores (50)*.....	88	95	93	92	91
Wholesale Drugs (14)*.....	115	109	110	111	116
Wholesale Dry Goods (15)*.....	99	89	69	63	55
Wholesale Groceries (51)*.....	79	84	80	74	69
Wholesale Hardware (15)*.....	94	95	94	86	86
Wholesale Shoes (5)*.....	45	44	48	56	48
Wholesale—All (100)*.....	88	88	81	77	73
Chain Drugs (3)*†.....	98	91	97	98	100

* Number of firms.

† Per individual unit operated.

Debits to Individual Accounts

(In thousands of dollars)

	5 weeks ending Feb. 16, 1927	% change from 1926	1927 to date (Dec. 30 Feb. 16)	1926 to date (Dec. 31 Feb. 17)	% change from 1926
Akron.....	95,756	-9.3	\$143,007	\$153,095	-6.6
Butler, Pa.....	12,502	-2.7	18,905	18,984	-0.4
Canton.....	49,369	-10.3	78,562	83,668	-6.1
Cincinnati.....	431,834	-8.8	667,157	689,233	-3.2
Cleveland.....	883,617	+9.8	1,390,894	1,262,440	+10.2
Columbus.....	183,211	+7.1	297,301	264,474	+12.4
Connellsville, Pa.....	5,910	+2.3	8,625	8,244	+4.6
Dayton.....	99,853	+4.2	159,445	145,451	+9.6
Erie, Pa.....	38,366	-2.5	57,244	57,575	-0.6
Greensburg, Pa.....	25,107	-0.9	35,477	35,588	-0.3
Homestead, Pa.....	4,916	+1.5	6,906	6,880	+0.4
Lexington, Ky.....	38,576	+5.6	55,637	50,653	+9.8
Lima.....	15,167	-9.7	25,994	26,162	-0.6
Lorain.....	6,019	-3.9	8,854	9,144	-3.2
Middletown.....	12,882	+6.9	18,303	19,083	-4.1
Oil City, Pa.....	18,477	+18.6	25,127	22,564	+11.4
Pittsburgh.....	1,269,956	+11.9	1,749,058	1,609,890	+8.6
Springfield.....	25,625	-6.2	39,258	42,182	-6.9
Steubenville.....	11,691	-1.1	17,428	18,005	-3.2
Toledo.....	236,059	-3.5	378,521	374,807	+1.0
Warren.....	16,249	+2.1	22,722	22,528	+0.9
Wheeling, W. Va.....	50,905	-19.7	76,509	91,543	-16.4
Youngstown.....	78,906	+6.0	128,997	114,097	+13.1
Zanesville.....	15,695	-3.5	20,621	21,103	-2.3
Total.....	\$3,635,148	+4.8	\$5,430,552	\$5,147,393	+5.5

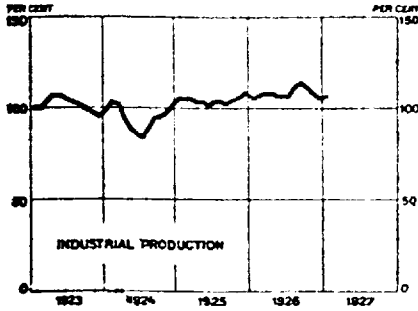
Retail and Wholesale Trade

	No. or Reports	Percentage Increase or Decrease SALES January, 1927 compared with January, 1926
DEPARTMENT STORES		
Akron.....	5	+0.9
Cincinnati.....	7	+0.3
Cleveland.....	6	-1.7
Columbus.....	7	+2.7
Dayton.....	3	+8.1
Pittsburgh.....	7	-5.3
Toledo.....	4	+11.1
Wheeling.....	5	-1.8
Youngstown.....	3	+0.6
Other Cities.....	16	-0.8
District.....	66	-0.8
WEARING APPAREL		
Cincinnati.....	6	-3.8
Cleveland.....	3	-0.8
Other Cities.....	8	-9.1
District.....	17	-4.5
FURNITURE		
Canton.....	3	-7.7
Cincinnati.....	11	-2.0
Cleveland.....	8	-5.4
Columbus.....	15	-10.1
Dayton.....	5	+26.9
Toledo.....	6	+C.8
Other Cities.....	9	-11.4
District.....	57	-1.9
CHAIN STORES*		
Drugs—District.....	3	-1.6
Groceries—District.....	5	-7.4
WHOLESALE GROCERIES		
Akron.....	3	-13.2
Cincinnati.....	3	+5.2
Cleveland.....	4	-7.5
Erie.....	4	-8.3
Pittsburgh.....	8	+3.3
Toledo.....	3	-3.3
Other Cities.....	27	-5.6
District.....	52	-5.7
WHOLESALE DRY GOODS		
WHOLESALE DRUGS.....	16	-12.7
WHOLESALE HARDWARE.....	15	+3.6
WHOLESALE SHOES.....	16	+0.1
District.....	5	-12.5

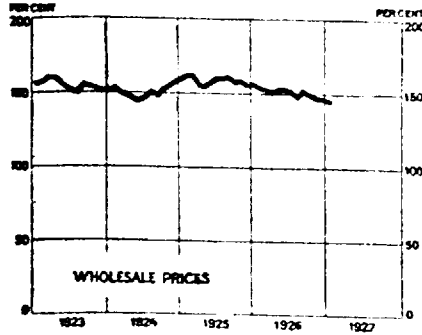
* Sales per individual unit operated.

Summary of National Business Conditions

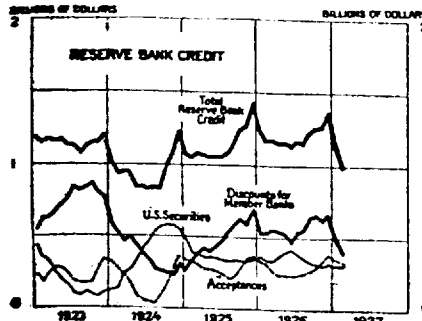
By The Federal Reserve Board



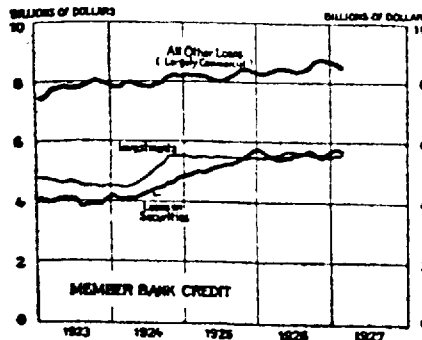
Index numbers of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 = 100). Latest figure: January—106.



Index of U. S. Bureau of Labor Statistics. (1913 = 100, base adopted by Bureau). Latest figure: January—146.9.



Monthly averages of daily figures for the 12 Federal Reserve Banks. Latest figures are averages of first 23 days in February.



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

Industrial activity has been slightly larger since the turn of the year, than at the close of 1926. Seasonal liquidation of reserve bank credit has been in unusually large volume owing chiefly to the inflow of gold from abroad and conditions in the money market have been easy. Wholesale prices have continued to decline.

Production

Output of factories was larger in January than in December but smaller than in January, 1926 or 1925. Mineral productions, though somewhat below the December level, continued in unusually large volume, reflecting the maintenance of production of bituminous coal, crude petroleum and copper. Manufacture of iron and steel, which was sharply curtailed in December, increased in January and February. Automobile output was increased considerably from the unusually low level of production reached last December, but the number of passenger cars produced since the beginning of the year has been smaller than for the corresponding period of the past four years. The textile industries have continued active since December without, however, showing the usual seasonal increase.

Building contracts awarded in 37 states during the first seven weeks of the year were smaller in value than those for the same period of 1926. Decreases have been largest in New York and in the New England, Southeastern and Northwestern states, while increases occurred in the Middle Atlantic and Central Western states. By types of building, contracts awarded for residential and industrial building in January showed large reductions as compared with December and with January, 1926, while contracts for commercial buildings were larger than a month or a year ago.

Trade

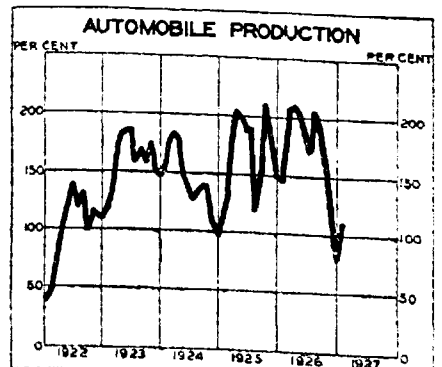
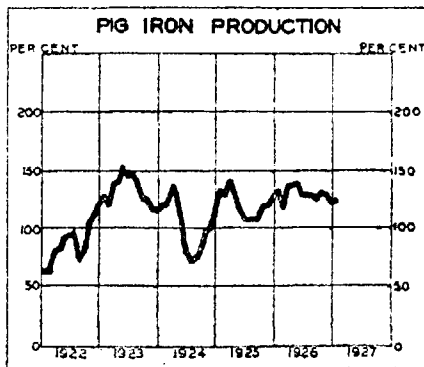
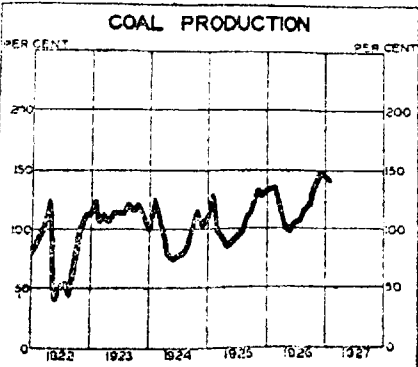
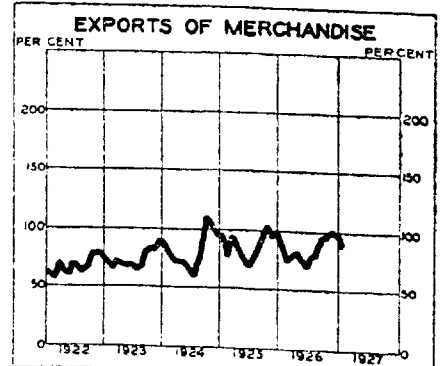
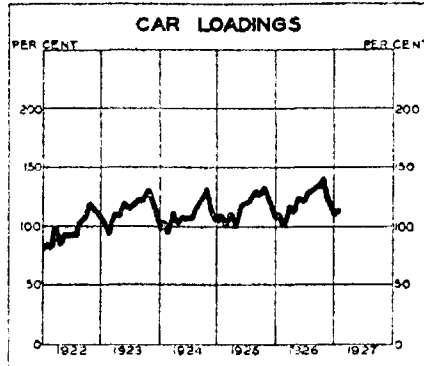
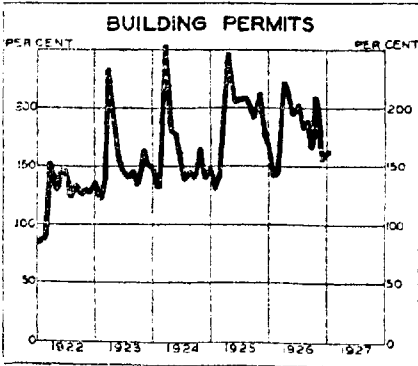
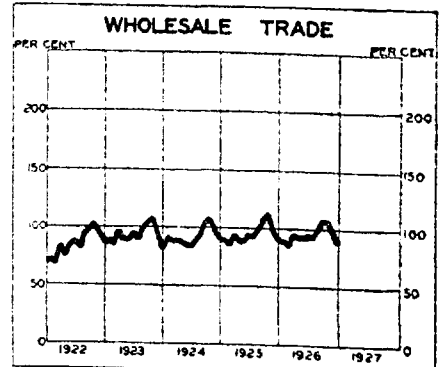
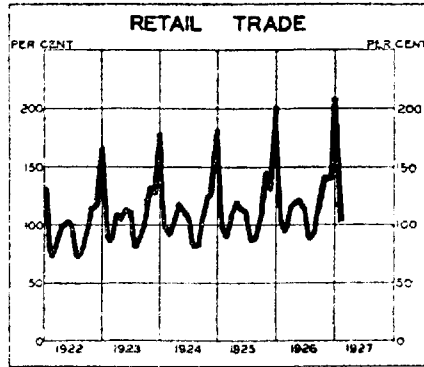
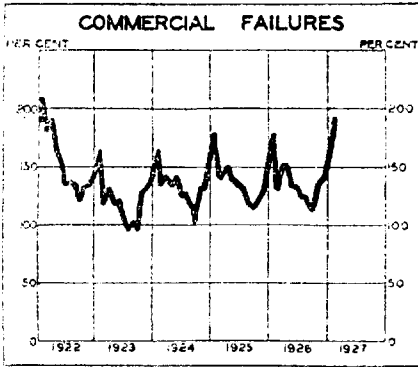
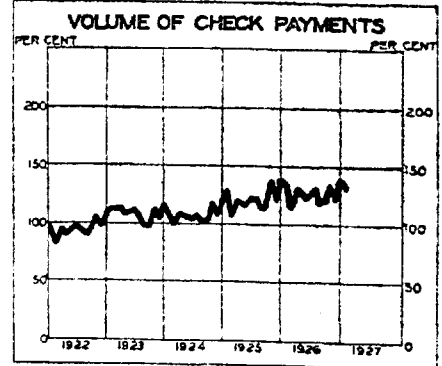
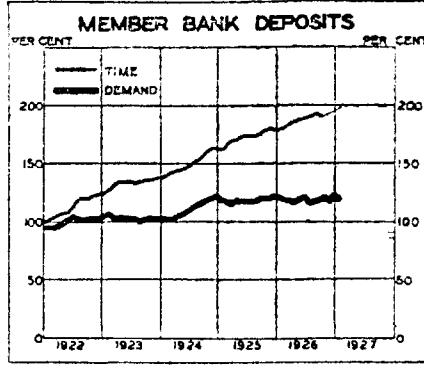
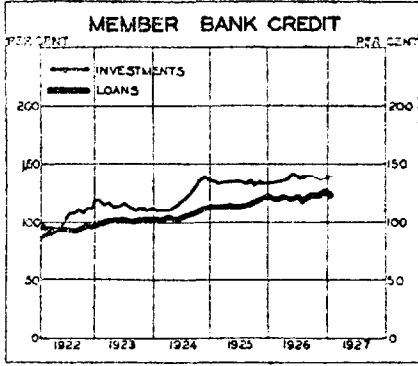
Retail trade showed more than the usual seasonal decline between December and January. Sales of department stores were in about the same volume as a year ago, while those of mail order houses were seven per cent smaller. Wholesale trade declined in nearly all leading lines in January and was considerably smaller than a year ago. Inventories of department stores were reduced less than is customary and at the end of the month were in about the same volume as in January, 1926. Stocks of merchandise carried by wholesale firms increased slightly but continued in smaller volume than in the corresponding month of the previous year. Freight car loadings declined by somewhat more than the seasonal amount between December and January but owing chiefly to heavier shipments of coal this year, weekly loadings since the beginning of the year were larger than for the same period of 1926. Shipments of merchandise in less than carload lots were also slightly larger than last year but those of most basic commodities were smaller.

Prices

The general level of wholesale prices declined fractionally in January, according to the index of the bureau of labor statistics, considerable advances in prices of live stock being somewhat more than offset in the total by decreases in nearly all other commodity groups included in the index. Prices of non-agricultural products, as a group, declined to the lowest level since early in 1922. In February there were decreases in the price of iron and steel, non-ferrous metals, bituminous coal, grains, and hides, while prices of cattle, sheep, cotton, and gasoline increased.

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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