

MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland



Vol. 10

Cleveland, Ohio, February 1, 1928

No. 2

The most important recent development in the Fourth District has been the recovery of the iron and steel industry. An upswing in this line usually takes place in January, but the present increase in operations appears to be greater than seasonal. On January 25, the industry as a whole was operating very close to 80 per cent of capacity, as compared with 72 per cent at the opening of the year, 62 per cent in the middle of December, and about 55 per cent in October and November, the low point of 1927. Furthermore, prices have finally strengthened.

Other industries in the District have not experienced such a marked upturn in January, but the general trend has been slightly upward or stationary. This in itself is encouraging, inasmuch as operations in most of these industries were gradually declining during the last six months of 1927. As for the United States, an evidence of improvement in January, at least in distribution, is found in this bank's weekly index of car loadings (corrected for seasonal). This index advanced rapidly from 93.4 for the week ending December 31 to 97.1 for the following week and 103.3 for the week ending January 14, but fell to 100.0 for the week ending January 21.

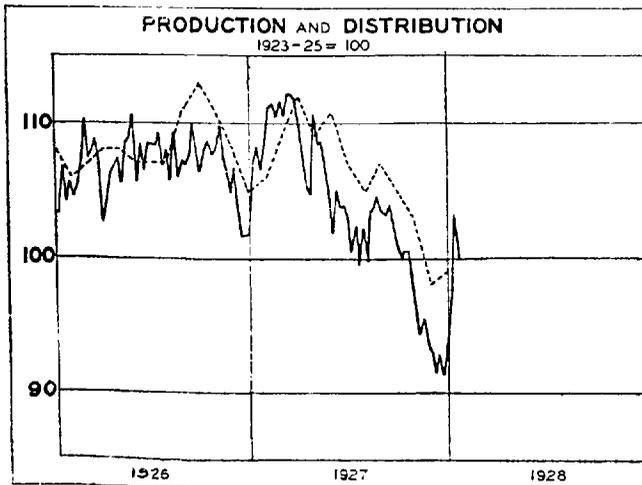
General business in December continued at a relatively slow pace, but a tendency toward stability began to manifest itself in contrast to the rather marked decline of business in October and November. In fact, the Federal Reserve Board's index of industrial production rose from 98 in November to 99 (preliminary) in December. This bank's index of distribution fell from 92.9 for the week ending December 3 to 91.3 for the week ending December 10, but then steadied, standing at 92.9 for the week ending the 17th and 91.3 the 24th, and advancing to 93.4 for the week of the 31st. The *Annalist* index of general business activity fell from 92.9 in November to 90.7 in December (preliminary).

FINANCIAL

Money rates, both in the New York market and in Fourth District centers, have varied but little during the past month, with the tendency slightly higher. Rates on prime commercial paper in Cleveland, Pittsburgh, and Cincinnati have ranged from 4 to 6 per cent, the average being around 5 per cent, and rates on prime collateral loans have ranged between 4½ and 6 per cent. In the New York market, the 4 per cent rate on short-time prime commercial paper held steady until the second week of January, when a slight shading to 3¾-4 took place. Bank acceptances, however, have advanced from 3¼ to 3½ per cent, and time money on the stock exchange advanced from 4¼-4½ per cent in December to 4½-4½ per cent in mid-January. Call money experienced the usual seasonal rise coincident with year-end settlements, moving up from 4 per cent on December 21 to 5½ on the 28th. By January 6, however, the renewal rate was again 4 per cent, and on the 23rd it dropped to 3½ per cent.

Total accommodation extended to member banks both by this bank and the Federal Reserve System decreased noticeably in January, as usually happens at this time of year. Bills discounted by the Cleveland bank fell from 70 millions on December 28 to 51 millions on January 18, and Government securities held dropped from 62 to 58 millions. Federal reserve notes in circulation declined seasonally.

Further heavy gold exports from the United States took place in December, the monthly total being \$77,849,000 as compared with \$55,266,000 in November. The net loss



Solid line—Weekly index of car loadings, F. R. B. of Cleveland (1923-1925=100). Latest figure: Week ending January 21—100.0.
Broken line—Monthly index of industrial production, F. R. Board. (1923-1925=100). Latest figure: December, 99. Both curves adjusted for seasonal variation.

in December was \$67,418,000. Argentina took \$29,850,000, and France took \$10,000,000. In the first part of January substantial imports were received from Canada, while exports were in smaller volume than in the preceding two months.

Savings deposits of 68 leading banks in this District were \$998,204,729 on January 1, a gain of 8.3 per cent for the year and of 1.1 per cent for the month.

Commercial failures in this District numbered 202 in December, 147 in November, and 132 a year ago, according to R. G. Dun and Company. Liabilities were \$3,455,204 in December, \$3,263,300 a year ago, and \$3,449,315 in November. There were 2,162 failures in the United States in December, 2,069 a year ago, and 1,864 in November.

The following table gives the main changes in the balance sheets of the Federal Reserve and reporting member banks:

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	Jan. 13, 1928	Jan. 19, 1927	Dec. 21, 1927	Jan. 13, 1928	Jan. 19, 1927	Dec. 21, 1927
Gold Reserves	262	266	260	2,808	2,936	2,742
Discounts	51	59	75	412	416	578
Acceptances	27	29	20	369	337	366
U. S. Securities	58	35	62	499	313	588
Total bills and securities	136	123	157	1,281	1,069	1,538
Federal Reserve notes in circulation	201	200	227	1,624	1,710	1,821
Total deposits	191	183	183	2,472	2,318	2,434

REPORTING MEMBER BANKS

	Fourth District (In Millions)			United States (In Millions)		
	Jan. 11, 1928	Jan. 12, 1927	Dec. 14, 1927	Jan. 11, 1928	Jan. 12, 1927	Dec. 14, 1927
Loans secured by stocks and bonds	627	572	624	6,722	5,745	6,539
All other	759	739	770	8,721	8,674	8,753
Total loans	1,386	1,361	1,394	15,443	14,419	15,292
Investments	719	621	704	6,529	5,543	6,365
Demand Deposits	1,065	1,008	1,079	14,110	13,189	14,031
Time deposits	891	822	883	6,628	5,878	6,471

MANUFACTURING, MINING

Iron and Steel While January normally sees the iron and steel industry at the beginning of an upturn which reaches its crest in March or April, the improvement this year has exceeded expectations. For the country as a whole, operations are now close to the level of a year ago in spite of the loss of considerable ground in the last half of 1927. The gains so far have been less marked in the Pittsburgh-Youngstown-Cleveland districts than at Chicago, owing to the preponderance in the latter city of railroad business and abnormal demand for building steel. Any improvement in the automotive industry would prove very beneficial to Fourth District steel plants.

In January as many blast furnaces were lighted as were blown out in the entire fourth quarter of last year, and the decline in pig iron production which set in last April has finally been checked. Steel ingot production has likewise increased, but as yet is hardly up to the high level of a year ago.

Barring the oil industry, all major consuming outlets for iron and steel are at least as broad as a year ago. The promise in the automotive industry is brighter. Rarely have structural steel awards and inquiry been so

high. Farm implement manufacturers look to 1928 to top 1927 in dollar volume. Firmer prices, excepting possibly on some light steel products, encourage consumers to order ahead. Iron and steel scrap prices have reacted lately after the rise of December and early January.

Sheet mills are operating under the impetus of the biggest December on record in point of sales. Strip and cold bar finishers have been stepping up production moderately. Tin plate mills are well booked for the first half. Spring jobber demand is helping pipe mills, but tonnage orders from the oil industry are lacking. Heavy finished steel orders in January were 50 per cent greater than in December for some makers. Cleveland makers of soft steel bars are less inclined to repeat the low prices of the fourth quarter.

The lake furnaces, still asking \$18.00, furnace, for delivery in the Cleveland district and \$17.00 in western Ohio and Indiana, are stiffening in sales in southern Ohio. Shipping instructions from automotive foundries are more liberal. Coverage of first quarter needs at Pittsburgh has been only fair. Beehive coke seems stabilized at \$2.75 to \$2.85 for furnace and \$3.75 to \$4.25 for foundry. Some independent producers who did not cut wages a year ago have done so now.

Revised statistics on December pig iron production placed the daily rate at 87,039 tons compared with 88,728 tons in November, and the month's total at 2,698,208 tons. For 1927, the revised total is 36,289,112 tons, against 39,100,941 tons in 1926 and 36,370,404 tons in 1925. At the close of December, 169 stacks were in blast—47.7 per cent of the number serviceable. This was a loss of two active stacks, compared with two in November and three in October. Steel ingot output in December, while slightly higher than November, was the second lowest of 1927. The December daily rate was 121,167 tons and the total 3,150,345 tons. The 1927 total stands at 43,040,916 tons, compared with the record of 46,936,205 tons in 1926.

After falling steadily since June, the *Iron Trade Review* composite of fourteen leading iron and steel products advanced in January. The month's average was \$35.24, compared with \$35.09 for December, and \$37.68 last January.

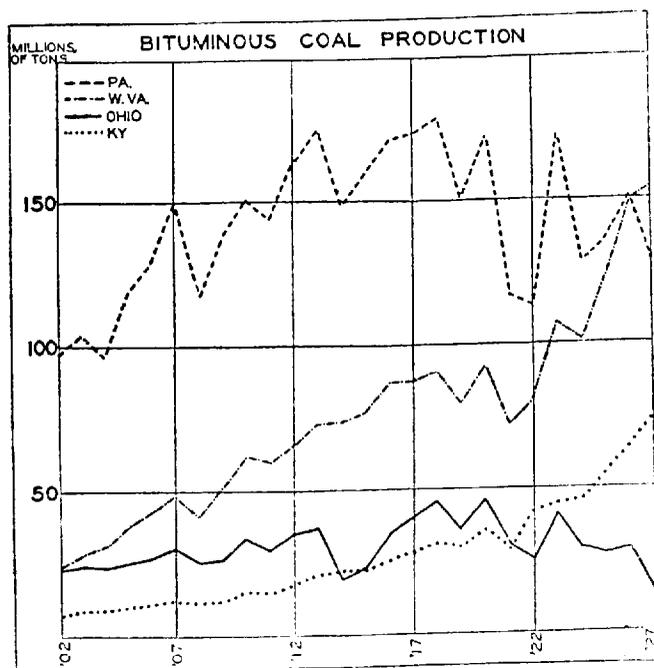
Coal

The soft coal markets in this District have been a little less sluggish in the past few weeks. Industrial stock piles, though still large, have been declining for several months, and buyers are beginning to show more interest. Increased activity in iron and steel and other industries has also been a favorable factor. Householders' demand has depended very largely on the weather; the low temperatures in the first week of January brought vigorous buying on the part of the public, but this immediately slackened with the return of unseasonably warm weather during the second and third weeks of the month. Prices on the whole have not changed materially. The *Coal Age* average price of bituminous for the year 1927 was \$1.99 (spot. mine), as against \$2.21 in 1926 and \$2.06 in 1925.

Soft coal production in the country continued at a relatively low ebb in December. The first week of 1928

brought the usual seasonal rise, but the daily average output is still less than in any of the preceding four years. Great Lakes coal shipments established a new record in 1927; loadings at Lake Erie ports totaled 34,302,230 tons, a gain of 4,558,000 over 1926 and of 6,439,000 over 1925.

The chart below gives soft coal production by years from 1902 through 1927 for the four states which are wholly or partly included in the Fourth District. The growth of production in the non-union states of West Virginia and Kentucky is very noticeable, particularly in the last five years. Pennsylvania, which is now non-union to some extent, increased its output from 1902 to 1918, but thereafter the trend, though quite irregular, has been downward, until in 1927 for the first time West Virginia passed Pennsylvania and assumed the lead in soft coal producing states in the country. Conditions in the Ohio union fields have been greatly depressed for some time, and the trend of Ohio's output has been quite steadily downward since 1920. In fact, the state's production for the year 1927—about 14,640,000 tons—was the lowest since 1898.



Rubber and Tires Following the sharp rise in the price of crude rubber about December 1st—the advance being from 33 to 41 cents a pound—a period of stability has set in with quotations fluctuating between 40 and 42 cents. Cotton, the other important raw material used in tires, has also moved within a narrow range. Manufacturers have made no change in tire prices. Business continues satisfactory, and the few annual statements which have so far been published show a distinct gain in net earnings over the year 1926.

Automobiles The automobile shows of January exhibited a large number of price reductions and style changes. The public reaction to the 1928 models is stated to be encouraging, but it is too early yet to determine accurately how the new year compares with other years. Competition is exceedingly keen.

December motor production continued the drop from 1926 which has been in evidence for several months. Total output in the United States was 133,178 cars and trucks, a loss of nearly 21 per cent from the same month in 1926. Truck production decreased only 2.4 per cent, but passenger car output showed a 24.4 per cent loss. For the entire year 1927, passenger car production amounted to 2,938,868 as compared with 3,808,753 in 1926, a drop of 22.8 per cent, while the figures for trucks were 455,019 and 490,096 respectively, a decline of 7.1 per cent.

Paint No particular change has occurred lately in this industry. One or two manufacturers report a slight gain in business, but in general, conditions are about the same as a month ago. Fourth quarter earnings showed up quite favorably as compared with other lines, net profits being equal to or slightly better than the same period in 1926. Prices of raw materials have been steady, with the tendency downward if anything. Pig lead declined about \$30 per ton during 1927, but has been slightly firmer during the past ninety days.

Clothing December business in this line proved to be somewhat better than that of October and November, particularly in the matter of retail clothing sales, and Fourth District manufacturers feel that prospects have improved with the opening of 1928. Spring orders for men's wear from retailers are awaiting the results of the January clearance sales now going on. In the knit goods trade, customers are buying in a little larger quantities than a year ago. In the women's wear lines, wholesalers are reasonably optimistic and manufacturers have experienced a perceptible gain in orders from some localities. Advances in raw wool prices during the fourth quarter have resulted in some increases in finished wool products.

Contrary to the trend in October and November, department store sales of most clothing lines showed gains in December over a year ago, some increasing quite substantially. Misses' ready-to-wear, for example, increased 18 per cent; women's coats, 19.1 per cent; and waists and blouses, 13.5 per cent. Percentage gains in other important lines were: men's wear, 3.9; boys' wear 1.8; women's dresses, 2.9; girls' wear, 5.9; sweaters, 8.0; hosiery, 6.4; knit underwear, 4.6; and aprons and house dresses, 10.0. On the other hand a loss of 2.2 per cent was shown by silk and muslin underwear and of 16.7 per cent by furs. 1927 was a poor year for the fur departments of practically all stores.

Sales of 14 wholesale dry goods houses in the Fourth

District in December showed the usual falling-off from last year, the decrease being 8.5 per cent. The year 1927 brought a decline of 7.7 per cent from 1926.

Shoes Shoe manufacturing operations fell off in December both in this District and in the country as a whole. Preliminary production figures for the district indicate a decrease of about 15 per cent from November and a similar drop from December, 1926. The decline from November is more than seasonal; in fact, the December output exceeded that of November in both 1925 and 1926.

Marked price advances took place during 1927 in hides and leather. On January 13, 1928, hides were quoted at 25½ cents a pound as compared with 14 cents a year previously; sole leather during the same period rose from 49 to 66 cents a pound, and calf leather from 45 to 51 cents a foot. Part of these advances have occurred in the past two months, and Cincinnati manufacturers state that they are beginning to be reflected in higher prices for shoes.

The Christmas retail trade in shoes was about equal to that of a year ago. Preliminary figures from 31 department stores indicate a loss of 2.1 per cent in December sales of women's shoes which was more than offset by a gain of 4.9 per cent in men's shoes, the increase for the two combined being 0.1 per cent.

Other Manufacturing Business in various lines of manufacture in this District was seasonally dull during early January. In most industries the first two weeks of the month brought but little change from December, but at least the slump of the last half of 1927 appears to have been halted, which in itself is a favorable development. In a few cases an upward trend has been discernible lately.

Agricultural Implements. Some betterment in the past few months has been brought about by the improved position of the farmers, the present condition of the trade being satisfactory.

Boxboard. Business is fair, but no particular change has taken place in the last few weeks.

Electrical Supplies. Not much change from last month. The general situation is rather quiet, with inventory-taking going on. Prices of some raw materials such as steel and copper have strengthened, but quotations on finished products have not advanced perceptibly in most cases.

Glass. This trade has suffered from severe foreign competition for some time past, and the fourth quarter of 1927 compared unfavorably with 1926 as to earnings. Present conditions are about the same as a month ago.

Metal Containers. Orders since January 1 have been up to normal and prospects are good. Fourth quarter earnings were close to those of the same period in 1926. Tin plate prices have recently been reduced 25 cents per base box, the base now being \$5.25 (Pittsburgh).

Motor Accessories. Accessory concerns of course have been adversely affected by the slump in automobile production, and have been to some extent marking time awaiting the opening of the spring season. Increased business in several instances has occurred recently.

Paper. Paper manufacturers in the District are reasonably optimistic, although things are seasonally quiet at present. The fourth quarter made a poor showing as compared with 1926. Raw material prices are strong.

Stoves. Business is seasonally quiet. Fourth quarter profits compared favorably with 1926. Competition continues keen.

AGRICULTURE

According to the United States Department of Agriculture, 1927 was a year of well-balanced production. In spite of a backward Spring and heavy rains which hindered harvest and haying, the remarkably warm, dry months of September and October extended the growing season so that the total production of the principal crops was slightly above the ten-year average. The value of the principal crops, based on December 1 prices, was \$8,428,626,000 as compared with \$7,793,480,000 a year ago. The price level of farm products during the past year rose almost to the level of 1925, which was the highest since 1920, and also went ahead of the level of non-agricultural prices.

It is estimated that 47,897,000 acres of winter wheat were sown this Fall. This is an increase of 10.2 per cent over the revised estimate of 1926. The condition of the crop for the country on December 1 was 86.0 per cent, as compared with 81.8 and 82.6 in 1926 and 1925 respectively and a ten-year average of 84.0 per cent.

The estimated acreage of winter wheat sown in Ohio is 2,324,000, an increase of 40 per cent over 1926 and the highest since the Fall of 1922. The condition of the crop is rated at 96 per cent. A year ago the condition estimate was 66 and the five-year average is 85. Wheat plants are thickly spread over the fields, and the late Fall permitted a root growth which has enabled the plants to withstand the alternate freezing and thawing which usually affects the crop adversely.

Canners in the District report a slight increase in the price of their goods to the wholesalers. This is the result of a lighter production of most commodities in the canned goods line during the past season.

Tobacco The improvement in burley tobacco prices noted in last month's Review became even more marked in late December and early January. Although the actual volume of burley sold on Kentucky auction floors in December was slightly less than in the same month of 1926, the dollar value was very much higher, inasmuch as the growers received an average price of \$24.08 per 100 pounds last month as against only \$13.81 a year ago. As a matter of fact, both the volume of Kentucky burley sales and the average price received were the highest for any December of the past eight years with one exception.

the volume being exceeded in 1926 and the price in 1922. The dollar value of the tobacco sold was the largest for the month since the price-inflated December of 1919.

Lexington warehouses report a further noticeable strengthening of prices recently, the average per 100 pounds for the first week in January being around \$28.50. This represents a rise of some \$2.50 per 100 pounds over the prices prevailing in the last two weeks of 1927.

Although the crop was very short, favorable weather for handling tobacco resulted in a larger proportion reaching the market than usual. The quality is also good, being considerably better than last year.

The following table gives the details of burley tobacco sold for growers in Kentucky during December:

December	Pounds	Dollars	Average Price
1927	33,659,404	\$ 8,106,696	\$24.08
1926	35,306,529	4,883,981	13.81
1925	24,872,611	5,119,266	20.54
1924	11,924,455	2,563,185	21.49
1923	18,897,699	2,622,812	18.87
1922	15,602,429	4,327,771	29.00
1921	5,177,714	1,137,209	21.96
1920	479,790	52,949	11.03
1919	42,471,765	20,166,666	47.48

BUILDING

The construction industry in 1927 made a better showing than most in comparison with 1926. Contracts awarded in the Fourth District in December were slightly lower in value than a year ago, but the entire year 1927 exceeded 1926 by a comfortable margin. The yearly figures were \$697,829,000 for 1927 and \$630,452,000 for 1926.

December contracts for 37 Eastern states were likewise

Building Operations

(Valuation of Permits)

	December 1927		Jan.-Dec. 1927		Jan.-Dec. 1926		% change from 1926	
	Pounds	% change from 1926	Pounds	% change from 1926	Pounds	% change from 1926	Pounds	% change from 1926
Akron	2,305,052	+62.3	20,967,461	16,068,106	16,068,106	+30.5		
Ashtabula	12,230	+0.2	514,537	941,626	941,626	-45.4		
Barberton	76,435	+201.3	1,208,794	986,299	986,299	+22.6		
Canton	150,195	+11.7	4,105,598	5,343,767	5,343,767	-23.2		
Cincinnati	3,334,301	-29.6	36,100,751	33,241,099	33,241,099	+8.6		
Cleveland	4,751,900	+33.9	45,430,550	61,776,575	61,776,575	-26.4		
Cleveland suburbs:								
Cleve. Heights	216,100	-20.1	5,064,707	7,080,307	7,080,307	-28.5		
East Cleveland	38,695	-88.4	1,358,018	1,584,771	1,584,771	-14.3		
Euclid	95,323	+20.3	1,941,693	1,703,988	1,703,988	+13.9		
Garfield Heights	76,500	-19.7	2,633,500	2,203,050	2,203,050	+19.5		
Lakewood	76,330	-76.9	3,803,427	4,362,823	4,362,823	-12.8		
Parma	75,900	-57.2	3,181,974	1,800,453	1,800,453	+76.7		
Rocky River	153,086	+89.2	1,382,484	978,004	978,004	+41.4		
Shaker Heights	516,500	+50.4	9,164,590	7,529,950	7,529,950	+21.7		
Columbus	1,510,100	+43.2	23,282,600	25,250,700	25,250,700	-7.8		
Covington, Ky.	63,800	-30.9	1,628,200	2,165,300	2,165,300	-24.8		
Dayton	190,234	-92.5	10,432,026	11,076,109	11,076,109	-5.8		
Erie, Pa.	237,200	-6.1	5,392,686	6,132,251	6,132,251	-12.1		
Hamilton	60,100	-55.7	1,893,031	2,550,712	2,550,712	-25.8		
Lexington, Ky.	161,481	-67.9	2,334,041	2,186,201	2,186,201	+6.8		
Lima	12,735	-78.9	706,446	1,231,954	1,231,954	-42.7		
Newark	4,100	-10.9	634,142	377,125	377,125	+68.2		
Pittsburgh, Pa.	3,218,475	-14.9	37,139,462	43,790,103	43,790,103	-15.2		
Springfield	21,075	-64.9	1,744,823	1,446,818	1,446,818	+20.6		
Toledo	920,327	+79.3	16,587,388	13,041,090	13,041,090	+27.2		
Wheeling, W. Va.	67,801	-22.4	2,991,689	1,810,537	1,810,537	+65.2		
Youngstown	1,111,550	+80.0	9,270,320	9,168,282	9,168,282	+1.1		
Total	19,457,525	-8.6	250,944,938	265,828,000	265,828,000	-5.6		

less than a year ago, but contemplated projects on January 1 were larger. Contracts awarded for 1927 were the second largest in history, the volume in 1926 being slightly greater. Bradstreet's report of building permits for 200 cities in the United States shows a loss of 11.1 per cent from 1926 in December and of 10.9 per cent for the year. Engineering projects, which have been increasing, are excluded from these figures.

The value of permits of 27 cities in this District in December was 8.6 per cent less than in the preceding year, and 1927 ran 5.6 per cent behind 1926. For December, large gains were recorded in Akron, Barberton, Cleveland, Columbus, Toledo, and Youngstown, while the greatest decreases were in Springfield, Lima, Hamilton, Lexington, and Dayton. For the year 1927, increases were shown by 14 of the 27 cities.

The Aberthaw index of building costs on January 1 was unchanged at 191.

TRADE

Retail Trade The Christmas trade in Fourth District department stores was slightly better than in 1926, December sales in a majority of the reporting centers exceeding those of a year ago. The increase for the 60 stores combined was 0.3 per cent. Nineteen wearing apparel stores also reported a gain of 2.7 per cent.

The year 1927 barely managed to make a better record than 1926 in the matter of department store sales, showing an infinitesimal increase of 0.1 per cent. Sales in the majority of cities were again ahead of 1926, but the gains were mostly small and were almost offset by decreases in Pittsburgh, Wheeling, and "other cities."

December sales of 27 out of 52 individual departments were in larger volume than in 1926. Increases were quite general in the clothing departments, as well as in furniture, rugs, draperies, and books and stationery. Decreases occurred in yard goods and several of the small ware departments, and in domestics, house furnishings, luggage, toys, and musical instruments.

Wholesale Trade All reporting wholesale lines in the Fourth District showed decreases in sales in December, both as compared with November and with a year ago. For the year 1927, all lines likewise reported a smaller volume of sales than for 1926.

As compared with December, 1926, the largest decrease of the past month was shown by shoes, with 22 per cent. Groceries declined 5.6 per cent; dry goods, 8.5; hardware, 12.7; and drugs, 3 per cent. For the year 1927, grocery sales decreased 4.8 per cent; dry goods, 7.7; hardware, 3.3; shoes, 10.6; and drugs, 0.5 per cent.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	Dec. 1927	Dec. 1926	% change	Year 1927	Year 1926	% change	
Bank Debits (23 cities)	Millions of dollars	3,570	3,246	+10.0	38,727	35,921	+7.8
Savings Deposits (end of month)	Thous. of dollars	732,234	675,005	+8.5	698,641 ¹	656,173 ¹	+6.5
Ohio (41 banks)	"	265,971	246,501	+7.9	257,912 ¹	239,724 ¹	+7.6
Western Pennsylvania (27 banks)	"	998,204	921,506	+8.3	956,553 ¹	895,897 ¹	+6.8
Total (68 banks)	"	202	132	+53.0	2,024	2,008	+0.8
Commercial Failures — Number	Actual Number	3,455	3,263	+5.9	52,765	40,498	+30.3
Liabilities	Thous. of dollars	3,870	3,826	+1.2	37,359	36,668	+1.9
Postals Receipts — 9 cities	"	113,465	122,611	-7.5	1,186,792	1,151,979	+3.0
Sales — Life Insurance — Ohio and Pa.	"	41,436	41,285	+0.4	293,916	294,420	-0.2
Dept. Stores (50 firms)	"	6,914	7,121	-5.6	81,248	85,383	-4.8
Wholesale Groceries (50 firms)	"	2,224	2,430	-8.5	28,522	30,901	-7.7
Dry Goods (14 firms)	"	1,716	1,966	-12.7	24,556	25,407	-3.3
Hardware (16 firms)	"	1,841	1,897	-3.0	21,933	22,034	-0.5
Drugs (15 firms)	"	19,548	21,287	-8.6	250,945	265,828	-5.6
Building Permits, Valuation—27 cities	"	39,226	41,795	-6.1	697,829	630,452	+10.7
Building Contracts Awarded—4th Dist.	"	2,696	3,091	-12.8	36,232	39,070	-7.3
Production — Pig Iron, U. S.	Thous. of tons	3,150	3,467	-9.1	43,041	46,936	-8.3
Steel Ingots, U. S.	"	105,784	139,850	-24.4	2,938,868 ⁶	3,808,753 ⁶	-22.8
Automobiles, U. S.	"	27,394	28,074	-2.4	455,019 ⁶	490,046 ⁶	-7.1
Passenger Cars	Actual Number	17,342 ²	22,808 ²	-24.0	185,675 ²	195,352 ²	-4.9
Trucks	"	970	851	+14.0	17,282	15,901	+8.7
Bituminous Coal, 4th Dist.	Thous. of tons	1,155 ²	1,120 ²	+3.1	11,962 ²	11,526 ²	+3.8
Cement: Ohio, W. Va., Wn. Pa.	" bbls.	1,977 ²	1,868 ²	+5.8	20,637 ²	20,637 ²	+6.4
Electric Power: Ohio, Pa., Ky.	Millions of k. w. hrs.	4	4	+5.3 ²	4	4	+13.5 ²
Petroleum: Ohio, Pa., Ky.	Thous. of barrels	3,408 ²	3,287 ²	+3.7	45,583 ²	43,008 ²	+6.0
Shoes, 4th District	" pairs	219	507	-56.8	34,302	29,744	+15.3
Tires, U. S.	" casings	.....	.....	.....	36,553	42,287	-13.3
Bituminous Coal Shipments (from Lake Erie ports)	" tons	.....	.....	.....	.....	.....	.....
Iron Ore Receipts (at Lake Erie ports)	" tons	.....	.....	.....	.....	.....	.....

¹12 months' average.²November.³January-November.⁴Figures Confidential.⁵Revised.

Index Numbers of Trade in the Fourth Federal Reserve District

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

	Dec. 1923	Dec. 1924	Dec. 1925	Dec. 1926	Dec. 1927
Department Stores (50)*	175	180	188	191	191
Wholesale Drugs (15)*	101	106	116	121	116
Wholesale Dry Goods (13)*	71	81	80	73	66
Wholesale Groceries (50)*	85	88	87	82	77
Wholesale Hardware (15)*	80	94	94	97	85
Wholesale Shoes (5)*	60	76	69	82	63
Wholesale All (99)*	83	89	90	87	79
Chain Drugs (3)*†	122	121	127	129	92

*Number of firms.

†Per individual unit operated.

Debts to Individual Accounts

(In thousands of dollars)

	5 weeks ending Jan. 18, 1928	% change from 1927	Year 1927 (Dec. 29- Dec. 28)	Year 1926 (Dec. 30- Dec. 29)	% change from 1927
Akron	132,945	+22.6	1,207,434	1,124,453	+7.4
Butler, Pa.	13,685	-10.0	141,643	136,022	+4.1
Canton	61,300	-2.5	568,631	570,108	-0.3
Cincinnati	587,333	+17.7	4,916,224	4,424,725	+11.1
Cleveland	1,150,462	+10.1	9,696,274	9,019,632	+7.5
Columbus	216,483	-3.8	2,006,144	1,915,138	+4.8
Connellsville, Pa.	4,809	-30.0	60,211	68,860	-12.6
Dayton	122,670	+1.4	1,126,141	1,051,020	+7.1
Erie, Pa.	41,220	-5.5	433,886	431,443	+0.6
Greensburg, Pa.	29,352	+10.5	268,613	248,320	+8.2
Homestead, Pa.	4,797	-8.4	53,724	56,655	-5.1
Lexington, Ky.	37,564	+1.3	297,789	279,137	+6.7
Lima	20,429	-1.3	180,773	194,426	-7.0
Lorain	6,881	+0.2	74,897	73,826	+1.5
Middletown	17,370	+30.3	136,164	135,689	+0.4
Oil City, Pa.	18,025	-1.0	185,074	171,012	+8.2
Pittsburgh, Pa.	1,166,463	+1.8	12,218,772	11,287,723	+8.2
Springfield	28,902	-1.1	286,024	287,484	-0.5
Steubenville	13,380	-1.8	135,789	133,145	+2.0
Toledo	349,766	+19.7	2,830,651	2,620,078	+8.0
Warren	15,541	+2.6	157,475	161,215	+3.9
Wheeling, W. Va.	59,441	-2.9	557,682	565,093	-1.3
Youngstown	85,957	-11.3	851,606	839,010	+1.5
Zanesville	15,437	+4.6	154,792	152,992	+1.2
Total	4,200,572	+7.0	38,556,413	35,947,186	+7.3

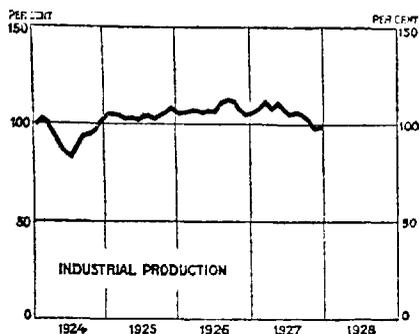
Retail and Wholesale Trade

	No. of reports	Percentage Increase or Decrease compared with	
		Dec. 1926	Jan.-Dec. 1926
DEPARTMENT STORES			
Akron	5	+7.1	+3.1
Cincinnati	7	+4.2	+3.9
Cleveland	6	+4.0	+1.0
Columbus	6	+5.6	+10.2
Pittsburgh	7	-4.2	-3.7
Toledo	4	+1.5	+3.9
Wheeling	5	-7.8	-4.7
Youngstown	3	-3.2	+2.3
Other Cities	17	-2.0	+2.8
District	60	+0.3	+0.1
WEARING APPAREL			
Cincinnati	6	+7.3	+6.6
Cleveland	4	+1.5	+5.5
Other Cities	9	+0.1	+3.7
District	19	+2.7	+0.6
FURNITURE			
Cincinnati	11	-9.9	.....
Cleveland	9	-20.3	.....
Columbus	11	+1.1	.....
Dayton	7	+4.3	.....
Toledo	6	+15.1	.....
Other Cities	6	-5.0	.....
District	50	-5.0	.....
CHAIN STORE*			
Drugs—District	3	-17.4	-7.8
Groceries—District	5	-0.9	-2.1
WHOLESALE GROCERIES			
Akron	3	+6.6	-4.3
Cincinnati	3	+0.5	+2.7
Cleveland	4	-5.6	+4.9
Erie	4	-12.9	-12.0
Pittsburgh	7	+0.2	+1.4
Toledo	4	-9.0	+6.4
Other Cities	27	-8.3	-6.3
District	52	-8.6	-7.7
WHOLESALE DRY GOODS			
Cincinnati	14	-8.5	+4.8
Cleveland	15	-3.0	+7.7
Other Cities	16	-12.7	-0.5
District	5	-22.0	-3.3
WHOLESALE SHOES			
District	5	-22.0	-10.6

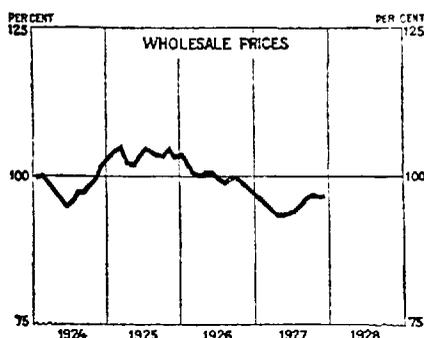
*Sales per individual unit operated.

Summary of National Business Conditions

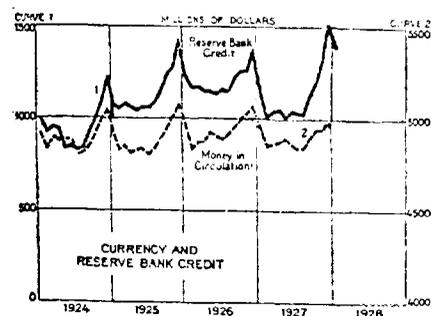
(By the Federal Reserve Board)



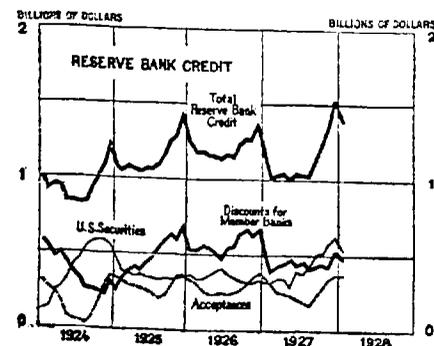
Index number of production of manufactures and minerals combined adjusted for seasonal variations (1923-1925 = 100). Latest figure: December—99.



Index of U. S. Bureau of Labor Statistics, (1925 = 100). Latest figure: December, 96.8.



Money in circulation data are averages of first-of-month figures and reserve bank credit data are monthly averages of daily figures. Latest figures (January) partly estimated.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 23 days in January. Federal Reserve Bank of St. Louis

Industrial activity continued in December at a relatively low level and railroad distribution of commodities declined further while the general level of prices remained unchanged. Holiday trade at retail stores was in somewhat larger volume than in the previous year.

Production

Production of manufactures remained in practically the same volume in December as in November, while output of minerals, when allowance is made for usual seasonal changes, showed a slight increase. Activity in the textile, shoe and tobacco industries was reduced in December, while the output of steel, nonferrous metals and petroleum increased. Production of automobiles continued in small volume during December, but increased considerably in January, and within recent weeks there has been also a further increase in the activity of steel mills.

Building contract awards were slightly larger in December than in November, but smaller than in December of the two preceding years. Total awards for the year 1927 in 37 eastern states, as reported by the F. W. Dodge corporation, were valued at about \$6,300,000,000 which is slightly less than the 1926 total of \$6,380,000,000. December awards for residential and commercial buildings were larger than in December, 1926, while those for industrial buildings and public works were smaller.

During the first three weeks of January, contract awards were in approximately the same volume as during the corresponding weeks of last year.

Trade

Retail sales of department stores and mail order houses increased slightly more than is usual in December, and were somewhat larger than a year ago. Inventories of merchandise carried by department stores were reduced in December, and at the end of the year were slightly smaller than at the end of 1926. Wholesale trade in nine leading lines continued smaller than in the corresponding month of last year. Stocks of groceries, shoes, hardware, and furniture carried by wholesale firms were smaller than at the end of December a year earlier and stocks of dry goods and drugs were slightly larger. Freight carloadings declined further in December, and were in smaller volume during that month and the early part of January than at any time in four years. The decrease in loadings occurred in practically all groups of commodities.

Price

The Bureau of Labor Statistics index of wholesale commodity prices remained practically unchanged in December and was at the end of the year about 1 per cent lower than a year ago. Prices of grains, hide and leather products, nonferrous metals, and rubber increased in December, while prices of livestock, cotton, and lumber declined. In the first three weeks of January there were increases in prices of iron and steel, grains, and wool, while prices of cattle, hogs, and cotton declined.

Bank Credit

At the reserve banks the seasonal demand for currency after reaching its peak on December 24 was followed by a return flow of money from circulation, which amounted to about \$440,000,000 between December 24 and January 18. This decline in the demand for currency, which was approximately the same as a year ago, was reflected in a decrease for the same period of about \$360,000,000 in bills and securities of the reserve banks.

Loans and investments of member banks in leading cities declined during the first half of January, but were still at a higher level than at any time last year. The decline of about \$200,000,000 between January 4 and January 18 reflected a decrease of about \$280,000,000 in the volume in loans on securities, offset in part by a considerable increase in the banks' investment holdings. Call loan rates showed the usual seasonal decline at the turn of the year, but other money rates were slightly firmer. The rate on bankers' acceptances increased during the second week of January from 3¼ to 3¾ per cent and there was also a slight advance in rates on time money in the open market.