



# MONTHLY BUSINESS REVIEW

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in the

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December business in the Fourth District was close to the year's high point, after allowing for seasonal factors, and January was on a par with December. Heavy production schedules were being maintained during January by the steel, motor accessory, electrical supply, and machine tool industries. Improvement in January over December was reported by the clothing, glass, railway equipment, and building trades, particularly the two latter. Building contracts were small in December but in the first half of January showed a marked gain. The rubber and tire trade did fairly well in January but was hampered by large inventories in manufacturers' hands.

As noted last month, the holiday trade in the Fourth District fell slightly behind last year. When taken in conjunction with an increase of 29.5 per cent over the preceding year in December wholesale drug sales, by far the largest gain ever reported by that line, the decline in holiday buying in this District may be largely ascribed to the influenza.

The credit situation in this District, as elsewhere, remained tight in January, although there was a seasonal reduction in borrowings from the Federal Reserve Bank of Cleveland. Bankers report, however, that business has not felt the effect of firm money rates, except here and there in the case of building. The Cleveland Reserve bank's reserve ratio advanced from 59.1 on December 28 to 68.1 on January 23.

The chart below, adjusted for seasonal and long-time trend, shows the steady increase in the Fourth District's business during 1928. The December figure of 104.1 was exceeded only by September, when the year's high of 106.3 was attained, and by November. The December figure

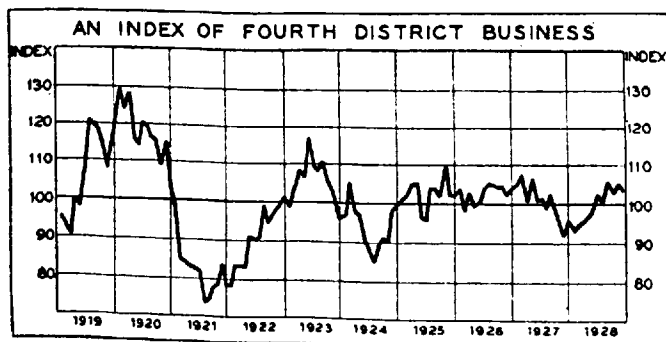
also compared very favorably with the same month in earlier years.

## FINANCIAL

In the month ending January 24, borrowings from the Federal Reserve System declined seasonally, money rates as a whole continued firm, gold earmarkings increased, loans to brokers advanced to a new record, and security prices moved into higher ground. In the Fourth District, leading bankers report that the demand for credit has not eased off to any material extent since the first of the year. The demand is variously described as "active", "strong", and "heavy", and rates charged customers are as high as a month ago. In response to the specific question as to whether high money rates were adversely affecting business, bankers reported no such interference with manufacturing lines, but one or two noted an adverse effect on building activity.

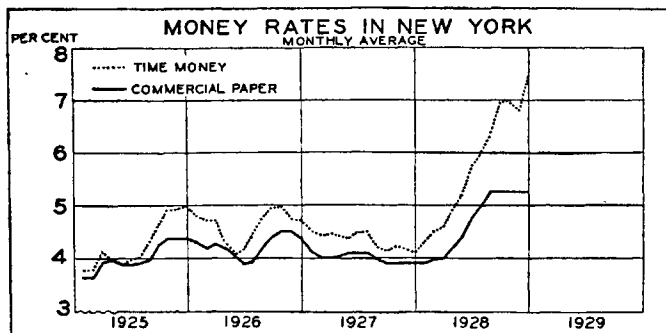
**Gold Movements.** Both imports and earmarkings of gold were fairly large in January. One shipment of \$23,000,000 was received from Canada, and late in January two importations aggregating \$7,500,000 were received from England—the first substantial shipments from that country since November 28. Actual exports were negligible, but earmarkings for foreign account increased about \$65,000,000 during the first half of the month. In the three weeks ending January 16 there was thus a net loss of about \$35,000,000 in this country's gold stock. On December 31 our monetary gold stock (preliminary) amounted to \$4,141,179,000, a gain of \$13,000,000 over November and of \$32,000,000 over the year's low point in June but a loss of \$450,000,000 from the middle of 1927 when substantial gold exports commenced.

**Money Rates.** With the exception of call money, New York money rates failed to show any seasonal decline in January and in fact the acceptance rate advanced twice during the month, from 4½ to 4% per cent (asked, 90-day) on the 4th and again to 5 per cent on the 18th. Commercial paper (prime) held steady at 5¼-5½ per cent, with virtually all transactions being conducted at the higher figure. Time money on the stock exchange also remained unchanged at 7% per cent. Call money, however, fell from the seasonal peak of 12 per cent at the year-end to 6 per cent toward the end of January. The present money situation is signaled by the high



level of quotations at a time when they are normally close to the year's low.

Rates charged to customers in the Fourth District are about the same as last month but are somewhat higher than a year ago. In Cleveland, loans on prime commercial paper command  $5\frac{1}{2}$ -6 per cent against 5 per cent last year, and collateral loans are  $5\frac{1}{2}$ -6 against 5-6 a year ago.



**Reserve Bank Credit.** The usual seasonal changes took place in various Federal Reserve balance sheet items in January, although the level of acceptance holdings remained very high in spite of large maturities. Discounts declined from the year-end peak of \$1,168,000,000 on December 26 to \$782,000,000 on January 23. This drop was largely accounted for by a seasonal reduction of \$250,000,000 in Federal Reserve note circulation but was also aided by a gain of \$125,000,000 in cash reserves and a falling-off of \$50,000,000 in member bank deposits. These three items were offset to a small extent by decreases of \$35,000,000 and \$30,000,000 in holdings of acceptances and Government securities respectively.

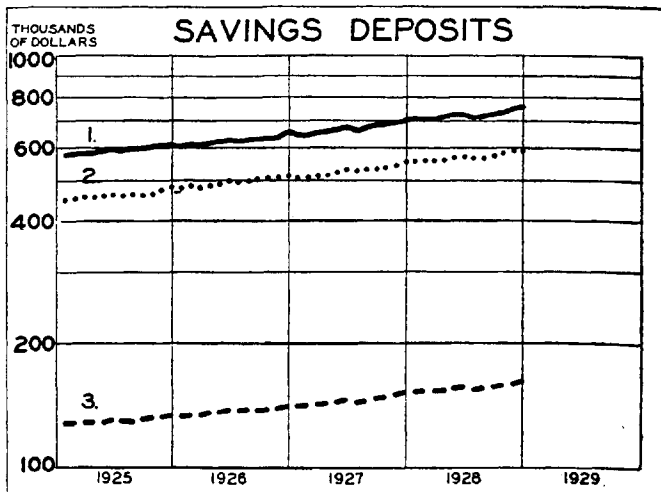
In the Cleveland Reserve Bank, borrowings fell from \$112,000,000 on December 26 to \$73,000,000 on January 23. As in the case of the System, this liquidation was brought about largely by a seasonal return flow of currency. Government security holdings changed but little while acceptances declined.

**Security Prices.** The recovery in the stock market following the early December break continued until January 2, the Dow-Jones industrial average reaching 307.01 as against 257.33, the low point of the break (December 8). A 10-point reaction then set in, followed by a trading area which was finally broken through on the up side on January 22. The advance lasted until the 25th, the average standing at 315.13 on that day—a new high. By the 30th the average had reacted to 312.60.

**Savings Deposits.** Savings deposits of 66 large banks in Ohio and Western Pennsylvania amounted to \$1,060,140,505 on December 31, a gain of 0.1 per cent for the month and of 5.6 per cent for the year.

The chart below shows the steady increase in the savings deposits of 30 large and representative banks in the Fourth District during the past four years. The figures include individual savings or time deposits but exclude certificates of deposit, Christmas savings funds, special travel or vacation savings accounts, etc., and are also unaffected by mergers. The solid line indicates the grand total for 30 banks, the dotted line the total

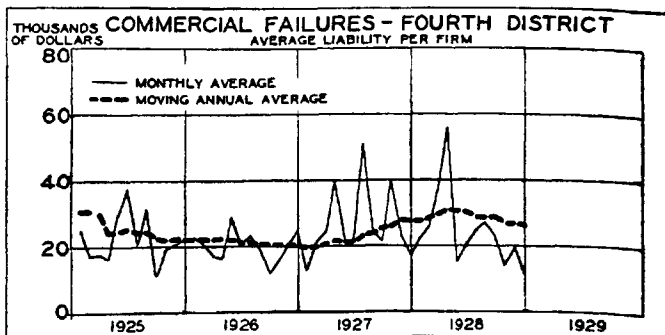
for the 10 largest banks in the group, and the broken line, the total for the 20 remaining banks.



Curve 1: End of month figures of 30 leading banks in Fourth District.  
Curve 2: End of month figures of 10 largest banks.  
Curve 3: End of month figures of 20 other banks.

**Commercial Failures.** Commercial failures in the Fourth District in December numbered 134, according to Dun and Company. This was the same figure as reported in November and compares with 202 in December of 1927. Liabilities totaled \$1,393,859 in December, \$2,613,625 in November, and \$3,455,204 a year ago. In the United States there were 1943 failures in December, 1838 in November, and 2162 in December, 1927.

The following chart shows the average liability per firm failed in this District during the last four years, the solid line indicating the actual average liability each month and the broken line and moving annual average, or "trend". It is noticeable that the general trend was definitely downward in 1925 and 1926, but turned up early in 1927 and continued upward until about the middle of 1928. In the last few months a gradual decline has again set in. In December, 1928, the average liability per failed firm was only \$10,402, the lowest for any month since April, 1920. The chart seems to indicate that in the Fourth District the proportion of smaller firms failing has been increasing somewhat in the past several months, although still not as great as in 1926.



**Debits.** Debits to individual account at 13 large centers in this District were \$3,335,466,000 in December, \$2,758,040,000 in November, and \$2,944,796,000 in December of 1927. In 24 cities, debits for the five weeks ending January 16 totaled \$4,530,511,000, a gain of 7.9

per cent over last year, and for the year 1928 they totaled \$40,821,752,000, a gain of 4.1 per cent over 1927.

### Debits to Individual Accounts

(In thousands of dollars)

	5 weeks ending Jan. 16, 1929	% change from 1928	Year 1928 (Dec. 28 to Dec. 26)	Year 1927 (Dec. 29 to Dec. 28)	% change from 1927
Akron.....	142,587	+ 7.3	1,354,662	1,226,931	+10.4
Butler, Pa.....	14,746	+ 7.8	142,104	144,496	- 1.7
Canton.....	69,549	+13.5	604,368	579,014	+ 4.4
Cincinnati.....	601,013	+ 2.3	5,416,970	4,998,939	+ 8.4
Cleveland.....	1,189,838	+ 3.4	10,268,424	9,876,098	+ 4.0
Columbus.....	252,371	+16.4	2,083,293	2,039,134	+ 2.2
Connellsville, Pa.	4,572	- 4.9	52,669	61,619	-14.5
Dayton.....	140,962	+14.9	1,173,971	1,143,740	+ 2.6
Eric, Pa.....	44,913	+ 9.0	457,817	441,378	+ 3.7
Greensburg, Pa.....	24,718	-15.8	254,769	273,806	- 7.0
Homestead, Pa.....	4,878	+ 1.7	53,892	54,644	- 1.4
Lexington, Ky.....	46,179	+22.9	301,530	304,097	- 0.8
Lima.....	21,839	+ 6.9	190,223	183,582	+ 4.0
Lorain.....	7,064	+ 2.7	77,518	76,172	+ 1.8
Middletown.....	15,382	-11.4	158,379	138,657	+14.2
Oil City, Pa.....	21,463	+19.1	213,456	187,998	+13.5
Pittsburgh, Pa.....	1,295,368	+11.1	12,338,921	12,425,526	- 0.7
Springfield.....	35,259	+22.0	281,890	290,530	- 3.0
Steubenville.....	14,229	+ 6.3	144,748	138,291	+ 4.7
Toledo.....	375,871	+ 7.5	3,385,794	2,872,948	+17.9
Warren.....	16,649	+ 7.1	170,544	170,372	+ 0.1
Wheeling, W. Va.....	68,521	+15.3	634,124	568,811	+11.5
Youngstown.....	105,659	+22.9	897,116	866,216	+ 3.6
Zanesville.....	16,881	+ 9.4	163,870	157,754	+ 3.9
Total.....	4,530,511	+ 7.9	40,821,752	39,220,753	+ 4.1

### MANUFACTURING, MINING

**Iron and Steel** Automotive requirements for finished steel expanded so rapidly in the first half of January that the quickening of the iron and steel industry in the Pittsburgh, Youngstown and Cleveland districts following the holiday and inventory letdown outran that of other important districts.

Sheet mills in the Youngstown district especially benefited, and in mid-January independent producers were operating at practical capacity. Open hearth steel production of independent interests was, as a consequence, also as near 100 per cent as operating conditions permit. Automotive demand for bars, both soft steel and alloy, was relatively as heavy as for sheets, order books and specifications in mid-January being sufficient to keep mills busy for some time.

Melters of pig iron having covered so generously last quarter, fresh buying of pig iron has been light, but shipments, especially to foundries on automotive castings in the lake district, have been on a parity with the December rate. In the immediate Pittsburgh district pig iron prices have appeared somewhat easier, but the lake furnaces have held their ground.

Tonnage requirements have featured the iron and steel markets in all districts. Freight car awards in the first half of January, at 8,332 units, were more than double those of the comparable period of last January. Line pipe orders have continued heavy. Structural projects, while fewer in number, are greatly increased in volume over a year ago. Shipbuilding projects in the East are numerous, while at Cleveland orders for three lake freighters, requiring 5,000 tons of steel each, have been placed.

December steel ingot production attained a new December record. The daily rate of 160,617 tons was slightly under the 163,822 tons of November. The 1928 total of open hearth and bessemer ingots—49,853,225 tons—outstrips the previous record of 46,936,205 tons in 1926.

Nineteen twenty-eight was an 85 per cent steel year, on the basis of operations, as compared with 76 per cent in 1927.

December saw 3,369,784 tons of pig iron produced at a daily rate of 108,702 tons. As in the case of ingot output, this was a slight recession from November but a noteworthy gain over the 87,039 tons of December, 1927. The 1928 total of pig iron production stands at 37,831,741 tons, compared with 36,289,112 tons in 1927. Last year ranked sixth in production, though it should be noted that three of the five years exceeding it were war years.

As 1929 opened, the Iron Trade Review composite of 14 leading iron and steel products stood at \$36.25, one point over the high point of 1928, but in mid-January a slight weakness in pig iron dropped this index to \$36.23. The average for December was \$36.22, for November \$36.02, and for last January \$35.27.

**Coal** Production of soft coal is about on a par with last year but is running behind the three preceding years. The Bureau of Mines puts the country's output for 1928 at 492,755,000 tons, as compared with 517,763,000 tons in 1927. Last year's production was the smallest since 1924.

In the Fourth District, no noticeable change has taken place since January 1 other than a seasonal increase in domestic demand coincident with zero weather toward the middle of the month. Prices have changed but little, although slack coal is reported to be firmer. Industrial demand has shown no increase, stock piles being kept up to about the present level. Industrial stocks on hand in December, according to the National Association of Purchasing Agents, were 41,010,000 tons, a slight decrease from November and a decrease of 14,715,000 tons from the unusually high figure of a year ago.

**Rubber and Tires** Both production and shipments of tires declined toward the end of 1928, but stocks in manufacturers' hands mounted rapidly until on December 1 they were not far from the seasonal peak reached on June 1. The December figure was considerably higher than usual at that season and was 24 per cent higher than a year earlier.

Reports from Akron manufacturers indicate that Spring-dating orders are slow, inasmuch as dealers are restricting their purchases. Business in January was about equal to or slightly ahead of last year in volume, but owing to the lower prices now existing the actual dollar value was somewhat less. The demand for tires as original equipment is heavy. Preliminary figures for December place United States production of tires at 4,213,000 or 23.5 per cent more than last year.

Crude rubber prices have strengthened to some extent lately, being quoted at 21½ cents a pound (first latex, spot) on January 17 as compared with 18 cents a month earlier. A year ago the quotation was 42 cents a pound.

Imports of crude rubber into this country in December were the largest yet recorded, amounting to 46,684 tons as against 29,062 tons a year earlier. Imports in 1928 also established a new record, amounting to 446,421 tons as against 432,316 in 1927. Over 96 per cent of the rubber

originated in the British and Dutch East Indies, most of the remainder coming from Brazil.

**Automobiles** United States automobile production in December was 233,135, showing a sufficient margin over the same month in 1926 to insure a new high production record for all time in 1928. The 1928 total was 4,357,384, as compared with 4,301,134 in 1926 and 3,401,326 last year. Adding Canadian production, the totals were 4,599,766 in 1928 and 4,505,861 in 1926. The December figure of 233,000 cars and trucks was the highest in eight years for that month except in 1923 and 1925.

In Ohio, registration of new passenger cars in eight leading counties totaled 120,461 in 1928 as compared with 95,958 in 1927, a gain of 25.5 per cent, according to figures of the Ohio State University Bureau of Business Research. In 61 counties, representing over 80 per cent of the state, December passenger car registrations were 14,645, a gain of 57 per cent for the year and of 28 per cent for the month. Truck registration also increased 42 per cent over a year ago and 68 per cent over November.

Many of the more important manufacturers marked time during a large part of December, owing to inventory-taking and preparation for new 1929 models. In January, however, virtually all makers swung into production and the rate of output was consequently stepped up considerably. Automobile shows in various cities held the public's attention in January, and good buying following these exhibitions is reported from various parts of the country.

The following table gives the registration of new passenger cars in eight large Ohio cities for 1928 and 1927 to date, the figures being those of the Ohio State University Bureau of Business Research.

#### NEW PASSENGER CAR REGISTRATIONS

##### Eight Ohio Counties

	1928	1927	% change
Akron (Summit) .....	12,825	9,782	+31.1
Canton (Stark) .....	7,821	6,370	+22.8
Cincinnati (Hamilton) .....	18,316	14,917	+22.8
Cleveland (Cuyahoga) .....	39,109	32,240	+21.3
Columbus (Franklin) .....	13,035	10,470	+24.5
Dayton (Montgomery) .....	9,113	7,851	+16.1
Toledo (Lucas) .....	12,937	8,621	+50.1
Youngstown (Mahoning) .....	7,305	5,707	+28.0
<b>Total</b> .....	<b>120,461</b>	<b>95,958</b>	<b>+25.5</b>

**Clothing** The condition of the manufacturing end of this industry appears to be somewhat improved over a month or two ago. Cold weather in January had a beneficial effect on retail buying, and although this has not as yet worked itself back to the manufacturers to any great extent, a slight betterment has been evident. Advance orders in most instances are equal to or better than a year ago, but in certain parts of the District, especially the soft coal areas, sales are reported to be poor. Prices of both finished goods and raw materials changed but little in the last part of December and the first part of January.

Sales of 12 reporting wholesale dry goods houses in the District were unusually good in December. Although seasonally smaller than in November, they showed an

increase of 7.1 per cent over December of 1927, this being the sixth largest gain reported in any month during the past five years. Nine out of the 12 reporting firms shared in the gain. For the year 1928, sales were 2.3 per cent larger than in 1927—the first year to record an increase since 1923, and the largest year in total sales since 1925.

Early reports from department stores in this District indicate that retail clothing sales in December were rather irregular. On the basis of these incomplete figures, gains over the year before were shown by girls' wear, sports' wear, aprons and house dresses, men's furnishings, boys' wear, and hosiery, while decreases occurred in shoes, women's coats, women's dresses, furs, and men's clothing.

**Shoes** The shoe trade is quiet with preparations being made for the Easter season. Production in the Fourth District in December, according to advance figures, was 3½ per cent less than a year ago and was also smaller than in the same month of 1926 and 1925. For 1928 as a whole, the output was 7 per cent under 1927.

Prices on shoes are about the same as a month ago, with competition among retailers so keen that some of the smaller units are experiencing difficulties. A good demand is reported for low-priced shoes, with a tendency to consider style rather than quality. Colored kid shoes are stated to be popular, and tan and black oxfords among the men's lines are selling well.

In raw materials, hide prices have undergone a severe reaction lately, while business in sole leather has been slow, though prices are firm. On January 18, hides were quoted at 16½ cents a pound, a drop of 9 cents from a year ago and of about 3 cents for the month.

Retail shoe sales in Fourth District department stores in December were in smaller volume than the year before, according to early reports. Sales of women's shoes decreased 9.9 per cent; children's shoes, 8.7 per cent; and men's and boys' shoes, 3.5 per cent.

**Other Manufacturing** The new year has started off well for most lines of manufacture in this District. In the majority of cases, business is better than it was a year ago and is maintaining the high level of activity of the fourth quarter after allowing for seasonal factors. Prices are unchanged for the most part, although a few upward revisions are reported.

**Agricultural Implements.** Advance orders remain a little larger than a year ago, with prices exhibiting a slight downward tendency.

**Boxboard.** Little change has taken place in the past month. Some buyers who purchased ahead in November and December, attracted by price cuts, are now out of the market, while others who restricted their purchases until inventory time have resumed them in January.

**Containers, Metal.** The volume of business is normal. Tin plate prices are up 10 cents per base box since January 1, and black plate 10 cents per 100 pounds.

**Cork.** Orders are ahead of last year; business is about on a par with a month ago.

**Electric Supply.** January was a good month, with or-

ders increasing over both December and January of last year. Raw material prices—copper and lead particularly—have moved up, this being reflected in higher prices on finished products in some instances.

**Glass.** Manufacturers appear somewhat more confident than last year. In window glass, bookings for first quarter shipment have increased noticeably. Advance business in plate glass is being well maintained, with a strong demand coming from motor concerns. In household glassware, orders are about normal.

**Machinery.** The demand for foundry machinery and equipment is strong, but competition is keen. Inquiries for woodworking machinery are much improved over last year, while actual orders are about the same as in December. Advance orders for engineering machinery and specialties are seasonably high.

**Machine Tools. Metal Products.** Business in various machine tool lines is good. The same is true in other metal products, with some factories putting on extra shifts and having difficulty in securing certain types of skilled and semi-skilled labor.

**Motor Accessories.** As for months past, motor accessory plants are running at or near capacity. Seven of the leading concerns in the Fourth District reported a gain in net earnings in the first three quarters of 1928 of 78.3 per cent over the same period in 1927, with the probability of at least as good, if not a better, showing in the final quarter.

**Paint and Varnish.** Orders and sales are satisfactory. Automotive buying has increased as new model production has gotten under way. Demand for varnish for household lines is rather slow, owing to the natural post-holiday slackening and the holding-up of orders by furniture manufacturers until after the annual January Furniture Show in Chicago. Outside painting of course is seasonably slack. Raw material prices are virtually unchanged.

**Paper.** Business is seasonably quiet. Competition continues keen and conditions within the industry are spotty, with some units on seasonably heavy production schedules and others operating at a low point with little or no profit.

**Railway Equipment.** Marked improvement has occurred in this line. Manufacturers in the Pittsburgh area have had a large increase in inquiries and orders from railroads. Locomotive shipments in the country in December exceeded those in November by nearly 30 per cent and unfilled orders in January were 20 per cent larger than a year ago. Orders for cars and other equipment have shown equally good gains.

**Stoves.** Inventory-taking has slowed up advance orders. Business has not changed materially from a month ago, but the general situation shows improvement over 1928.

## TOBACCO

Prices received for burley tobacco in January were even better than in December, when they were considered very good. The average price has risen steadily since the opening of the selling season on December 4. Quotations at Lexington, which are indicative of the general

trend, averaged 33.2 cents per pound for the six weeks ending January 14, as compared with an average figure of 31.2 for the four weeks ending December 31. On January 10 the highest basket of leaf sold on the Lexington auction floors brought 46 cents a pound, the high crop 43.3 cents, and the average for the day 35.5 cents per pound. By January 14 the daily average price had advanced further to 36.4 cents. These prices make an extremely favorable comparison with former years, being nearly 60 per cent higher than the combined figure for 1923-27.

Sales at Lexington in the middle of January were at their peak, aggregating close to 2,000,000 pounds daily. Up to January 11, total Lexington sales amounted to 28,613,000 pounds, and it is estimated that sales in the entire burley area during the same period were about 100,000,000 pounds. Most grades are sharing in the price increases, particularly some of the lower grades. As noted last month, the weight of the crop is light but the quality in general is excellent.

In addition to the moderately small crop, stocks in manufacturers' hands are known to be materially lower than a year ago, this being an added reason for the higher prices being received this year. One estimate puts manufacturers' stocks at the lowest point since 1923.

## BUILDING

The first half of January witnessed a marked improvement in building contracts awarded in the states of the Fourth District, the daily average for this period being \$2,237,100 as against \$1,090,200 in all of January, 1928 and \$1,503,600 in all of December, 1928. This situation was reversed for the United States as a whole, however, the first half of January falling behind both the earlier periods on a daily average basis.

Total building contracts awarded in the Fourth District in December were the smallest for that month since 1923, and residential contracts were the smallest since 1921. Total contracts amounted to \$31,754,749 as compared with \$35,275,000 a year ago, and residential contracts were \$10,005,910 as compared with \$12,913,199. For the year 1928, total contracts were \$654,483,000 as against \$673,355,000 last year, and residential contracts were \$213,155,000 as against \$232,453,000.

Building permits in 27 cities also showed decreases both in December and for the year. December permits aggregated \$18,062,669, a loss of 7 per cent from a year ago, and 1928 permits totaled \$246,645,634, a loss of 1.7 per cent from 1927. For December, 13 out of 27 cities recorded gains, the largest increases being in Cleveland, Lakewood, Lexington, Newark, Springfield, and Wheeling, and the largest declines being in Akron, Barberton, East Cleveland, Rocky River, Shaker Heights, Columbus, and Youngstown. For the year, only 7 out of 27 cities registered increases, the largest being in Newark, Cleveland, Lakewood, and Euclid. The greatest declines were in Barberton, East Cleveland, Garfield Heights, Parma, Columbus, Lexington, Lima, and Wheeling.

Lumber manufacturers report no material change in business as compared with a month ago, with prices remaining about the same. The demand for oak floor-

ing is stated to be very good for this season, and better than that for other hardwoods.

The Aberthaw index of industrial building costs in January remained unchanged at 190.

### Building Operations

(Valuation of Permits)

	December, 1928	% change from 1927	Jan.-Dec. 1928	Jan.-Dec. 1927	% change from 1927
Akron.....	1,309,014	-43.2	19,652,285	20,967,461	-6.3
Ashtabula.....	16,995	+39.0	458,492	514,537	-10.9
Barberton.....	23,977	-68.6	961,483	1,208,794	-20.5
Canton.....	191,905	+27.8	3,691,180	4,105,598	-10.1
Cincinnati.....	2,770,435	-16.9	35,760,430	36,100,751*	-0.9
Cleveland.....	6,806,750	+43.2	54,592,425	45,480,550	+20.0
Cleve. suburbs:					
Cleve. Heights..	226,110	+4.6	4,239,300	5,064,707	-16.3
East Cleveland..	15,760	-59.3	757,413	1,358,018	-44.2
Euclid.....	61,110	-35.9	2,676,816	1,941,648	+37.9
Garfield Heights	65,500	-14.4	1,545,150	2,633,500	-41.3
Lakewood.....	344,670	+351.4	5,117,443	3,803,427	+34.5
Parma.....	87,190	+14.9	2,489,838	3,181,974	-21.8
Rocky River....	32,125	-79.0	1,137,503	1,382,484	-17.7
Shaker Heights.	238,800	-53.8	7,347,065	9,164,590	-19.8
Columbus.....	772,300	-48.9	16,239,250	23,282,600	-30.3
Covington, Ky..	39,300	-38.4	1,581,350	1,628,200	-2.9
Dayton.....	188,387	-1.0	10,358,378	10,432,026	-0.7
Eric, Pa.....	251,770	+6.1	4,866,414	5,392,686	-9.8
Hamilton.....	64,950	+8.1	2,067,048	1,893,031	+9.2
Lexington, Ky..	334,785	+107.3	1,782,908	2,334,041	-23.6
Lima.....	10,000	-21.5	459,434*	706,446	-35.0
Newark.....	19,216	+368.7	1,351,860	634,142	+113.2
Pittsburgh, Pa..	2,245,719	-30.2	38,242,587	37,139,462	+3.0
Springfield.....	100,775	+378.2	1,556,767	1,744,823	-10.8
Toledo.....	1,154,016	+25.4	17,146,958	16,587,388	+3.4
Wheeling, W. Va.	126,435	+348.4	1,937,827	2,947,088	-34.2
Youngstown.....	564,675	-49.2	8,628,030	9,270,320	-6.9
<b>Total.....</b>	<b>18,062,669</b>	<b>-7.0</b>	<b>246,645,634</b>	<b>250,900,292</b>	<b>-1.7</b>

\*Revised.

### TRADE

**Retail Trade** Department store sales in this District were smaller than last year both in December and in 1928 as a whole.

The decline for 62 firms for the month was 1.2 per cent, thus confirming earlier reports that the holiday trade was not quite up to expectations. For the year the decrease was 0.7 per cent. Stocks on hand at the end of December were seasonally lower than a month earlier and were 1.5 per cent less than a year ago. The monthly stock turnover rate in December was .46, and for the year the rate was 3.38 as compared with 3.33 in 1927. In December, 56.9 per cent of all sales were on a credit basis. Both accounts receivable and collections increased slightly over the year before, and 39 per cent of the outstanding accounts on November 30 were collected during December.

Sales of 16 wearing apparel firms were 5.4 per cent less in December than a year ago, and for 1928 registered a 2 per cent loss from 1927. Stocks at the end of the year were 3.6 per cent lower than on December 31, 1927.

Furniture sales in 47 furniture stores declined 0.2 per cent in December as compared with a year ago, but 1928 brought a 2.1 per cent increase over a year ago.

Retail hardware sales in Ohio in December were 1 per cent larger than in the same month of 1927, accord-

ing to the National Retail Hardware Association. The year as a whole, however, recorded a drop of 7 per cent. In Pennsylvania, the respective percentages were +2.0 and -7.0.

The following table shows the changes in December sales of the more important departments in this District's department stores. The departments are arranged in the order of the volume of goods sold in December, it being interesting to note the importance in December of such departments as toys, leather goods, and books which ordinarily contribute but a small part of the total volume.

	% change from Dec. '27
Men's Furnishings .....	+2.8
Hosiery .....	+3.8
Toys .....	+3.6
Women's Dresses .....	-3.8
Silk and Muslin Underwear .....	+3.9
Shoes, Women's and Children's .....	-9.7
Men's Clothing .....	-6.9
Women's Coats .....	-6.4
Draperies, Lamps, Shades .....	-2.8
Silverware, Jewelry .....	-0.6
Boys' Wear .....	+2.5
Toilet Articles .....	+2.6
Books, Stationery .....	-0.3
Leather Goods .....	+3.8
Infants' Wear .....	+5.7
Gloves .....	-0.7
Juniors' Ready-to-Wear .....	+9.4
Furniture .....	-10.5
Handkerchiefs .....	-0.02

**Wholesale Trade** December sales of reporting wholesale drugs in this District showed a remarkable gain of 29.5 per cent over the same month in 1927, the largest increase ever reported by this line. The unusually heavy sales doubtless resulted in part from the influenza. For the year 1928, wholesale drug sales were 3.4 per cent larger than in 1927. Outstanding accounts on December 31 were 12.4 per cent larger than a year ago, and collections were 3.1 per cent greater.

Dry goods sales were also in larger volume in December, the increase over last year being 7.1 per cent. The gain for 1928 was 2.3 per cent. December stocks were 13.1 per cent less than a year earlier while both receivables and collections gained slightly.

Sales of 44 wholesale grocery firms fell off 3.6 per cent in December from a year ago, but the year registered an increase of 1.5 per cent. Hardware sales decreased 2.3 per cent for the month and 5.4 per cent for the year, and shoes also showed a loss. This bank's index number of wholesale trade in the Fourth District stood at 89.7 in December as compared with 91.1 a year earlier.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

		Dec. 1928	Dec. 1927	% change	Year 1928	Year 1927	% change
Bank Debts (24 cities)	Millions of dollars	4,025	3,582	+12.4	40,424	38,870	+4.0
Savings Deposits (end of month)							
Ohio (40 banks)	Thousands of dollars	785,251	738,222	+6.4	755,268	701,022	+7.7
Western Pennsylvania (26 banks)	" "	274,890	265,971	+3.4	278,576	257,842	+8.0
Total (66 banks)	" "	1,060,141	1,004,192	+5.6	1,033,844	958,864	+7.8
Commercial Failures—Number	Actual Number	134	202	-33.7	1,993	2,024	-1.5
—Liabilities	Thousands of dollars	1,394	3,455	-59.7	49,000	52,765	-7.1
Postal Receipts—9 cities		3,720	3,870	-3.9	37,183	37,359	-0.5
Sales—Life Insurance—Ohio and Pa.		119,007	113,465	+4.9	1,257,514	1,186,792	+6.0
—Dept. Stores—(62 firms)		43,288	43,825	-1.2	308,040	310,318	-0.7
—Wearing Apparel (16 firms)		2,328	2,459	-5.4	20,789	21,209	-2.0
—Furniture (47 firms)		1,459	1,462	-0.2	13,687	13,412	+2.1
—Wholesale Grocery (44 firms)		6,187	6,420	-3.6	78,868	77,674	+1.5
—Dry Goods (13 firms)		2,271	2,121	+7.1	27,623	26,995	+2.3
—Hardware (16 firms)		1,676	1,715	-2.3	23,221	24,556	-5.4
—Drugs (13 firms)		2,159	1,666	+29.5	20,883	20,194	+3.4
Building Permits, Valuation—27 cities		18,063	19,418	-7.0	246,646	250,900	-1.7
Building Contracts—Total, 4th District		31,755	35,275	-10.0	654,483	673,355	-2.8
—Residential, 4th District		10,006	12,913	-22.5	213,155	232,453	-8.3
Production—Pig Iron, U. S.	Thousands of tons	3,376	2,680	+26.0	37,838	36,271	+4.3
—Steel Ingots, U. S.	" "	4,015	3,175	+26.5	49,853	43,397	+14.9
—Automobiles, U. S.	Actual Number	205,144	106,083	+93.4	3,826,613	2,946,601	+29.9
—Passenger Cars		27,991	27,488	+1.8	530,771	454,725	+16.7
—Trucks		16,050	14,023	+14.4	185,707	195,950	-5.2
—Bituminous Coal, 4th District	Thousands of tons	1,029	970	+6.1	18,294	17,311	+5.7
—Cement: Ohio, W. Va., Wn. Pa.	Millions of k.w. hrs.	1,251 <sup>2</sup>	1,155 <sup>2</sup>	+8.3	12,400 <sup>2</sup>	11,962 <sup>2</sup>	+3.7
—Electric Power: Ohio, Pa., Ky.	Thousands of barrels	1,963 <sup>2</sup>	1,975 <sup>2</sup>	-0.6	22,254 <sup>2</sup>	21,948 <sup>2</sup>	+1.4
—Petroleum: Ohio, Pa., Ky.	" "	"	"	"	"	"	"
—Shoes, 4th District	" "	4,213 <sup>2</sup>	3,405	+23.7	59,054 <sup>2</sup>	48,988	+20.5
—Tires, U. S.	" "	9,058	5,804	+56.1	120,461	95,958	+25.5
Registration—New Passenger Cars: 8 Ohio Counties	Actual Number	344	219	+57.1	34,766	34,302	+1.4
Bituminous Coal Shipments (from Lake Erie Ports)	Thous. of tons				36,959	36,553	+1.1
Iron Ore Receipts (at Lake Erie Ports)							

<sup>1</sup>Yearly Average.  
<sup>2</sup>November.  
<sup>3</sup>January-November.  
<sup>4</sup>Figures Confidential.  
<sup>5</sup>Preliminary.

Fourth District Business Indexes

(1923-1925 = 100)

	Dec. 1924	Dec. 1925	Dec. 1926	Dec. 1927	Dec. 1928
Bank Debts (24 cities)	111	115	120	132	149
Commercial Failures (Number)	119	133	90	138	92
Commercial Failures—Liabilities	83	98	74	78	32
Postal Receipts (9 cities)	125	140	147	149	143
Sales—Life Ins. (Ohio and Pa.)	130	124	147	136	142
—Dept. Stores (52 firms)	160	169	173	174	172
—Wholesale Drugs (13)	99	108	112	106	138
—Dry Goods (12)	95	94	86	82	88
—Groceries (44)	101	100	95	91	88
—Hardware (16)	89	89	92	80	78
—All (90)	97	98	95	89	91
—Chain Drugs (3)**	118	124	126	104	104
Building Contracts—Total	96	75	89	74	67
—Residential	102	82	77	75	58
Production—Coal (O., W. Pa., E. Ky.)	100	113	122	78	89
—Cement (O., W. Pa., W. Va.)	75	79	71	81	86
—Petroleum (O., Pa., Ky.)*	90	95	101	107	106
—Elec. Power (O., Pa. Ky.)*	98	122	133	138	149
—Shoes	79	85	98	81	78

\*November.  
 \*\*Per individual unit operated.  
 †Includes 4 shoe firms.

Banking Conditions

FEDERAL RESERVE BANKS

	Federal Reserve Bank of Cleveland (In Millions)		Federal Reserve System (In Millions)	
	Jan. 15, 1929	Jan. 18, 1928	Jan. 15, 1929	Jan. 18, 1928
Gold reserves	245	262	2,631	2,808
Discounts	77	51	822	412
Acceptances	48	27	481	369
U. S. Securities	83	58	238	499
Total bills and sec.	158	136	1,551	1,281
Fed. Reserve notes in circ.	202	201	1,697	1,624
Total deposits	190	191	2,478	2,472

REPORTING MEMBER BANKS\*

	Fourth District (In Millions)		United States (In Millions)	
	Jan. 2, 1929	Jan. 5, 1928	Jan. 2, 1929	Jan. 5, 1928
Loans secured by stocks and bonds	685	624	7,643	6,905
All other	799	762	9,201	8,769
Total loans	1,484	1,386	16,844	15,674
Investments	699	709	5,884	5,955
Demand deposits	1,039	1,047	13,983	14,176
Time deposits	957	890	6,912	6,588

\*For revised figures on reporting member banks, see Federal Reserve Bulletin for January, 1929, p. 6, 58-59.

Retail and Wholesale Trade

(1928 compared with 1927)

	Percentage Increase or Decrease		STOCKS
	SALES Dec.-Dec.	SALES Year	
DEPARTMENT STORES (62)			
Akron	+5.8	+9.9	+52.8
Cincinnati	-4.7	-1.2	+0.7
Cleveland	-0.4	+0.5	+4.6
Columbus	-3.4	+0.5	+4.2
Dayton	-0.7	-0.3	+5.2
Pittsburgh	-3.7	-4.7	+5.0
Toledo	+8.2	+8.2	-9.0
Wheeling	+1.5	-0.1	-12.5
Youngstown	-0.7	+0.04	-13.1
Other Cities	+1.7	+3.2	-6.5
District	-1.2	-0.7	-1.5
WEARING APPAREL (16)			
Cincinnati	-9.4	-2.0	+6.1
Cleveland	-2.8	-0.6	-3.3
Other Cities	-3.9	-3.2	-8.7
District	-5.4	-2.0	-3.6
FURNITURE (47)			
Cincinnati	-0.4	-4.1	
Cleveland	+9.4	+6.0	
Columbus	-11.8	-4.7	
Dayton	+7.8	+5.7	
Toledo	+5.4	+5.9	
Other Cities	-6.9	-4.6	
District	-0.2	+2.1	
CHAIN STORES*			
Drugs—District (3)	+0.5	-5.4	
Groceries—District (4)	+1.0	+4.8	
WHOLESALE GROCERIES (44)			
Akron	+0.6	+5.2	
Cincinnati	-5.5	+1.1	
Cleveland	+1.6	+2.7	
Erie	-9.4	-5.2	
Pittsburgh	-18.5	+0.7	
Toledo	-2.4	+0.5	
Other Cities	-3.1	+1.4	
District	-3.6	+1.5	-0.6
WHOLESALE DRY GOODS (13)	+7.1	+2.3	-13.1
WHOLESALE DRUGS (13)	+29.5	+3.4	
WHOLESALE HARDWARE (16)	-2.3	-18.4	-5.4
WHOLESALE SHOES (6)	-28.0	-9.5	-13.0

\*Sales per individual unit operated.

# Summary of National Business Conditions

By the Federal Reserve Board

Industry and trade continued active in December, and the general level of prices remained unchanged. Banking and credit conditions at the turn of the year were influenced chiefly by seasonal changes in the demand for currency and by requirements for end of year financial settlements.

## Production

Output of manufacturers decreased in December, but the decline was less than is usual during the month, and the Board's index was slightly higher than in November and above the level of a year ago. Smaller than usual seasonal reductions were reported in the daily average output of steel, pig iron, automobiles, copper, cement, silk and flour, while cotton and wool textiles declined considerably. Meat packing increased in December, reflecting a larger output of pork products, though beef and mutton production was smaller. Volume of factory employment and payrolls was larger than at this season of last year. Production of minerals was in somewhat smaller volume in December than in November, reflecting chiefly a large reduction in the output of bituminous and anthracite coal. Production of copper and zinc ore on a daily average basis was slightly smaller, while petroleum output increased. Preliminary reports for the first half of January indicate a steady increase in the output of petroleum and greater activity in the steel, automobile, coal, and lumber industries following the temporary lull during the inventory period at the end of the year.

Building contracts awarded in 37 eastern states declined sharply during December, as in the preceding month, and were smaller than in any December since 1924. The decline from November was attributable largely to decreases in awards for residential building and public works and utilities. By districts, the largest declines over the preceding month were in the Cleveland, Chicago, Boston and Richmond Federal Reserve Districts, while increases were reported in the New York, Philadelphia and Atlanta Districts.

## Trade

Department store trade showed greater activity in December than in the preceding month, after allowance is made for the customary holiday increase. Total sales for the month were the largest on record, exceeding December, 1927, by one per cent, although there was one less trading day this year. Increases over a year ago were reported for the New York and Philadelphia Districts while substantial decreases occurred in Atlanta and Minneapolis. Distribution at wholesale declined seasonally and was smaller than a year ago.

Freight car loadings in December and the first half of January showed a slightly larger than usual seasonal reduction, but as in earlier months were above a year ago.

## Prices

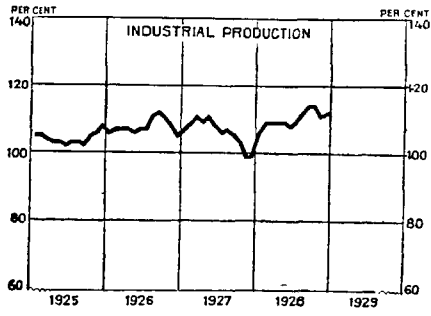
The general level of wholesale prices, as measured by the index of the United States Bureau of Labor Statistics, remained approximately the same during December as in the preceding month. Average prices of iron and steel, automobiles, copper, and building materials continued to advance slowly, and prices of farm products, after declining during October and November, also rose in December, reflecting higher average prices for raw cotton, oats, rye and some grades of wheat, offset in part by lower prices for corn and cattle. In the first three weeks of January the price of rubber advanced sharply, and wheat, corn, potatoes and flour also increased, while silk and sugar decreased somewhat, and hides reached the lowest level in more than a year.

## Bank Credit

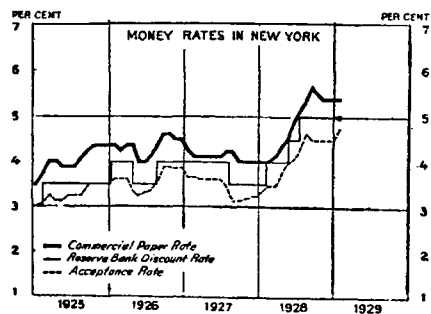
Banking and credit conditions in January were influenced chiefly by the seasonal decline in the volume of money in circulation. At the reserve banks the return flow of currency from circulation resulted in a liquidation of member bank borrowing and small declines in reserve bank holdings of acceptances and of United States securities. Total bills and securities showed a decline of about \$450,000,000 for the period from December 26 to January 23 and were in about the same volume as in midsummer of last year.

At member banks there was an increase in the total volume of loans at the turn of the year due chiefly to year end financial settlements, and the temporary withdrawal of funds loaned by corporations in the New York market. In January, deposits and loans of member banks declined to approximately the level of the early part of December.

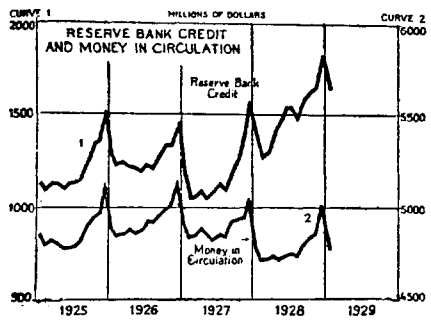
In the money market, rates on call loans declined sharply in January, while rates on time loans on securities remained firm and rates on acceptances advanced.



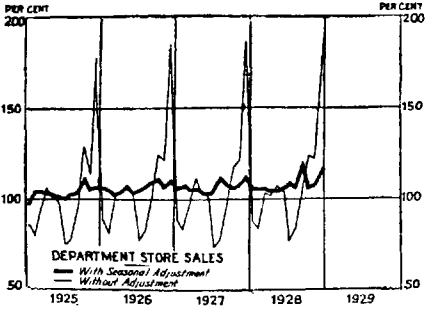
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 = 100). Latest figure: December, 112.



Monthly rates in the open market in New York: commercial paper rate on 4 to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 24 days in January.



Monthly averages of daily figures. Latest figures are averages of first 23 days in January.



Federal Reserve Board's Index of Department Store Sales (1923-1925 = 100). Latest figures: December, adjusted—117; unadjusted—188.