

MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions
in the
Fourth Federal Reserve District

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General The absence of any general recession such as occurred last year at this time is the most noticeable feature of the business situation today. Seasonal declines in activity have taken place as might be expected with the approach of summer; but the general level of activity is distinctly higher than a year ago.

This is brought out by a study of this bank's index numbers (1919-1923 monthly average—100) of important business indicators. The index of pig iron production, for example, stood at 117 in May, 1925, as compared with 104 in May, 1924. Similarly, the index of automobile production was 195 in May of this year as compared with 151 last year; exports, 78 as against 70; car loadings, 117 as against 108; and building permits, 203 as against 179. Turning to financial indicators, the index of time deposits of all reporting member banks, consisting mostly of savings deposits, was 174 this year as compared to 145 last year, and that of the volume of check payments, though not yet available for May, stood at 118 in April, 1925, as compared with 108 in April, 1924. It may be added that the 1925 figures for all these barometers of trade compare very favorably with those of the years 1919-1923.

The Present Buying Policy One of the features of the current business situation is the policy of conservative "hand-to-mouth" buying, as opposed to that of "forward" buying, which formerly prevailed. There are several causes for the present policy, among which may be mentioned the greatly improved transportation situation, insuring prompt deliveries; the fact that productive capacity in many lines is ahead of demand, tending to a buyers' market; and the memory of 1920-1921, when merchants were left with large accumulations of goods which had to be sold at a loss.

Considerable discussion has arisen as to the feeling of manufacturers with regard to this policy of their customers, and this bank has recently obtained the opinions of about fifty representative manufacturers in the Fourth District upon the subject. There follows a survey of these opinions, which in nearly all cases went into the matter very fully. There are, of course, a few instances where hand-to-mouth buying does not apply, and these are left out of consideration.

The most noticeable feature of the replies received was the almost universal objection on the part of manufacturers to the new policy. The general disposition was not so much to criticize customers as to point out the difficulties encountered by manufacturers under the hand-to-mouth method of buying. In some cases it was admitted that, although this was hard on the manufacturers, it was beneficial to the wholesalers, while a few replies favored it on the ground that it promoted greater stability and did away with any feeling of false prosperity. A considerable number of concerns seemed to feel that as long as the new policy was here, with prospects of staying for some time at least, it was up to manufacturers to adjust their businesses accordingly. It is apparent that a good many manufacturers have not yet become thoroughly accustomed to the new order, but that most of them are in the process of overcoming the problems involved.

Some of the specific objections given to hand-to-mouth buying are as follows:

Manufacturers cannot plan ahead, but must base their production schedules on estimates. This may result in overproduction of certain kinds of goods, and underproduction of others; or it may even result in general overproduction or underproduction.

Manufacturing costs are increased, due to less economical operations and the necessity of larger inventories. The latter means reduced turnover, and results either in smaller profits or higher costs to the consumer.

Small lots are more expensive per unit to produce than large lots, and small shipments are more expensive than carload shipments.

The manufacturer has to carry stocks that would naturally be carried by dealers. In some cases dealers do not even keep reasonable stocks on hand, and the resultant poor service to the customer reacts unfavorably on both dealer and manufacturer.

Plants manufacturing goods which have to be made to order require advance notice to operate satisfactorily. Otherwise there is an uncertainty in operating and a delay in delivery, as these goods cannot be made up ahead of time.

In some lines hand-to-mouth buying means that manufacturers are rushed at certain times of the year and are practically without business at other periods, whereas under the old method the manufacturer, knowing from his advance orders about what his customers would re-

quire, could adjust his production schedule on a more even basis.

Prices are disturbed, as buying often and in small lots leads to continued dickering and frequent changes in price quotations.

Financial Conditions

Savings deposits of sixty-nine banks in the Fourth Federal Reserve District amounted to \$840,149,997 on May 31, an increase of 1.1 per cent over the preceding month, and of 7.6 per cent over a year ago.

Commercial failures in this District numbered 147 in May, 1925, and 153 in May, 1924, as reported by R. G. Dun & Company. Liabilities amounted to \$4,496,342, as compared with \$4,514,298 in May of a year ago. For the United States, failures numbered 1,767 in May, 1925, as against 1,816 a year ago, and liabilities were \$37,026,552, as compared with \$36,590,905 in May, 1924.

A study of the assets of the twelve Federal Reserve banks beginning with 1924 shows that gold reserves have been gradually declining since July 23, 1924. At that time they stood at 3,168 millions; on December 31, 1924, they amounted to 2,937 millions, and on June 10, 1925, to 2,821 millions. Bills discounted on January 2, 1924, totaled 798 millions, a figure never since attained. They declined fairly steadily to 221 millions on November 26, then rose to 396 millions on December 24, but dropped after the holidays to 203 millions on January 21, 1925. Since the latter date they have fluctuated, but with an upward tendency, amounting to 417 millions on June 10.

The most noticeable change in the assets of all reporting members has been the growth of loans secured by stocks and bonds. These stood at 4,030 millions on January 2, 1924; declined to 3,805 on February 27; and have risen with but few interruptions since that date, totaling 4,965 millions on June 3, 1925. This figure is 89 millions greater than that for a month previous.

The following tables give comparative changes for the Fourth District and the System, covering the main items in the balance sheets of Federal Reserve and member banks.

	Federal Reserve Bank of Cleveland (in millions)			Federal Reserve System (in millions)		
	June 10, 1925	June 11, 1924	May 13, 1925	June 10, 1925	June 11, 1924	May 13, 1925
Gold Reserves	\$ 305	\$ 301	\$ 292	\$ 2,821	\$ 3,154	\$ 2,854
Discounts	44	47	40	417	376	339
Acceptances	24	6	22	275	44	283
U. S. Securities	28	50	36	360	423	380
Total earning assets	97	103	99	1,065	845	1,014
Federal Reserve notes in circulation	207	218	201	1,660	1,871	1,676
Total deposits	183	174	176	2,226	2,087	2,200
Reserve Ratio	80.2%	78.4%	79.2%	76.3%	82.4%	77.2%

	Reporting Member Banks— Fourth District (in millions)			Reporting Member Banks— System (in millions)		
	June 3, 1925	June 4, 1924	May 6, 1925	June 3, 1925	June 4, 1924	May 6, 1925
Loans secured by stocks and bonds....	\$ 472	\$ 417	\$ 456	\$ 4,965	\$ 3,897	\$ 4,876
All other	743	716	741	8,039	7,826	8,116
Total loans	1,233	1,155	1,216	13,180	11,941	13,185
Investments	620	532	632	5,508	4,720	5,483
and deposits	1,005	909	989	12,791	11,569	12,794
deposits	730	656	725	5,153	4,326	5,098

Iron and Steel Trade conditions in iron and steel are making some progress from the low point in April, but the process is a slow and checkered one. Buyers are still following religiously the policy of taking in their requirements only as they need them, knowing that they can get prompt deliveries without inconvenience and in the strong belief that there is not likely to be any early upward change in prices. The very fact, however, that this volume of miscellaneous purchases of all sorts is so large and well sustained from week to week bespeaks the solid foundation of consumption that underlies the present situation. Indications are that stocks of material in users' hands are low and as in many other lines of merchandising at the present time, the producer is being made to carry the load which previously the buyer had been accustomed to do.

April apparently was the low point of the recession of buying which followed the vigorous market of last November and December, when the mills and furnaces loaded up their order books for delivery over the succeeding three or four months. The general estimate of the increase of incoming mill tonnage in May over April has run from 10 to 20 per cent. June to date shows both gains and losses from the May volume and the general net change is slight.

Operations have been working down until they seem to have become virtually stabilized at a range of 65 to 70 per cent of steel ingot capacity. May's production of steel actually was on a considerably better basis than this and represented 82.3 per cent of the highest monthly output in the history of the country, which was in March, 1924. Production in May was at the indicated annual rate of 41,360,000 tons compared with a rate in April of 42,910,000 tons. The loss of May from April was the relatively small amount of 3.6 per cent. Pig iron production in May as compiled by IRON TRADE REVIEW showed a much more abrupt slump. The loss of May against April was 8.7 per cent. Total production in May was 2,929,540 tons or at the annual rate of 34,550,000 tons. This was the lowest monthly gross output since November. The annual rate in April was 38,200,000 tons.

Furnaces in blast at the end of May fell to 197, a decrease of twenty-four from the corresponding date in April. At the end of May, furnaces in blast represented 48.6 per cent of the numerical capacity of the country compared with 54 per cent in April, 60 per cent in March, 62.3 per cent in February, and 61 per cent in January.

Pig iron has undergone a heavy buying movement during the past four or five weeks with an estimate of total sales of 1,000,000 tons in that period. These sales, made largely for third quarter delivery, have been at the further expense of prices, the latter having weakened fifty cents to one dollar in this buying swell. At present the market is showing a little firmer tone, valley iron having reacted to a minimum basis of \$18.50 for No. 2 foundry which is fifty cents above the low point. Some makers now are quoting \$19. Furnace interests located in Cleveland were important factors in this

buying movement, booking together probably 500,000 tons.

Building construction has remained one of the main props of steel demand. The farming implement situation continues the most favorable in a number of years and is requiring increased tonnage. Railroad buying has not been up to expectations, especially as to new equipment, and large orders which were believed to be in prospect are being held in abeyance. Automobile demand has held up well.

Prices have continued to sink, and in general, averages are the lowest since the summer of 1922, which was the after-effect of the sharp depression of 1921. IRON TRADE REVIEW composite of fourteen leading iron and steel products as of June 18 stood at \$37.43. One month ago it was \$38.37. The recent high point was \$41.22 and the average twelve years ago or as of June, 1913, was \$26.78.

Iron and Steel Production

	PIG IRON (Iron Trade Review)		STEEL INGOTS (American Iron and Steel Institute)	
	(In thous. of tons)		(In thous. of tons)	
	1925	1924	1925	1924
January.....	3,372	3,015	4,199	3,650
February.....	3,214	3,074	3,756	3,826
March.....	3,571	3,465	4,199	4,207
April.....	3,211	3,226	3,588	3,348
May.....	2,929	2,620	3,458	2,640
June.....	.....	2,023	.....	2,066
July.....	.....	1,783	.....	1,878
August.....	.....	1,883	.....	2,553
September.....	.....	2,054	.....	2,828
October.....	.....	2,462	.....	3,125
November.....	.....	2,515	.....	3,121
December.....	.....	2,956	.....	3,569
Total.....	.....	31,076	.....	36,811

Coal and Coke Average daily production of bituminous coal in the country increased during May until for the week ending May 30 it was 1,508,000 net tons, the highest since early in March. The week ending June 6, however, brought a slight decline. Since the first of April, production has run consistently ahead of 1924, 1922, and 1921, but behind 1923.

No settlement has been reached between the union and the operators in the union fields in this District, and conditions in these fields are still bad. West Virginia and Kentucky mines operated above their 1923 level during May, but those in Ohio and Pennsylvania were running far below 1923.

Production of by-product coke in May amounted to 3,290,000 net tons, according to the GEOLOGICAL SURVEY. This compares with 3,316,000 tons in April, and a 1924 monthly average of 2,833,000. Beehive coke produced in May totaled 613,000 tons. The figure for both April and the 1924 monthly average was 806,000.

Lake Shipments The Great Lakes shipping season got under full sway during the past month. The table below gives the monthly comparison of shipments of iron ore from upper lake ports and of bituminous coal loaded into vessels at Lake Erie ports:

	Iron Ore* (tons)		Bituminous Coal** (tons)	
	1925	1924	1925	1924
January.....	.....	.....	324	18,396
February.....	.....	.....	.....	.....
March.....	45	.....	132,950	369
April.....	2,120,670	659,387	1,657,524	930,696
May.....	8,313,984	6,583,815	2,994,043	2,609,693
Season to date.....	10,434,699	7,243,202	4,784,841	3,559,054

*Lake Superior Iron Ore Association.
**Coal and Ore Exchange.

Automobiles Automobile production continued at a very high rate during May. Output of passenger cars and trucks amounted to approximately 416,000, the highest figure on record with the exception of April, 1925. Last year, May showed a decided falling-off from April, but this year the decrease was only about 3 per cent, and May production was 33 per cent ahead of the same month a year ago.

Reports indicate that dealers are keeping stocks down, which means that the large output of the last two months is being readily absorbed by the public. Some companies have fallen behind in deliveries, even with capacity production.

Truck manufacturers in the Fourth District report an improvement in orders over last year.

Automobile Production 1924-1925

Figures Represent Practically Complete Production for the United States and Are Based upon Reports Received by the Federal Reserve Bank of Chicago in Co-operation with the National Automobile Chamber of Commerce from Identical Firms Each Month.

	1925		1924	
	Passenger Cars	Trucks	Passenger Cars	Trucks
January.....	203,757	25,650	287,211	28,247
February.....	246,669	32,014	336,284	30,399
March.....	326,140	42,274	348,287	33,061
April.....	384,902	45,534	336,968	34,977
May.....	374,629	40,950	279,385	32,326
June.....	.....	.....	217,845	27,040
July.....	.....	.....	237,431	24,895
August.....	.....	.....	251,553	26,781
September.....	.....	.....	260,091	30,154
October.....	.....	.....	257,839	30,597
November.....	.....	.....	201,652	26,246
December.....	.....	.....	178,570	25,333
Total.....	.....	.....	3,193,116	350,056

Tires The crude rubber market continued to soar during May, rising from 50 cents a pound on May 5 to 73 cents on June 5. The latter figure represents a gain of 265 per cent over June 5, 1924, the price at that time being 20 cents. As a result of the rapid rise during recent months, tire manufacturers increased prices for the second time on June 1, a month later than the first increase. The latest rise amounts to 10 per cent on most classes of tires.

The violent fluctuations in rubber prices have been due to the peculiar conditions governing the production of crude rubber. As rubber-growing is best suited to the tropics, the United States has had to rely entirely on foreign countries for its raw material. At one time, Brazil was the chief rubber-growing country, but in recent years the Brazilian trade has dwindled to a low point, while large plantations have sprung up in the

British and, more recently, the Dutch possessions in eastern Asia. In 1922 the rubber-growing industry was depressed, due to an excess supply and low prices, and the British passed the Stevenson Act, restricting production and export. The effect of this Act, which has not been modified, has been shown in the last few months in the stimulation of crude rubber prices. American tire manufacturers, meeting in Akron recently, took steps to alleviate the situation by appointing a committee to encourage production in the Dutch East Indies. Production in the Dutch colonies has increased rapidly in the last two or three years, amounting now to around 40 per cent of world requirements.

Tire manufacturers in the Fourth District report a good increase in the volume of their business over a year ago. The employment situation is stated to be satisfactory. Stocks of high-pressure inner tubes in manufacturers' hands finally declined during April, although balloon tube stocks continued to rise.

Production of high-pressure tubes for the first four months of 1925 totaled 15,305,000, as compared with 15,763,000 during the same period in 1924, while the output of balloon tires amounted to 4,595,000 for the first four months of 1925, as against 3,805,000 for the entire year of 1924.

Textiles Textile manufacturers in the Fourth District report no great change in conditions from a month ago. The general situation is described as somewhat unsatisfactory, with orders lagging behind last year, although in certain specialized lines an increase in activity is noted. Cotton goods prices have weakened, but wool is steadier.

The wholesale dry goods trade in the District continues to run behind 1924. Sales of nineteen reporting firms in May were 1.5 per cent less than in May of last year, and 11.9 per cent less than in April, 1925. Both stocks and open book accounts were smaller on May 31 than on the same date last year, stocks by 11 per cent and open book accounts by 5 per cent.

Shoes Manufacturers of shoes in this District state that business is holding its own with recent months, no change of note having occurred. Sales of reporting wholesale shoe firms were 16.5 per cent less than in May, 1924, and 23.4 per cent less than in April, 1925. The first five months of this year showed a decline of 5 per cent from last year.

Final production figures for April for the Fourth District as reported to the Bureau of the Census show an increase of 6 per cent over March, and preliminary figures for May indicate a decrease of 16 per cent from April.

General Manufacturing From the number of manufacturers who report business during the past month as being ahead of last year, it is evident that in general the pronounced slump of the late spring of 1924 has not been repeated in this District this year. It is true that a slackening has occurred in some trades, as is only natural at this time of year, when manufac-

urers in these trades begin to prepare for "summer dullness." However, with but few exceptions, reports indicate a volume of business during May anywhere from 5 to 30 per cent greater than in May, 1924, and early June has shown a similar gain. Neither employment nor prices have shown any noticeable changes since a month ago.

Agriculture and Agricultural Implements The most recent reports issued by the Department of Agriculture indicate that the prospects for wheat in the Fourth District are about 40 per cent below last year's crop, Kentucky being the only state in the District showing a probable increase. Ohio has suffered the severest loss, the estimate for the state being approximately half of that of last year. Late reports from the Kentucky Department of Agriculture state that the present outlook in that state is for an increase of about 41 per cent over the crop of 1924.

The outlook for oats at present is fair, indications pointing to an increase of about 3 per cent over last year's crop. This gain, however, is due mostly to a larger acreage, much of the abandoned wheat acreage having been sown in oats. The yield per acre, viewed from the present condition of the crop, will hardly be up to that of last year.

Present reports indicate a decrease of 24.2 per cent in the hay crop of the District, with the decrease fairly well distributed through the four states represented.

The peach and apple crops are both reported to be somewhat below last year, the counties near Lake Erie being the only area where conditions indicate full crops. The cold snap occurring in May apparently caused no serious damage to the fruits. The general forecast for the United States as a whole, put out by the U. S. Department of Agriculture, shows a decrease of 24.3 per cent in the wheat crop, and increases in the oats and hay crops of 19 and 11.4 per cent respectively.

Farm labor in all sections appears to be ample to supply all demands, with very little change in wages.

Manufacturers of agricultural implements in this District quite generally report an improvement in conditions as compared with a year ago; in one case, for example, the specific gain in business over last year is given as 20 per cent. In one or two instances a seasonal falling-off has recently taken place. Employment conditions are stated to be satisfactory, and prices have shown but little change during past months. Competition is reported to be keen in the tractor and heavier implement lines.

Tobacco Growers in the central Kentucky region during the past few weeks have been engaged in setting out their tobacco plants. The hot, dry weather of early June was unfavorable, but subsequent rains proved beneficial. Private estimates of the probable acreage in Kentucky indicate no great change from that of a year ago. A second payment of \$12,500,000 on the 1923 crop was made during June by the Burley Tobacco Growers' Association. On June 11, the association announced the sale of 15,000,000 pounds of the 1923 and 1924 crop.

Building Building permits during May declined seasonally from April. According to Bradstreet's, the value of permits in 163 cities was 328 millions in May, as compared with 409 in April and 287 in

May, 1924.

Thirteen cities in the Fourth District report a similar

drop in value from April, but show an increase of 8.9 per cent over a year ago. For the first five months of 1925, the gain over last year was 17.4 per cent, nine of the thirteen reporting centers showing an increase.

The Aberthaw index of industrial building costs stood at 194 on June 1, a drop of 1 point from May 1.

Building Operations

	April, 1925		Valuation		First five months 1925	
	No. Permits	% change 1925 from 1924	1925	% change from 1924	Valuation 1925	% change from 1924
Akron.....	609	36.5	\$1,181,054	113.3	\$6,596,600	112.5
Canton.....	280	-23.5	510,440	-28.9	3,217,223	-11.1
Cincinnati.....	727	5.2	4,338,280	44.5	13,885,290	22.8
Cleveland*.....	1,949	-16.2	6,452,478	-25.2	38,565,776	12.7
Columbus.....	678	5.4	2,089,700	25.9	11,034,550	35.5
Dayton.....	416	-3.9	1,308,621	18.1	5,031,307	22.6
Erie.....	201	-23.0	651,443	6.5	2,461,961	5.2
Lexington.....	127	49.4	614,405	179.4	1,178,815	36.6
Pittsburgh.....	1,057	11.9	4,600,713	38.4	19,620,311	33.5
Springfield.....	172	3.6	210,365	-5.9	759,045	3.5
Toledo.....	747	-22.8	2,266,239	11.6	6,601,253	-17.3
Wheeling.....	136	-24.0	600,725	23.8	2,030,034	-15.1
Youngstown.....	290	-15.0	862,870	-15.6	3,810,765	-10.5
Total.....	7,389	-5.9	\$25,687,333	8.9	\$114,792,930	17.4

*Includes East Cleveland, Lakewood and Shaker Heights.

Building Materials Further softening in lumber prices occurred during the past month, and manufacturers in the Fourth District report a curtailment of profits as a result. The value of business done is fairly satisfactory, not having shown any great change from last month. Production of about 375 mills in the country for the first twenty-two weeks of 1925 amounted to 5,278 million feet, a decrease of 7 millions from 1924. Shipments totaled 5,222 million feet, a decline of 32 millions, while orders were 5,071 millions, an increase of 132 millions over last year.

Cement production for Ohio, Western Pennsylvania, and West Virginia, was 1,540,000 barrels in May, an increase of 339,000 barrels over May of 1924. Shipments showed a similar increase. United States production totaled 15,503,000 barrels in May, 1925, and 13,777,000 in May, 1924. Stocks on hand have declined seasonally during April and May, standing at 18,646,000 barrels on June 1.

Wholesale Trade Index This bank has recently constructed an index of wholesale trade for the Fourth District from 1921 to date, based on the sales of 109 firms in the following lines: Groceries, Dry Goods, Hardware, Drugs, and Shoes. The index is weighted according to the proportion of sales in each line to the grand total sales. The five-year average monthly sales, 1919-1923, equals 100. The entire index is given below.

Month	Year 1919 — 1925				
	1921	1922	1923	1924	1925
January.....	79	71	88	88	81
February.....	84	71	87	90	80
March.....	102	86	101	90	89
April.....	90	77	93	90	85
May.....	84	83	95	86	82
June.....	89	89	99	83	..
July.....	79	77	90	84	..
August.....	90	93	103	87	..
September.....	94	98	106	101	..
October.....	95	101	113	104	..
November.....	85	97	98	90	..
December.....	75	89	83	89	..
Year.....	87	86	96	90	..

Retail and Wholesale Trade Sales of seventy department stores in this District during May showed a decrease of 0.8 per cent from May, 1924. The decrease for the first five months of 1925 from the corresponding period last year was 1.1 per cent. Four cities showed an increase in May sales over last year, the greatest gain being 5.0 per cent in Cincinnati. Of the seven cities showing decreases, the greatest loss occurred in Canton, with 18.3 per cent, and New Castle, with 10.1 per cent.

All reporting wholesale lines showed a decline in sales from May of last year. This was particularly noticeable in the case of shoes, with a loss of 16.5 per cent. Grocery sales decreased 3.4 per cent; dry goods, 1.5 per cent; drugs, 1.8 per cent, and hardware, 2.6 per cent. For the five-month period, hardware sales showed

a slight gain, other lines registering decreases. The greatest decrease for this period occurred in the dry goods trade, with 10.1 per cent.

Nineteen wearing apparel firms showed a gain in May of 4.1 per cent over May, 1924. Slight increases also occurred in chain drugs and chain groceries.

Retail Trade Sales

	No. of Reports	Percentage Increase or Decrease	
		SALES May, 1925 compared with May, 1924	SALES Jan.-May, 1925 compared with Jan.-May, 1924
DEPARTMENT STORES			
Akron.....	5	3.4	4.3
Canton.....	4	-18.3	-15.0
Cincinnati.....	7	5.0	3.1
Cleveland.....	6	-2.5	-1.7
Columbus.....	6	4.7	9.7
Dayton.....	5	-3.9	-3.1
New Castle.....	3	-10.1	-4.9
Pittsburgh.....	8	-1.0	-2.5
Toledo.....	5	2.0	-3.9
Wheeling.....	5	-6.1	-6.9
Youngstown.....	3	-5.8	-1.1
Other Cities*.....	13	1.1	2.6
District.....	70	-0.8	-1.1
*Includes Erie, Lima, Mansfield, Marion, Norwalk, Oil City, Portsmouth, Sharon, Springfield and Washington C. H.			
WEARING APPAREL			
Cincinnati.....	5	10.9	.....
Cleveland.....	3	9.3	.....
Other Cities**.....	11	-2.3	.....
District.....	19	4.1	.....

**Includes Canton, Columbus, Dayton, Fostoria, Mt. Veronn, Pittsburgh, Sandusky, and Toledo.

Wholesale Trade and Chain Store Sales

	No. of Reports	Percentage Increase or Decrease	
		SALES May, 1925 compared with May, 1924	SALES Jan.-May, 1925 compared with Jan.-May, 1924
GROCERIES			
Akron.....	3	8.2	3.1
Cleveland.....	4	-9.8	-8.7
Columbus.....	3	-11.7	-10.5
Eric.....	4	-7.8	-5.1
Lexington.....	3	-9.3	-16.0
Pittsburgh.....	7	14.2	2.1
Toledo.....	3	0.01	-5.6
Youngstown.....	3	-25.4	-23.5
Other Cities*.....	24	-3.6	-4.2
District.....	54	-3.4	-6.1
DRY GOODS.....	19	-1.5	-10.1
DRUGS.....	16	-1.8	-1.6
HARDWARE.....	18	-2.6	0.04
SHOES.....	6	-16.5	-5.0

*Includes Butler, Canton, Cincinnati, Connellsville, Dayton, Dover, Greensburg, Ironton, Lima, Mansfield, Massillon, Portsmouth, Springfield, Steubenville, Uniontown, Warren, Pa., Wheeling, and Xenia.

CHAIN STORES**

Drugs-District.....	3	0.1	0.01
Groceries-District...	5	2.0	4.9

**Sales per individual unit operated.

Index Numbers of Trade in the Fourth Federal Reserve District

(Average Monthly Sales for the Five-Year Period 1919-1923, Inclusive—100)

Department Stores (55 firms)	Wholesale Drugs (15 firms)	Wholesale Dry Goods (18 firms)	Wholesale Groceries (52 firms)	Wholesale Hardware (17 firms)	Wholesale Shoes (6 firms)	Wholesale ALL (108 firms)	Chain Drugs (3 firms)
May, 1921.....	102	89	78	83	90	116	84
May, 1922.....	101	92	74	80	98	94	83
May, 1923.....	119	107	84	90	125	99	95
May, 1924.....	114	105	68	85	107	85	86
May, 1925.....	112	103	67	80	104	71	82

Debits to Individual Accounts

(In thousands of dollars)

	4 weeks ending June 10, 1925	4 weeks ending May 13, 1925	4 weeks ending June 11, 1924	% inc. or dec. col. 1 over col. 2	% inc. or dec. col. 1 over col. 3	1925 to date (Jan. 1 to June 10)	1924 to date (Jan. 3 to June 11)	% inc. or dec. col. 6 over col. 7
Akron.....	77,837	80,665	66,270	-3.5	17.5	433,917	382,475	13.4
Butler, Pa.....	9,816	10,864	9,096	-9.6	7.9	58,198	56,184	3.6
Canton.....	46,891	46,061	37,549	1.8	24.9	258,871	243,795	6.2
Cincinnati.....	306,280	311,544	272,453	-1.7	12.4	1,858,455	1,658,083	12.1
Cleveland.....	605,649	644,283	537,745	-6.0	12.6	3,567,753	3,353,490	6.4
Columbus.....	126,420	129,032	118,818	-2.0	6.4	736,042	703,933	4.6
Connellsville, Pa.....	4,447	4,421	4,572	0.6	-2.7	24,865	25,571	-2.8
Dayton.....	67,567	68,142	61,066	-0.8	10.6	394,211	368,308	7.0
Erie, Pa.....	31,259	32,434	28,525	-3.6	9.6	175,661	165,314	6.3
Greensburg, Pa.....	17,785	18,842	18,946	-5.6	-6.1	106,854	117,952	-9.4
Homestead, Pa.....	4,458	4,853	4,199	-8.1	6.2	24,001	22,322	7.5
Lexington, Ky.....	15,725	17,514	17,715	-10.2	-11.2	134,220	135,428	-0.9
Lima.....	15,110	18,474	17,290	-18.2	-12.6	99,960	98,973	1.0
Lorain.....	6,252	6,355	5,736	-1.6	9.0	36,314	31,917	13.8
Oil City, Pa.....	13,770	13,148	10,902	4.7	26.3	75,608	74,196	1.9
Pittsburgh, Pa.....	766,121	837,591	757,296	-8.5	1.2	4,889,954	4,482,137	9.1
Springfield.....	20,156	19,842	16,676	1.6	20.9	114,250	106,007	7.8
Steubenville.....	10,561	11,335	10,790	-6.8	-2.1	60,884	63,808	-4.6
Toledo.....	199,017	193,293	163,970	3.0	21.4	1,070,382	960,006	11.5
Warren.....	12,433	12,617	10,726	-1.5	15.9	71,239	74,971	-5.0
Wheeling, W. Va.....	38,753	41,938	37,610	-7.6	3.0	240,071	247,487	-3.0
Youngstown.....	56,013	58,440	50,713	-4.2	10.5	356,310	331,603	7.5
Zanesville.....	11,180	11,816	12,005	-5.4	-6.9	65,027	71,254	-8.7
Total.....	2,463,500	2,593,504	2,270,668	-5.0	8.5	14,853,047	13,775,214	7.8

National Summary of Business Conditions

(By the Federal Reserve Board)

Production in basic industries and factory employment continued to decline in May, and there was a further recession in wholesale prices. Distribution of commodities was in greater volume than at this time last year, but slightly less than in April.

Production

The Federal Reserve Board's index of production in basic industries declined in May to a level 12 per cent below the high point in January. There were further considerable decreases in the output of the iron and steel and woolen industries, and declines also occurred in the mill consumption of cotton and in copper, sole leather, and newsprint production. The number of automobiles manufactured during May fell slightly below the record figure of April. Employment at industrial establishments was slightly less in May than in the month before, with decreases, partly seasonal, in the clothing, boot and shoe, and iron and steel industries and increases in the industries producing automobiles, tobacco products, and certain building materials. Building contracts awarded during May were smaller in value and in square feet than those for April, but were larger than for any other month on record.

Trade

Department store sales in May were smaller than in April but somewhat larger than a year ago, and mail order sales were 5 per cent larger than in May, 1924. Department store stocks declined in May and were at the same level a year ago. Wholesale trade was in about the same volume as the month before and about 3 per cent larger than a year ago, increases over last year in sale of meats and dry goods offsetting decrease in sale of groceries, shoes, hardware, and drugs. Wholesale stocks of groceries in dollar values were larger than a year ago, while stocks of dry goods and shoes were substantially smaller. Car loadings of miscellaneous products and merchandise decreased slightly during May but were greater than a year ago.

Prices

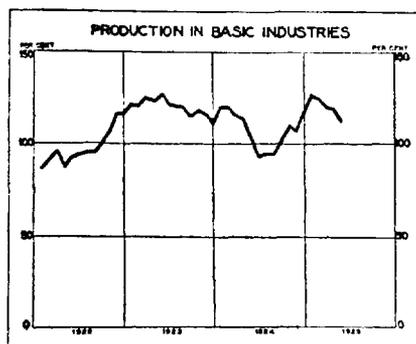
Wholesale prices continued to decline in May, but the decrease was considerably smaller than for the preceding month. All groups of prices represented in the Bureau of Labor Statistics index declined except the house furnishings and miscellaneous groups. In the first three weeks of June, prices of wheat, corn, flour, cotton goods and pig iron declined, while quotations on sheep, hogs, gasoline, hides, and rubber advanced.

Bank Credit

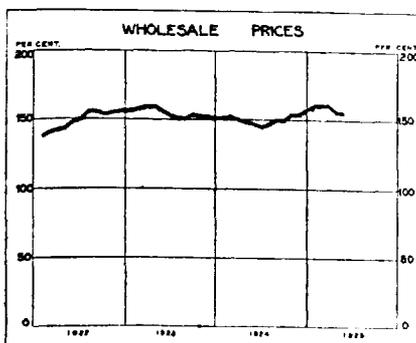
Borrowing for commercial purposes at member banks in leading cities declined further between the middle of May and the middle of June to a level lower than at any time this year, while loans on securities increased and reached a new high level in June. Investment holdings of these banks also increased, and total loans and investments at the middle of June were near the high point for the year.

At the reserve banks there was an increase in member bank borrowing between May 20 and June 24, and on the latter date discounts for member banks were in larger volume than at any time since the opening of the year. Further decreases in the holdings of acceptances and of United States securities brought the volume of open market holdings in June to the lowest level since last summer.

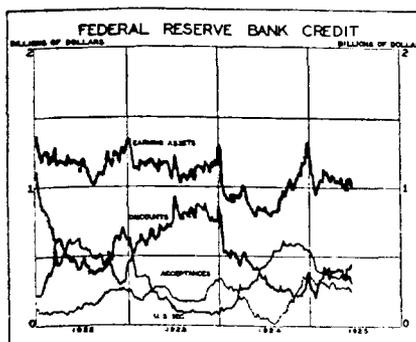
Conditions in the money market remained relatively steady during the latter part of May and first three weeks of June, notwithstanding the heavy Treasury operations in the middle of June.



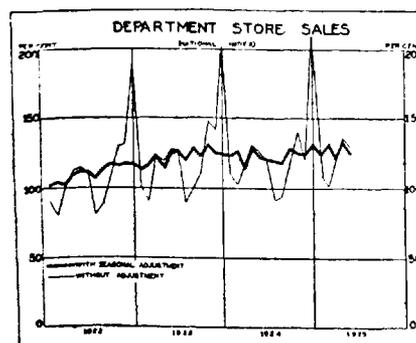
Index of 22 basic commodities corrected for seasonal variations (1919=100). Latest figure—May, 112.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—May, 155.



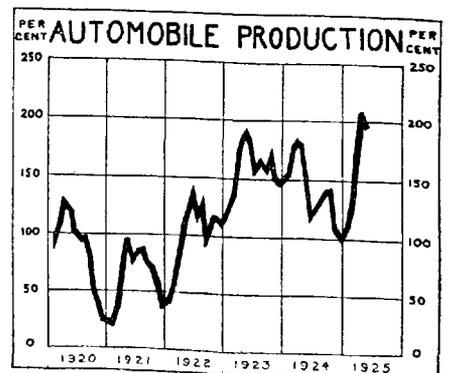
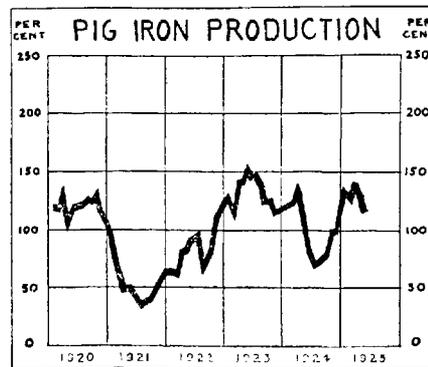
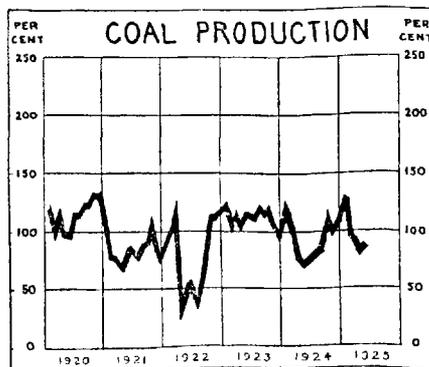
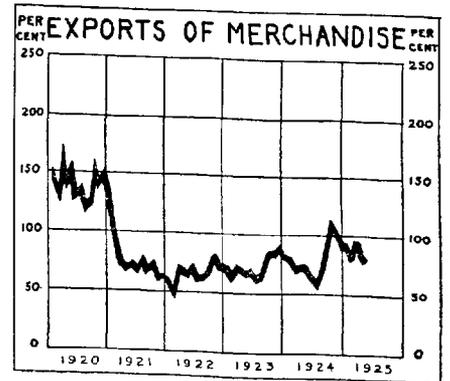
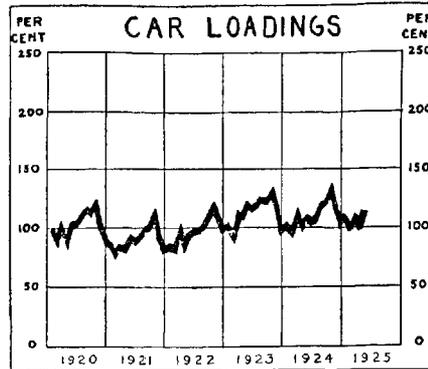
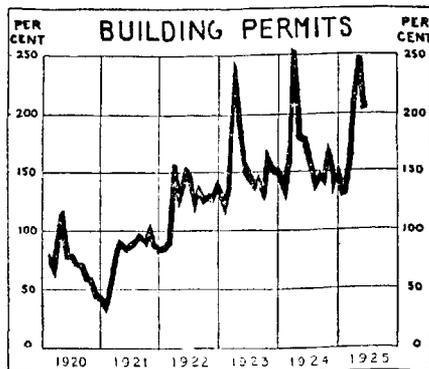
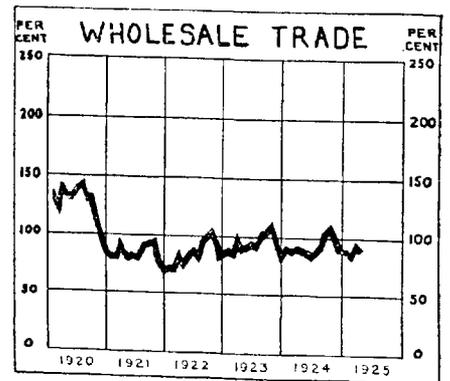
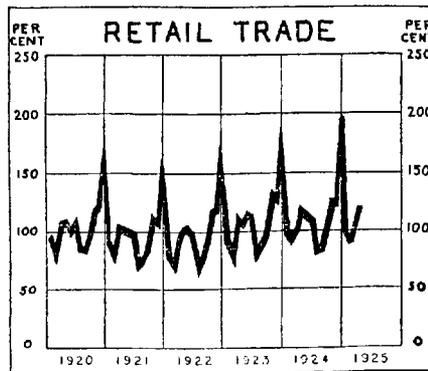
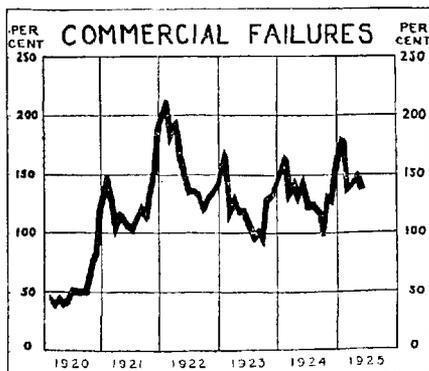
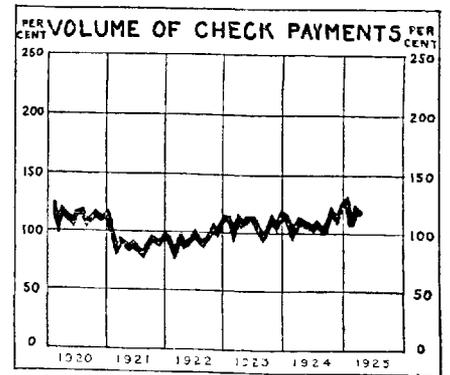
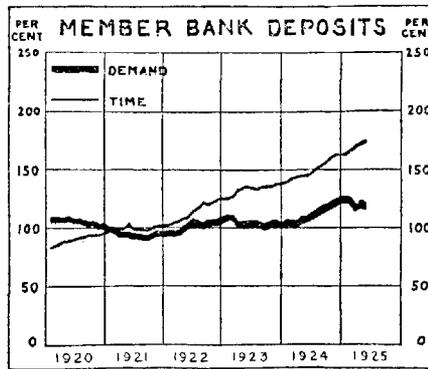
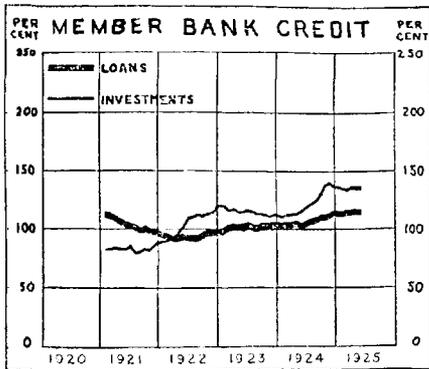
Weekly figures for 12 Federal Reserve Banks. Latest figures—June, 17.



Index of sales of about 360 stores in 117 cities (1919=100). Latest figure—May, unadjusted 129; with seasonal correction 124.

Indexes of National Business Conditions

The base (100) for all the charts except the first is the monthly average for the 5 years 1919-1923 inclusive.
For the first chart, the base is the monthly average for the three years 1921-1923.



LATEST FIGURES

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|---|---|
| <ol style="list-style-type: none"> 1. Member Bank Credits. May Loans 113, Investments 135. 2. Member Bank Deposits. May, Demand 117, Time 174. 3. Check Payments (except N. Y.) April, 118. 4. Commercial Failures. May, 137. 5. Retail Trade. April, 120. 6. Wholesale Trade. April, 89. | <ol style="list-style-type: none"> 7. Building Permits. May, 203. 8. Car Loadings. May, 117. 9. Exports of Merchandise. May, 78. 10. Bituminous Coal Production. May, 89. 11. Pig Iron Production. May, 117. 12. Automobile Production. May, 195. |
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