

MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

D. C. WILLS, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of Cleveland

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No. 8

General The continued absence of the usual midsummer dullness in many lines of industry is the feature of the business situation in this district. To a degree this has inspired confidence in quarters where heretofore it has not been apparent.

An examination of available data would seem to establish the contention that, measured by any of the customary standards of activity, business is being maintained at a satisfactory rate.

Records of the volume of payments by check, shown in the statement of debits to individual accounts, disclose a volume for four weeks in June, 12 per cent in excess of approximately the same period last year. The index of production for June is 110 or 16 points higher than a year ago. Building operations and automobile production are seasonably high. Farm implement manufacturers are enjoying the best selling season in years. While some crops are disappointing, the average is good, and based on July 1 estimates will be normal in both volume and value. Car loadings are at a high level, indicating a tremendous volume of goods passing into consumption, and there appears to be no evidence of heavy stocks in any line.

Almost general dissatisfaction is expressed over the matter of profits per transaction, even in quarters where the volume of operations is considered satisfactory, but volume production and operating economies are offsetting this item in part. A marked increase in the interest of foreign buyers in this market is observed. This appears to be especially true of South Africa and Australia.

Excepting the organized bituminous coal fields and plants temporarily suspending operations for stock-taking purposes, employment is quite general with no important changes in wages.

Financial Conditions Savings deposits of seventy reporting banks in the larger centers of the Fourth Federal Reserve District on June 30 amounted to \$867,165,827, an increase of 2.5 per cent over the figures reported May 31 and 7.2 per cent over June 30, 1924.

The number of commercial failures in the district, as reported by R. G. Dun & Company, for the month of June was 149, about the same as for the month of May, and the same figure as reported for June, 1924. Total liabilities, however, increased \$1,800,000 over June

of last year and about \$1,000,000 over May. For the United States, failures were 1,745 in June compared with 1,607 a year ago, with liabilities \$36,700,000 and \$34,100,000 respectively.

For the six months' period ending June 30, commercial failures in the United States were higher in number than in the like period since 1922, while liabilities were smaller than in any similar period in the past five years.

Gold reserves of the Federal Reserve System continue to shrink. From a 1924 peak of 3 billion 167 million in July, gold holdings of the twelve Federal reserve banks have declined to 2 billion 790 million, a loss from a year ago of 377 millions of dollars. Exports of gold for the year ending June 30 totaled 249 million dollars, a net loss of 115 million. The exportation of gold is, however, declining rapidly, the net loss in exports over imports in June being but slightly more than 2 million dollars. This compares with a net loss in January, 1925, the peak of the outflow, of 68 million dollars.

Bills discounted for the System continue to follow the practically unbroken upward trend from the middle of January, and are up about 250 million from the low for the year. Acceptances purchased are off 110 million from the high of January, while holdings of Government securities have similarly declined about 150 million from the 1925 peak. Because of declines in the volume of note circulation and member bank deposits, the reserve ratio of the System has fluctuated within the narrow range of 4 per cent for the current calendar year.

For the Federal Reserve Bank of Cleveland both gold reserves and total reserves show increases over a month ago, but relatively small losses from a year ago. Bills discounted are practically unchanged for the month, but have increased 27 million over a year ago. Bills purchased have increased 17 million, while holdings of Government securities show a similar decline. Federal Reserve notes outstanding are substantially the same as a year ago, while reserve deposits of member banks have increased about 11 per cent.

Total loans and discounts of all reporting member banks for the past year show an increase of approximately 1 billion 100 million dollars, practically all of which is classified as "secured by stocks and bonds." Net demand deposits have increased 870 million and time deposits more than 700 million. It is interesting

to note that, despite this deposit increase of nearly 1 billion 600 million dollars, cash in vault of these same banks remains practically unchanged.

	Federal Reserve Bank of Cleveland (in millions)			Federal Reserve System (in millions)		
	July 15, 1925	July 16, 1924	June 17, 1925	July 15, 1925	July 16, 1924	June 17, 1925
Gold Reserves	\$ 301	\$ 317	\$ 288	\$ 2,791	\$ 3,161	\$ 2,821
Discounts	47	21	50	455	305	442
Acceptances	21	3	22	231	37	246
U. S. Securities.....	31	47	26	344	467	306
Total earning assets	100	70	98	1,043	810	1,007
Federal Reserve notes in circulation	206	209	201	1,627	1,813	1,643
Total deposits	185	169	178	2,232	2,144	2,245

	Reporting Member Banks— Fourth District (in millions)			Reporting Member Banks— System (in millions)		
	July 8, 1925	July 9, 1924	June 10, 1925	July 8, 1925	July 9, 1924	June 10, 1925
Loans secured by stocks and bonds..	\$ 480	\$ 415	\$ 471	\$ 5,092	\$ 4,106	\$ 4,956
All other	748	709	747	8,015	7,877	8,055
Total loans	1,246	1,143	1,237	13,280	12,198	13,190
Investments	637	582	628	5,498	4,857	5,521
Demand deposits	1,016	936	1,009	12,690	12,021	12,818
Time deposits	739	678	731	5,164	4,437	5,162

Iron and Steel Readjustment of iron and steel production, which has been under way for the past three months, appears to have been brought to a point closely conforming with current demand and consumption. As a result, the business situation in the industry has steadied itself and changes in operations, buying volume and in prices have become relatively unimportant. The undertone of the situation seems more healthful and promising, and there is evidence of growing confidence.

Against a year ago, when a somewhat similar situation of high production in the early months was followed by a steady decline toward midyear, the comparison is favorable. The present rate of 60 to 65 per cent of operations for the steel industry stands against 40 to 45 per cent at this time in 1924. The low point of the recession last year was reached in July.

The record of production for June shows that the rate of curtailment in that month was considerably lessened over the two preceding months. Pig iron output as compiled by IRON TRADE REVIEW showed a loss on a daily basis of 5.6 per cent. The loss in May was 11.5 per cent and in April 20 per cent. A net loss of only five furnaces in blast was shown at the end of June. This compares with a drop of twenty-five in both May and April. The number of furnaces in blast at the end of June represented 47.9 per cent of the numerical total capacity of the country compared with 48.5 per cent in May and 54 per cent in April. The country was producing pig iron in June at the annual rate of 32,600,000 tons compared with 34,550,000 tons in May.

Steel ingot production in June showed a loss of 7.26 per cent and was at the annual rate of 38,200,000 tons compared with 41,350,000 tons in May. The total output for the first half of the year was approximately

22,406,160 tons, the largest in history for any similar period excepting 1923.

A general size-up of the first half year from a market standpoint shows that, while volume has been large, prices have been low and competition increasingly keen. This has made for much dissatisfaction among producers, but this has not been due as much to lack of business as to unremunerative prices. At this time the price situation shows signs of having reached the stabilization point. Iron and steel prices as a group for the first six months of 1925 averaged \$2.50 per ton below the corresponding period in 1924 and over \$5 below that for 1923. Barring 1922 they make the poorest showing since the war. IRON TRADE REVIEW composite of fourteen leading iron and steel products for the first time in nineteen weeks showed a slight upturn for the week of July 2 and this has been sustained since. The composite at this time stands at \$37.45 as against \$37.65 one month ago and a peak for the year of \$41.22 in February.

The pig iron market after recent sales totaling about 1,000,000 tons is in a firmer position with some slight advances here and there. It lacks buoyancy, however, due to the fairly large production and heavy stocks.

The best elements of the steel situation continue to be the building industry, the automotive trade and the oil and gas activities. Of the four leading consuming branches of steel only the railroads have not been holding their own in the way of new buying, particularly of equipment.

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.....	*2,934	2,620	3,458	2,640
June.....	2,679	2,023	3,207	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
*Revised.				

Lake Shipments Shipments of iron ore from the upper lakes show a decrease from 8,814,000 tons in May to 7,958,000 in June, although the total movement for the season to June 30 shows an increase of about 24 per cent over the same period last year.

Loadings of bituminous coal at lake ports show a seasonal increase. The movement for the season is

approximately 27 per cent greater than for the same season in 1924.

Shipments of anthracite coal from Lake Erie ports, according to reports of the UNITED STATES GEOLOGICAL SURVEY, continue to decline, although the total for the season to date is nearly 200,000 tons in excess of the movement for similar period last year.

	Iron Ore*		Bituminous Coal**	
	1925 (tons)	1924	1925 (tons)	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	2,609,593
June.....	7,958,486	7,583,926	3,436,923	2,932,793
Season to date.....	18,393,185	14,827,128	8,221,764	6,491,847

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

Coal and Coke The estimated bituminous coal production in the United States for the calendar year to date is substantially the same as in the similar period last year. The daily average for 1925 is 1,531,000 tons against 1,512,000 tons in 1924. This is the highest rate of production since 1923.

There has been no progress reported in adjusting differences between operators and miners in the union fields in this territory. Production in the nonunion fields shows a substantial increase, with a sharp decrease in activity in the "organized" territories.

Production of coke continues to decline, although the present rate is sufficient to meet present requirements. During the past month it is estimated that 600 additional furnaces have been blown out. For the season to date, the daily average production of beehive coke is 5,000 tons below 1924.

By-product oven output for June amounted to 3,157,000 tons, a decrease of nearly 4 per cent from May. This is the third successive month to show a decline. Notwithstanding this fact, however, June output was the greatest on record for that month except in 1923. Operations are at about 80 per cent of capacity.

Stocks of bituminous coal in the hands of consumers on June 1, according to an inventory by the GEOLOGICAL SURVEY, totaled 38 million net tons, compared with 44 million on March 1 and 51 million on June 1, 1924. According to their report, the trend of stocks has been steadily downward since the early part of 1924, and the heavy reserves built up by consumers in late 1923 have been reduced to more normal proportions.

Oil Petroleum statistics for May, as made public by the AMERICAN PETROLEUM INSTITUTE, show a substantial gain in total production and imports over April, 1925, and May, 1924.

Total production and imports were 76,077,000 barrels (42 gallons) in May of 1925 compared with 68,320,000 in April and 70,907,000 in May of last year. Indicated consumption for May was 65,971,000 barrels, a slight increase over April and a gain of 3 per cent over May, 1924.

Total stocks of crude oil and refined products continue to increase, the amount at the end of May being 541,368,000 barrels. Stocks of gasoline show no substantial change from last month, but have increased 1,600,000 barrels over a year ago. Consumption is being maintained at a high rate, the daily average for May being 638,854 barrels.

Automobiles Final figures on automobile production in June, as reported by American manufacturers to the Federal Reserve Bank of Chicago, show that the high rate of activity which characterized the late spring months has been carried into June. There are some evidences of the approach of seasonal slow-down in the industry, although it be some six weeks behind the usual time.

Passenger cars made in June totaled 359,459, a decrease from the preceding month of 4 per cent, but an increase of 65 per cent over June of 1924. Production of trucks dropped 13 per cent to 35,586 from May, 1925, but increased nearly 32 per cent over June of last year. Appended hereto is a statement of automobile production for the first six months of this year and complete figures for 1924.

The month of May witnessed the unbroken continuity of the upward trend of automotive exports which started the first of the current year, according to figures made public by the Department of Commerce. The value of all automotive exports from the United States for May totaled \$34,618,595, an increase of nearly 1 million over April, and an increase of 65 per cent over May, 1924.

It is estimated by AUTOMOTIVE INDUSTRIES that automobile registration has reached a total of 17,550,000 a gain of 2,100,000 over a year ago.

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 Cooperation 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.....	359,459	35,586	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

Rubber The feature of the rubber situation is the continued skyrocketing of the price of the raw product, which has advanced from the price of 73 cents reported in our last issue to more than \$1 a pound. This has been reflected in further increases in tire prices, the fourth increase during the year being announced July 18. This latest increase amounts to from

10 to 15 per cent on casings and 15 per cent on tubes. Prices of casings and tubes are now as much as 40 per cent above those prevailing earlier in the year.

According to figures of the Rubber Association of America, the month of May witnessed an excess of shipments over production in all classes of casings and tubes except balloon casings and tubes. This is fully a month earlier than this condition usually is found, and reflects heavier shipments, apparently, than decreased production, the latter being well maintained.

Inventory of high pressure tubes shows a further reduction of 1,200,000 for May. Production is at practically the same level. Manufacturers' stocks of cord casings are down 400,000 from last month, while balloon casings are up 300,000.

Textiles Textile and garment manufacturers report no significant change in their lines except the continued stiffening in the price of domestic wool. The manufacturing dress and suit trades are unseasonably backward. On the other hand, the hot wave of early June brought about an unprecedented demand for knit bathing suits. There also is a very strong demand for underwear for immediate delivery.

Bookings for fall in the garment trades seem to indicate a disposition to defer commitments.

Sales of dry goods at wholesale, as reported by 19 firms in the Fourth Federal Reserve District, were 8.2 per cent higher in June than in the preceding month, and 4.7 per cent higher than June a year ago. Cumulative sales for the first six months of the current year were 8 per cent less than for the same period in 1924. Stocks, as reported by twelve firms, show a decrease for the month of 5.3 per cent and for the year of 12.3 per cent in dollar value.

Shoes Preliminary reports from the Bureau of the Census indicate that shoe production in the Fourth Federal Reserve District during the month of June was substantially the same as in May. For the entire United States, production is estimated as showing a decline of 5.4 per cent.

Sales of shoes at wholesale declined 10.2 per cent in this district for June from sales in June, 1924, and 4.1 per cent for the six months' period ending June 30 compared with the same period last year.

General Manufacturing Reports of manufacturers in this district show no distinct trend, although for the most part operations are being maintained at a higher rate than a year ago. Many plants are closed temporarily for inventory purposes, while others are operating at capacity. Plate glass production, for example, is unseasonably high, this season of the year usually being very slack. The unusual activity in automobile manufacture and in building is largely responsible for this condition.

On the basis of employment data, there has been a moderate increase in manufacturing industry, a large number of firms reporting increased forces over a year

ago. This does not take into account, of course, figures from plants which have temporarily suspended operations.

There is a distinct feeling of disappointment among producers, however, that, notwithstanding a somewhat satisfactory degree of business activity, it is not a source of profit. The complaint of small net earnings is quite general.

A decided improvement in both orders and inquiries from foreign countries is noted.

Ohio

Agriculture Corn: The State Department of Agriculture reports that present indications are for a record-breaking corn crop this year. An increase of 6 per cent in acreage coupled with the unusually promising condition of the growing crop is the basis on which the department estimates this year's total of 161 million bushels.

Wheat: The past month has witnessed a marked improvement in the prospects for wheat, the department's estimate of the crop on July 1 standing at 21,400,000 bushels, as against an estimate of 19,400,000 a month earlier. Much of the acreage which had earlier been considered a total loss is now reported to have been so benefited by weather conditions that it is expected to yield a fair crop.

Oats: The present estimate for oats is 62,500,000 bushels, a figure some 3 per cent below that of last year. This is a slight falling off from earlier estimates, but is a better showing than is made by some other sections, the district as a whole showing a decrease of 4 per cent from last year.

Kentucky

Corn: Latest estimates of the State Department of Agriculture place the total crop for this year at 101,159,000 bushels, an increase of 25 per cent over last year, and about 13 per cent over the average for the past five years.

This is partly due to an increase of 4 per cent in acreage over that of last year and partly to the condition of the crop, which is rated at 94 per cent this year as compared with 78 per cent a year ago.

Wheat: This month's estimate of the wheat crop shows an increase of about 54 per cent over last year, an increased acreage of some 30 per cent being partly responsible for the increase. The quality is reported good.

Other Crops: Oats and hay show a falling off from last year of 6.4 per cent and 22.2 per cent respectively, while rye shows an increase of 3.4 per cent. Irish potatoes show a decline of 28.9 per cent, while sweet potatoes are shown as 19.7 per cent above last year's crop.

Pennsylvania and West Virginia

Corn: Throughout these states, as a whole, the crop is reported as in excellent condition, and this, coupled with an increase in acreage, is expected to bring an increase in the total production of some 50 per cent over last year.

Wheat: Wheat suffered severely from the freezing weather, and the result is a decrease of some 30 to 35 per cent from last year's crop.

Agricultural Implements Manufacturers of agricultural implements, except those producing tractors and threshing machinery, are in a period of seasonal inactivity, and many plants are shut down for inventory purposes.

It is of interest to note that implement producers in this district, who have heretofore engaged in foreign markets, report an increase in inquiries and sales from abroad. The greatest improvement is shown in orders from South Africa and South America.

In the factories which are active, there has been no change in employment or no substantial change in prices.

According to the National Association of Farm Equipment Manufacturers, an important development in the trade is the production of a combined harvester-thresher which, according to their estimate, reduces by 19 cents a bushel the cost of producing wheat. Manufacturers are said to be sold out, and are taking back machines from places where crops are failures and reshipping them to the Northwest.

Tobacco While planting was seriously retarded in the Fourth District by the drought of early summer, recent rainfalls have enabled growers to reset much of the acreage, and the later plantings are reported as coming along well and with ample time for maturity.

The reports from various sections of the district indicate that, while the dry weather discouraged the expected increase in acreage, it has not caused any perceptible decrease—the acreage closely approximating that of last year. Unless weather conditions prove unusually adverse, the consensus of opinion appears to be that a full normal crop may be expected.

The Burley Tobacco Growers' Association reports that movements of stocks held by dealers have been more numerous during the month but confined to small lots, on account of limited holdings. There is still an unsold surplus of some 175 million pounds.

Reports from outside the district indicate that conditions elsewhere do not differ materially from those of the Fourth District.

Building The unusual rate of activity in building continues to be the feature of the business situation. For the month of June, building permits issued in the principal cities of this district showed a total valuation of 28 million dollars, which almost equals the record month of April.

The total valuation of permits issued for the month of June, 1925, is 41 per cent over that of the same month a year ago, while the cumulative total for the first six months of the current year equals 143 million dollars, an increase of 21.4 per cent over the corresponding period in the preceding year. For the six months period, there is no one city which shows an unusual increase except Akron, where both the number of permits issued and valuations are substantially greater.

The Aberthaw index of industrial building costs remains unchanged at 194 on July 1.

Building Operations

	June, 1925		First six months 1925			
	No. Permits from 1924	% Change	Valuation from 1924	% change from 1924		
Akron.....	504	35.8	\$1,607,368	129.2	\$8,203,968	115.5
Canton.....	247	-14.2	492,484	3.6	3,709,707	-9.4
Cincinnati.....	727	26.9	3,483,240	71.6	17,368,530	30.2
Cleveland.....	1,884	12.3	10,058,506	33.8	48,624,282	16.5
Columbus.....	657	24.4	2,204,200	80.0	13,238,750	41.3
Dayton.....	320	-7.8	1,105,736	12.0	6,137,043	20.5
Eric.....	218	13.0	2,017,927	290.0	4,479,888	56.8
Lexington.....	75	-35.9	171,480	50.7	1,350,295	38.3
Pittsburgh.....	812	-10.7	3,932,943	25.0	23,553,254	32.0
Springfield.....	101	-8.2	143,120	2.6	902,165	2.5
Toledo.....	665	-7.3	1,611,399	22.4	8,212,652	-18.3
Wheeling.....	110	-27.6	380,371	8.0	2,410,405	-14.1
Youngstown.....	285	21.3	825,605	53.9	4,636,370	-3.3
Total.....	6,605	6.2	\$28,034,379	41.0	\$142,827,309	21.4

Building Materials The Bureau of Labor Statistics wholesale price index of building materials shows a further decline in June, standing at 170.7 as compared with 175.1 in May, 1925 and 172.7 in June, 1924.

This decline occurs in the face of an advance of more than two points in the "all commodity" index for the month and thirteen points over a year ago.

Notwithstanding the activity in building, producers report that in the lumber division a buyers' market still prevails. This is especially true of the hardwood division. Favorable conditions have encouraged rather heavy logging operations and the effort to get goods on the market quickly necessitated some forced sales.

An examination of car loadings by classes for twenty-five weeks ended June 20, 1925, shows a larger movement of forest products for the United States than in any similar period for which statistics are available.

Production of about 375 mills in the United States for the first twenty-five weeks of the current year amounted to 6,486 million feet, an increase of nearly 4 per cent over the same period last year; shipments increased from 6,102 million to 6,471 million feet, an increase of about 6 per cent. Orders, as reported by the same mills, increased about 8 per cent to 6,267 million feet.

Production of Portland cement in Ohio, Western Pennsylvania and West Virginia for June was 1,587,000 barrels against 1,282,000 in 1924, a gain of about 24 per cent. Shipments increased 313,000 barrels, while stocks at the end of the month were 1,715,000 barrels, an increase of 76,000 barrels over June of last year. Stocks of finished cement are about 250,000 barrels below the amount held at the close of May, 1925.

Retail and Wholesale Trade Sales of sixty-nine reporting department stores in this district show an increase for the month of June of 2.4 per cent as compared with June, 1924. Sales for the first six months are approximately the same as last year, the district showing a decline of ½ of 1 per cent for the period.

The largest increases are reported by Akron, Cincinnati, and Columbus; the greatest decreases occurred in Canton and Wheeling.

The volume of dollar sales for women's wearing apparel has increased 7.2 per cent for the month, all reporting cities showing increases.

Chain drug and grocery stores report increased sales

both for June and the past six-month period as compared with same periods last year.

All reporting wholesale lines show increased sales in

June over the same month last year except shoes. In wholesale hardware the increase is marked—nearly 15 per cent.

Retail Trade Sales

Percentage Increase or Decrease

Department Stores	No. of reports	SALES	
		June, 1925 compared with June, 1924	Jan.-June, 1925 compared with Jan.-June, 1924
Akron.....	5	12.0	5.6
Canton.....	4	-7.9	-13.9
Cincinnati...	7	11.9	4.5
Cleveland...	6	4.0	-0.8
Columbus...	6	10.6	9.9
Dayton.....	5	2.9	-2.2
New Castle...	3	5.7	-3.2
Pittsburgh...	7	-2.2	-2.5
Toledo.....	5	-0.2	-3.3
Wheeling....	5	-7.4	-7.0
Youngstown..	3	1.9	-0.6
Other Cities*	13	10.1	3.9
District.....	69	2.4	-0.5

*Includes Eric, Lima, Mansfield, Marion, Norwalk, Oil City, Portsmouth, Sharon, Springfield and Washington C. H.

Wearing Apparel

	No. of reports	Percentage Increase or Decrease
Cincinnati...	5	3.7
Cleveland...	3	14.2
Other Cities**	11	4.1
District.....	19	7.2

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

Wholesale Trade and Chain Store Sales

Percentage Increase or Decrease

GROCERIES	No. of reports	SALES	
		June, 1925 compared with June, 1924	Jan.-June, 1925 compared with Jan.-June, 1924
Akron.....	3	13.3	4.8
Cleveland...	4	3.5	-7.1
Columbus...	3	7.2	-7.7
Erie.....	4	-6.7	-5.4
Lexington...	3	-15.6	-15.9
Pittsburgh...	7	11.5	3.5
Toledo.....	3	7.5	-3.4
Youngstown..	3	-11.2	-21.6
Other Cities*	23	2.6	-3.8
District.....	53	3.3	-4.9
DRY GOODS...	19	4.7	-8.0
DRUGS.....	16	7.1	-0.2
HARDWARE...	18	14.9	2.4
SHOES.....	7	-10.2	-4.1

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

CHAIN STORES**

	No. of reports	Percentage Increase or Decrease	SALES
Drugs-Dist....	3	2.4	0.4
Groceries-Dist..	5	4.5	4.5

**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)
June, 1921.....	96	93	82	89	92	104	93
June, 1922.....	96	97	77	90	100	81	98
June, 1923.....	119	105	91	97	118	90	105
June, 1924.....	108	99	69	83	97	81	99
June, 1925.....	109	106	73	84	111	72	101

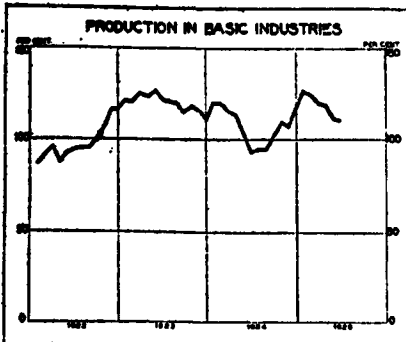
Debits to Individual Accounts

(In thousands of dollars)

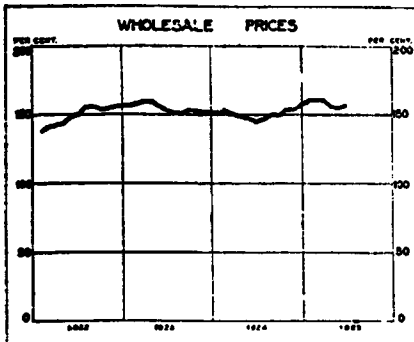
	1 4 weeks ending July 8, 1925	2 4 weeks ending June 10, 1925	3 4 weeks ending July 9, 1924	4 % inc. or dec. over col. 2	5 % inc. or dec. over col. 3	6 1925 to date (Jan. 1 to July 8)	7 1924 to date (Jan. 3 to July 9)	8 % inc. or dec. over col. 6
Akron.....	85,638	77,837	69,043	10.0	24.0	519,555	451,518	15.1
Butler, Pa.....	10,218	9,816	9,919	4.1	3.0	68,416	66,103	3.5
Canton.....	44,921	46,891	39,664	-4.2	13.3	303,792	283,459	7.2
Cincinnati...	329,434	306,280	285,893	7.6	15.2	2,187,889	1,943,976	12.5
Cleveland...	692,715	605,649	581,854	14.4	19.1	4,260,468	3,935,344	8.3
Columbus...	141,022	126,420	125,206	11.6	12.6	877,064	829,139	5.8
Connellsville, Pa.....	4,154	4,447	4,453	-6.6	-6.7	29,019	30,024	-3.3
Dayton.....	81,972	67,567	68,138	21.3	20.3	476,183	436,446	9.1
Eric, Pa.....	32,935	31,259	29,140	5.4	13.0	208,596	194,454	7.3
Greensburg, Pa.....	18,720	17,785	21,518	5.3	-13.0	125,574	139,470	-10.0
Homestead, Pa.....	4,633	4,458	4,132	3.9	12.1	28,634	26,454	8.2
Lexington, Ky.....	22,595	15,725	18,335	43.7	23.2	156,815	153,763	2.0
Lima.....	16,252	15,110	17,123	7.6	-5.1	116,212	116,096	0.1
Lorain.....	6,584	6,252	4,567	5.3	44.2	42,898	36,484	17.7
Oil City, Pa.....	14,568	13,770	11,216	5.8	29.9	90,176	85,412	5.6
Pittsburgh...	894,059	766,121	779,714	16.7	14.7	5,784,013	5,261,851	9.9
Springfield.....	20,408	20,156	18,015	1.3	13.3	134,658	124,022	8.6
Steubenville.....	11,100	10,561	10,757	5.1	3.2	71,984	74,565	-3.5
Toledo.....	202,732	199,017	169,902	1.9	19.3	1,273,114	1,129,908	12.7
Warren.....	11,990	12,433	10,816	-3.6	10.9	83,229	75,787	9.8
Wheeling, W. Va.....	42,109	38,753	40,660	8.7	3.6	282,180	288,147	-2.1
Youngstown..	63,579	56,013	54,960	13.5	15.7	419,889	386,563	8.6
Zanesville.....	11,478	11,180	12,038	2.7	-4.7	76,505	82,434	-7.2
Total.....	2,763,816	2,463,500	2,387,063	12.2	15.8	17,616,863	16,151,419	9.1

National Summary of Business Conditions

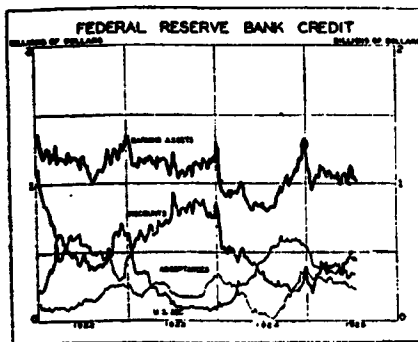
(By Federal Reserve Board)



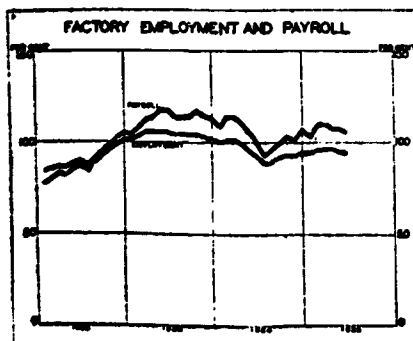
Production in Basic Industries—Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure—June, 110.



Wholesale Prices—Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure—June, 157.



Federal Reserve Bank Credit—Weekly figures for twelve Federal reserve banks. Latest figure—July 22.



Factory Employment and Payroll—Index of 22 manufacturing industries (1919=100). Based on number of men employed and amount of payrolls. June figures: Employment, 94; payrolls, 103.

Production of basic commodities and factory employment declined further in June, while railway freight shipments and the volume of wholesale trade increased. Wholesale prices, after declining for two months, advanced in June.

Production

Production in basic industries, as indicated by the Federal Reserve Board's index, declined about 1 per cent in June to the lowest level since the autumn of 1924, but was 17 per cent above the low point of last summer. Output of pig iron, steel ingots, lumber, newsprint, and petroleum, and mill consumption of cotton declined in June, while production of bituminous coal, sole leather, and wheat flour increased. The number of automobiles manufactured during June was slightly less than in May. Factory employment declined 1 per cent and factory payrolls over 2 per cent between May 15 and June 15, reflecting substantial declines in the automobile, boot and shoe, textile, and iron and steel industries. Building contracts awarded during June were larger in value than during May and almost equaled the peak figure for April. In square feet of floor space the June awards were a little smaller than those for May. Residential contracts in June were the smallest for any month since February, but greatly exceeded those of a year ago.

The Department of Agriculture estimate of the condition of all crops combined on July 1 showed some improvement from the month before. The corn crop forecast places it at approximately 550,000,000 bushels above last year. The July 15 cotton crop estimate was 13,588,000 bales, compared with a forecast of 14,339,000 bales on June 25.

Trade

Freight car loadings were larger during June than during May, as is usual at that season, and also considerably exceeded the figures for June, 1924, the low point of last year. Sales at department stores during June were seasonally smaller than in May, but totaled 5 per cent more than last year. It should be borne in mind, however, that in June of this year there were four Sundays as compared with five in the preceding month as well as in June, 1924.

Mail order sales were 6 per cent larger than in May and exceeded the amount for June, 1924. Sales of wholesale firms were 5 per cent greater than in May and larger than in any June in the last five years. Department store stocks were reduced further in June, but were slightly larger than a year ago. Wholesale stocks of groceries, shoes and hardware were smaller at the end of June than a month earlier, but those of dry goods and drugs were larger.

Compared with a year ago, stocks of groceries and drugs were larger in value, while stocks of dry goods, shoes and hardware were smaller.

Prices

Wholesale commodity prices advanced 1.4 per cent in June, according to the index of the Bureau of Labor Statistics, following declines in April and May. The largest increase for any commodity group was for the miscellaneous group which includes crude rubber; prices of farm products, foods, and fuel and lighting also advanced, while prices of building materials declined considerably. In the first half of July, quotations on flour, beef, hogs, wool, copper, petroleum, hides and rubber increased, while prices of sugar, bituminous coal and hardwood lumber declined.

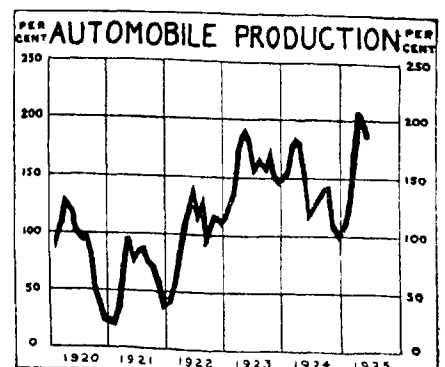
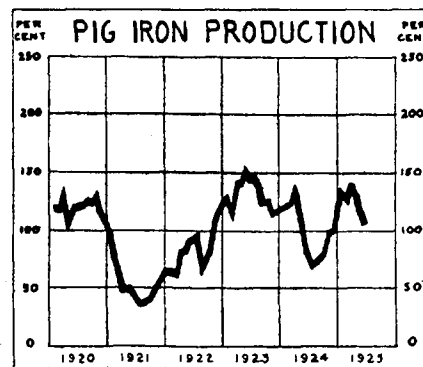
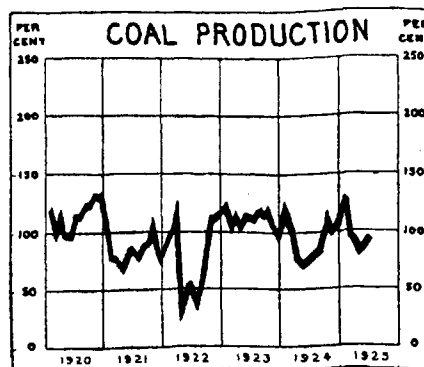
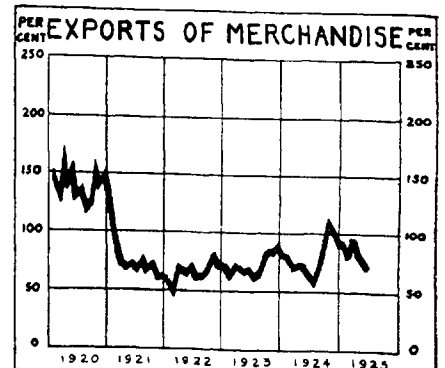
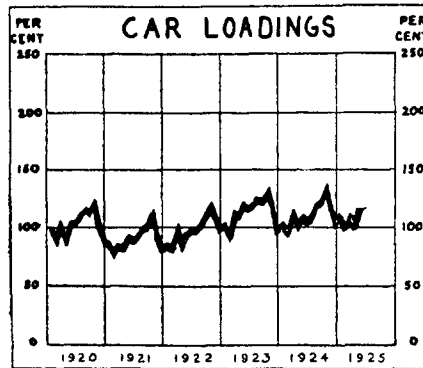
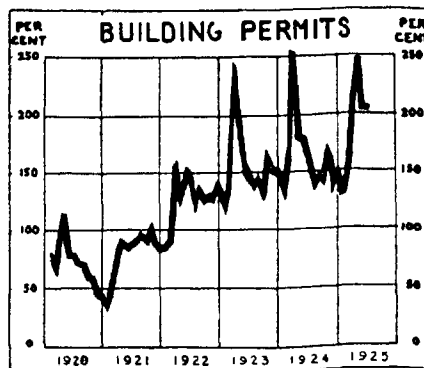
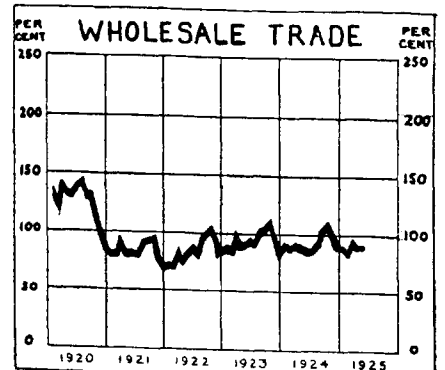
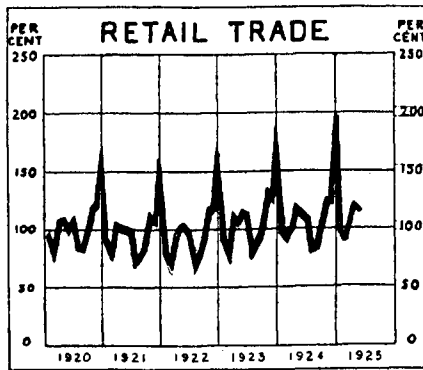
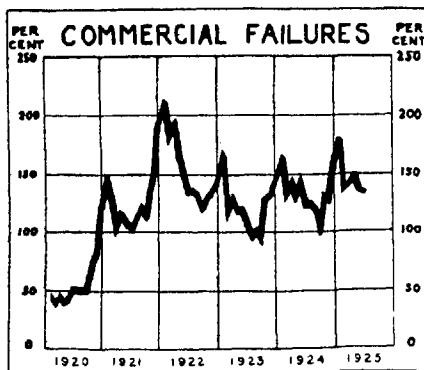
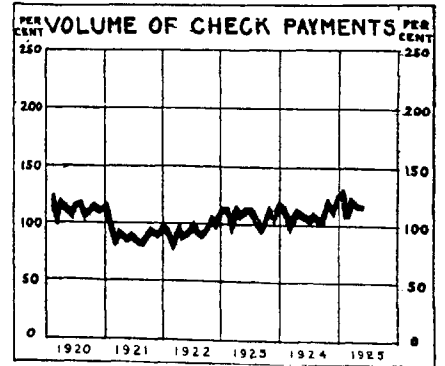
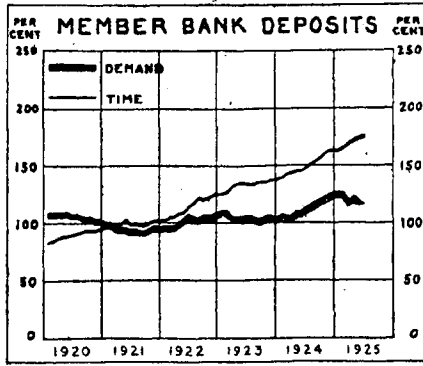
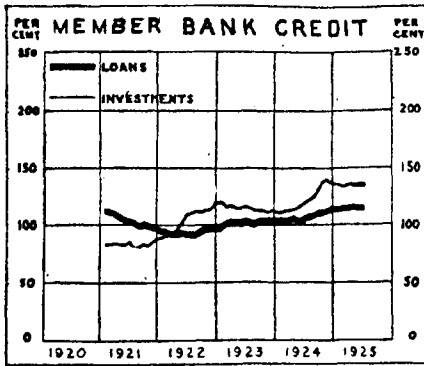
Bank Credit

At member banks in leading cities the volume of loans on securities continued to increase after the middle of June, and during the first half of July was at a higher level than at any previous time. Demand for bank credit for commercial purposes was relatively inactive and the volume of commercial loans at reporting member banks remained near the low level for this year, although considerably above the amount for the corresponding period in 1924. At the reserve banks the seasonal demand for credit and currency was reflected in increased borrowing by member banks which carried discounts at the beginning of July to the highest level in more than a year, and notwithstanding the subsequent decline the total on July 22 was still at a relatively high level. Total earning assets on that date showed little change as compared with the figures for four weeks earlier.

Firmness in the money market at the close of the fiscal year was followed by an easing of money after the first week of July. In the latter part of the month there was again evidence of firmer money conditions. These changes were reflected chiefly in the movement of rates for call money, quoted rates on prime commercial paper and on bankers' acceptances remaining throughout the period at 3¼-4 per cent and 3¼ per cent.

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 Credit Loans, June—114. Investments, June—135. 2. Member Bank Deposits, Demand—June—118. Time—June—174. 3. Check Payments, except New York, May—116. 4. Commercial Failures, June—135. 5. Retail Trade April revised—121, May—114. | <ol style="list-style-type: none"> 6. Wholesale Trade, May—89. 7. Building Permits May revised—206, June—206. 8. Car Loadings, June—120. 9. Exports of Merchandise, June—68. 10. Bituminous Coal Production, June—94. 11. Pig Iron Production, June—107. 12. Automobile Production, June—186. |
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