

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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The summer of 1925 has been characterized by a seasonally high volume of business, and an absence of any marked mid-year reaction such as occurred in 1924. Lines dependent upon the farming industry, such as the agricultural implement and fertilizer trades, have had a noteworthy "come-back" after many months of depression. Most industries have experienced an increase in activity with the opening of Fall. The anthracite coal strike, called September 1, has caused no serious difficulty as yet, probably due to the fact that consumers were well stocked up on that date and that soft coal or other substitutes are available.

As has been pointed out in previous REVIEWS, various manufacturers have been dissatisfied with the business situation, feeling that business has been stimulated only at the expense of prices and hence of profits, and that large operations have brought but small results in the way of net earnings. The item of operating costs in some establishments is so overshadowing as practically to offset the effect of a good volume of business. To ascertain what is being done to reduce such costs, this bank recently obtained statements from representative manufacturers in the Fourth District as to what specific economies, if any, had been introduced within recent months. The replies received indicate that real progress is being made in this direction; nearly half reported the adoption of certain economies, and a number of others emphasized the fact that all expense items were being watched very carefully.

The two specific economies mentioned most frequently were: (1) The installation of improved machines, and the improvement or redesigning of present machines; (2) The reduction of supervision costs, through a reduction of supervising personnel and the employment of higher-grade personnel. Other improvements given were the reorganization of departments on a more efficient basis, increased labor efficiency, substitution of mechanical means for common labor, reduction in the number of types of goods produced, improvement in distributing methods and sales organizations, remodeling of plants to promote more efficient factory operations, reduction in haulage, and reduction in the number of employees required to run certain departments. In general, there seems to be a disposition to effect such economies as will lower the cost of the product without decreasing wages and thus lowering the standard of living.

Financial Conditions

Savings deposits of sixty-eight selected banks in the larger centers of the Fourth Federal Reserve District amounted to \$851,883,888 on August 31, an increase of 0.5 per cent over July 31 and 7.7 per cent over August 31, 1924.

Commercial failures in this District, according to R. G. Dun and Company, numbered 153 in August, as compared with 191 in July and 158 in August, 1924. For the United States there were 1,513 failures in August; 1,685 in July, and 1,520 in August, 1924.

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

	Federal Reserve Bank of Cleveland (in millions)			Federal Reserve System (in millions)		
	Sept. 16, 1925	Sept. 17, 1924	Aug. 19, 1925	Sept. 16, 1925	Sept. 17, 1924	Aug. 19, 1925
Gold Reserves	\$290	\$297	\$299	\$2,778	\$3,081	\$2,775
Discounts	69	30	56	488	258	559
Acceptances	18	8	18	212	99	195
U. S. Securities	81	62	81	409	619	323
Total earning assets	119	99	165	1,119	983	1,091
Federal Reserve notes in circulation	225	207	210	1,677	1,735	1,616
Total deposits	179	180	185	2,230	2,297	2,337

	Reporting Member Banks— Fourth District (in millions)			Reporting Member Banks— System (in millions)		
	Sept. 9, 1925	Sept. 10, 1924	Aug. 12, 1925	Sept. 9, 1925	Sept. 10, 1924	Aug. 12, 1925
Loans secured by stocks and bonds	\$ 490	\$ 417	\$ 489	\$5,061	\$4,318	\$5,085
All Other	787	713	779	8,379	8,161	8,286
Total Loans	1,277	1,149	1,268	13,442	12,479	13,371
Investments	637	646	644	5,457	5,141	5,482
Demand Deposits	1,014	1,009	1,014	12,813	12,599	12,903
Time Deposits	756	691	756	5,203	4,577	5,183

Iron and Steel

Improvement in iron and steel conditions has been carried to the point where it now may be expressed in substantial terms. Production turned upward in August, and this gain has been continued and accelerated since. During the first half of September eight or ten additional blast furnaces had been blown out, largely by steel companies. Steel ingot output in August showed an increase of 10.9 per cent over July and represented the first gain after four months of steady decline, running since last March and amounting in all to a curtailment of 27 per cent. The country was making steel ingots in August at the annual rate of 40,950,000 tons. This was on the basis of 81.4 per cent of the country's record rate of steel production in March, 1924. The August rate of out-

put was 47 per cent ahead of the corresponding month in 1924, which also marked the upward turn of production after several months of decline.

The gain in pig iron output in August was much smaller than that of steel, or 1.4 per cent, according to the compilation of IRON TRADE REVIEW. However, it also registered the first gain since March after a cumulative curtailment of 41 per cent. Pig iron production in August was at the annual rate of 31,800,000 tons, or 43.5 per cent in excess of that of August, 1924. The number of blast furnaces active at the end of August was 192, a gain of four over July. This represented 49.2 per cent of the total number of serviceable furnaces in the country.

The maintained gain in the steel trade is attributable to the further gradual mounting demands of all branches of consumption with the exception of the railroads, this applying especially to general manufacturing, new construction, etc. The requirements of such fields as automotive, farming implement and food packing are notable. The market apparently lacks only railroad buying to make it a broad affair and the latest developments point to a revival in that direction. Car and locomotive orders and inquiries in recent weeks have shown a conspicuous increase, and various systems are actively taking up their 1926 track programs, with the result that some large tonnages of rails for that delivery already have been placed.

Steel prices show more stability but exhibit no buoyancy. The fact that producers still have considerable unfilled plant capacity tends to keep competition exceedingly keen. In some lines, notably merchant bars, mills are beginning to fill up so that a number of them now cannot promise shipments under three to four weeks. This is having the tendency to force users to modify hand-to-mouth buying policies and to discount their requirements farther ahead. More evidence of buyers, particularly jobbers, placing orders for stock, is to be seen.

The pig iron market has made a definite turn and in several districts prices are 50 cents higher than a month ago, while in Chicago an advance of one dollar has been quoted. Higher coke prices and uncertainties over supplies, due to the possibility of the effects of the anthracite coal strike being communicated to the bituminous fields, are factors in these rises. Beyond that, however, shipments from the furnaces have been steadily growing as the melt has increased. Large buyers are reported to have bought heavily recently.

IRON TRADE REVIEW composite of fourteen leading iron and steel products shows the stronger price trend. The index as of September 16 was \$37.35, constituting a gain over the recent low point of \$37.21. One month ago the average was \$37.39, three months ago \$37.60 and one year ago \$39.05.

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.....	2,665	1,783	3,088	1,878
August.....	2,704	1,883	3,424	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

Whatever may be the other effects of the anthracite coal strike, called on September 1, it has resulted in a better feeling among bituminous operators and distributors in the Fourth District. There are several reasons for this change in sentiment. First, an improvement in demand has taken place, attributable in part to the desire of industries to stock up in anticipation of possible increases in prices and in part to increased buying by householders who formerly relied largely on anthracite. Second, bituminous operators hope that such householders, once having started, will continue to burn soft coal instead of anthracite. Third, production has been increasing, the daily average for the week ending September 5 being 1,801,000 tons, as compared with 1,560,000 in 1924, and an average of 1,501,000 for 1925, to date. The 1925 production curve is also well ahead of 1921 and 1922, and since April has gradually approached the 1923 curve. Fourth, it is reported that substitutes for anthracite in the form of low volatile coal and coke are selling at higher prices. The COAL AGE average of the price per ton of bituminous coal (14 grades combined, f. o. b. mine) stood at 2.16 on September 18, as compared with 2.02 the preceding month. Any marked price advance would be of material benefit to the high-cost union mines in Ohio and Pennsylvania.

August production of by-product coke in the United States totaled 3,161,000 net tons, as compared with 3,171,000 in July and a monthly average of 2,833,000 in 1924 and 3,133,000 in 1923. Beehive coke produced amounted to 602,000 tons in August, as compared with 532,000 in July and a monthly average of 806,000 in 1924 and 1,615,000 in 1923.

Great Lakes Shipments

	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	2,609,593
June.....	7,958,486	7,583,926	3,436,923	2,932,793
July.....	8,531,250	7,280,014	3,945,521	3,621,665
August.....	8,532,718	6,689,567	4,203,093	3,746,686
Season to date.....	35,457,153	28,796,709	16,370,378	13,860,198

*Lake Superior Iron Ore Association. Shipped from upper lake ports.

**Ore and Coal Exchange. Loaded into vessels at Lake Erie ports.

Automobiles A drop in automobile production occurred in August, during which month American manufacturers produced 258,435 passenger cars and trucks, as compared with 398,945 in July and 281,243 in August, 1924. The decrease from July, although precipitate, is partly explained by the fact that production during May, June, and July was at a considerably higher level than usual, and partly by manufacturing delay incidental to changes in models.

Automobile Production—1924-1925

Figures represent practically complete production of automobiles by American manufacturers in their plants in the United States and Canada, 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	209,241	26,984	293,296	29,783
February	252,520	33,492	342,606	31,803
March	332,944	44,877	366,160	34,722
April	392,264	46,766	343,967	36,505
May	382,972	42,322	286,680	33,576
June	364,731	36,846	222,966	27,663
July	358,452	40,493	241,809	25,630
August	221,739	36,696	253,854	27,839
September .....	.....	.....	263,464	31,224
October .....	.....	.....	260,703	31,455
November .....	.....	.....	204,402	27,047
December .....	.....	.....	182,007	26,603

Rubber and Tires Akron tire manufacturers report a marked decline in tire purchases on the part of dealers during past weeks, due to the fact that dealers in general are overstocked. As a consequence, there is a disposition to reduce production schedules, and this, together with the high cost of rubber, makes the present outlook less favorable than the results of operations for the first seven months of the year. The industry is running on an efficient basis, however, and such lines as hard rubber and mechanical rubber goods are reported to be holding up well.

Textiles August trade was dull in the various lines of textile manufacturing in this District, but a noticeable increase in orders occurred during the first part of September. Some lines report a satisfactory volume of business but with small earnings, while in others earnings have exceeded last year at this time due to the adoption of operating economies. On the whole, there is a fair volume of business at present and manufacturers state that the fall outlook is favorable.

Sales of 19 dry goods firms in this District were 4.4 per cent less in August, 1925, than in the same month in 1924. For the first eight months of 1925, the decline from last year was 6.5 per cent. As compared with July, 1925, August sales showed an increase of 29.9 per cent.

Shoes The condition of the boot and shoe industry in the Fourth District is better than for some time past. There has recently been experienced an increase in activity which appears to be more than seasonal; fall orders are good, and factories

generally are busy. The improvement reported by manufacturers is reflected by the sales of wholesale shoe dealers in this District, which showed an increase of 22 per cent over the same month a year ago. This large gain is only partly accounted for by the fact that August, 1924, was a poor month.

Final production figures for the Fourth District for July showed an increase of 26 per cent over June, and preliminary August figures indicate a further increase of 5 per cent over July. Total output for the United States for July was 24,581,966 pairs, as against 23,448,588 pairs in June.

General Manufacturing A very general increase in activity has recently taken place in various lines of manufacture in this District, as might naturally be expected at this season of the year. A number of manufacturers report a good volume of fall orders. The agricultural implement industry continues to run well ahead of last year, and the outlook is favorable. A reduction in prices of glass has stimulated consumption to some extent, and plants are operating at capacity. A large paint manufacturer reports an increased volume of business over last year. The stove industry is busy, whereas last year it was quiet.

Ohio

Agricultural Conditions Corn: The State Department of Agriculture reports that Ohio is leading the country in corn condition and, except for a small area in the northern portion of the state, the crop is past danger of damage from early frost. The latest estimates of the department indicate a total production in the state of more than 186 million bushels, at least ten million bushels in excess of any previous crop. In view of the fact that the total United States crop is somewhat below the five-year average, a good price is assured.

Oats: Returns from areas where threshing has been completed show that the yield is considerably better than had been anticipated, and that the total crop is the best since 1912. Here again it is of interest to note that the total crop of the country as a whole is estimated as about 100 million bushels short of last year.

Potatoes: According to the present outlook, the potato crop in the state will be slightly above that of last year, while the United States crop indications show a decrease of some 210 million bushels from the 1924 crop.

Barley, buckwheat, clover, and alfalfa are all reported as highly satisfactory.

Pennsylvania

Corn: The Co-operative Crop Reporting Service states that corn prospects have recently improved, the present estimates showing a total production of almost 78 million bushels, a 40 per cent increase over that of last year and 17 per cent above the five-year average.

Oats: Oats show an increase of 9.5 per cent over the crop of a year ago, and about 5 per cent over the

five-year average. Prospects are decidedly better than a month ago, when indications pointed to a slight decrease from the five-year average.

Potatoes: The outlook for the potato crop has improved somewhat during the past month, present conditions indicating a total yield of 25,511,000 bushels, a decrease of 11.4 per cent from last year's production and 3.5 per cent from the five-year average.

Fruit: All of the principal fruit crops show a decrease from last year, and all are below the five-year average. Compared with the five-year average crop, the greatest decrease is shown by the peach crop, which is estimated as 60.8 per cent short. Apples show a decrease of 32.7 per cent, pears 25.9 per cent, and grapes 34.4 per cent.

Kentucky

Corn: Latest estimates of the Department of Agriculture are for a total production of slightly more than 81 million bushels in the state. This is a decrease of 9.3 per cent from the 1920-1924 average of 89,359,000 bushels, and is approximately the same as that of last year.

Oats: This crop was severely crippled by the drought and, notwithstanding a considerable increase in acreage over last year, the total production is now estimated at 4,874,000 bushels as against 5,336,000 bushels last year.

Sweet potatoes are estimated at 3 per cent below last year, hay 22.5 per cent less, buckwheat 26.9 per cent less, and sorghum 5.7 per cent less. The apple crop is about one-third that of last year, while peaches are reported as approximately one-half of the 1924 crop.

Tobacco

Since the last REVIEW there has been considerable deterioration in the late tobacco crop in Kentucky, owing to the severe dry spell of August and early September. The early crop largely escaped the adverse weather conditions, but estimates of the reduction in the late crop as compared with prospects early in August run from 30 to 50 per cent. The United States Department of Agriculture's September crop report estimates Kentucky's total yield of all types, both early and late, at 361,767,000 pounds as compared with a prospect on August 1 for 397,944,000 pounds—a decrease of 9 per cent. Last year's production was 419,585,000 pounds, and the 1920-1924 average was 432,347,000 pounds.

It is pointed out that the prospect of a small crop is a favorable factor so far as the marketing of the Burley Association's holdings is concerned. These holdings are still large.

Building and Building Materials

August was the fifth successive month which broke all records for corresponding months in previous years in the valuation of building permits in the United States. Bradstreet's gives August permits for 167 cities as being \$332,412,053 as

compared with \$240,703,596 last year, an increase of 38.1 per cent. The 1923 figures for August were approximately \$239,000,000.

The feature of the building situation has been the comparatively large amount of building during the summer months. In both 1923 and 1924, a tremendous volume of building occurred in March, followed by a sharp decline. In 1925, the peak occurred in April, followed by a falling-off in May, which, however, was only about half of the spring declines of the two preceding years. June, July, and August of 1925 have remained near the May level, all three being considerably higher than in 1923 and 1924.

Thirteen centers in the Fourth District report permits valued at \$25,936,633 in August, an increase of 41.2 per cent over last year. For the first eight months of 1925, permits aggregated \$194,202,116, a gain of 25.2 per cent over 1924.

Lumber manufacturers and dealers in the Fourth District report a fair volume of business and a good outlook for fall. During the past few weeks lumber prices have stiffened, the composite of softwood prices standing at 30.37 on September 11 as compared with 29.95 on August 11, while that of hardwood prices was 40.65 on September 11 as compared with 40.08 a month previous. Buying is substantial, but still on a hand-to-mouth basis.

Shipments of paving brick have increased steadily, and the fall outlook for the industry is reported to be very favorable.

The Aberthaw index of industrial building costs in August remained unchanged at 194. The trend of building material prices in this District in recent months is shown by the following table, giving the number of important materials showing advances, declines, and no change in price on August 1 as compared with May 1.

	Pittsburgh	Erie	Akron	Cleveland	Toledo	Columbus	Dayton
Advances	1	2	3	0	2	1	0
Declines	10	2	5	4	4	0	0
Unchanged	13	6	15	6	9	21	26

Building Operations

Name of City	AUGUST 1925		JAN.-AUG., 1925	
	No. Permits from 1924	Percent change	Valuation from 1924	Percent change
Akron.....	524	38.6	\$1,605,938	143.8
Canton.....	224	-4.7	379,723	-47.1
Cincinnati.....	581	16.2	2,636,405	123.7
Cleveland*.....	1850	-2.0	6,567,707	-7.1
Columbus.....	686	47.8	5,328,000	265.5
Dayton.....	289	-5.9	2,316,817	288.4
Erie.....	264	25.7	1,035,085	64.7
Lexington.....	76	11.8	76,578	-41.5
Pittsburgh.....	635	-13.1	118,228	92.9
Springfield.....	103	7.3	3,336,928	-0.6
Toledo.....	676	11.7	1,136,923	92.9
Wheeling.....	78	-34.5	1,322,778	-11.1
Youngstown.....	303	4.1	110,436	-63.0
Total.....	6,289	6.8	\$25,936,633	41.2
*Includes East Cleveland, Lakewood and Shaker Heights.				

Our Foreign Trade

Much is being said about the development of our trade with South America, the Far East, and various other parts of the world. It is therefore of interest to know the source of our imports and the destination of our exports, and the charts given below show the proportional, or percentage, distribution of our trade for the past fifteen years.

The most noticeable feature of the charts is the relative decline of our trade with the United Kingdom, Germany, France, and Italy. From 1910 to 1914 inclusive, these four countries alone accounted for 38 per cent of our imports and 50 per cent of our exports. Skipping over the war years, which were abnormal, we find that in 1924 the same countries accounted for 20 per cent of our imports and 41 per cent of exports. In other words, the percentage of our imports from the above nations in 1924 was only about half that of 1910-1914, and the percentage of exports four-fifths. It should be added that there has been no decline in the actual volume of trade with these four countries, the relative decline being due to the fact that 1924 showed an increase in actual volume of 160 per cent over the 1910-1914 average in our trade with countries other than

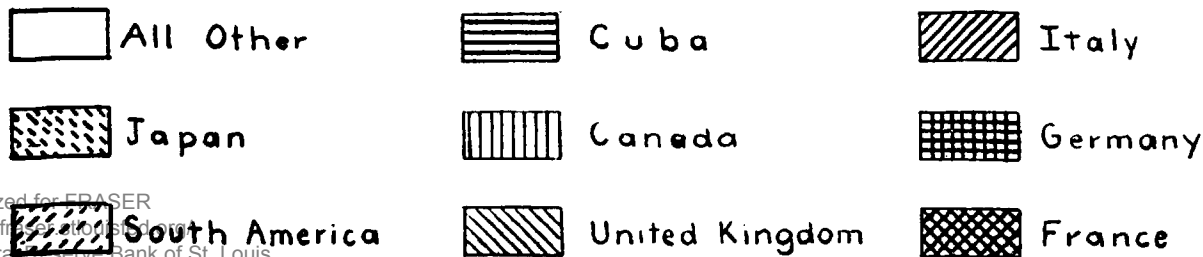
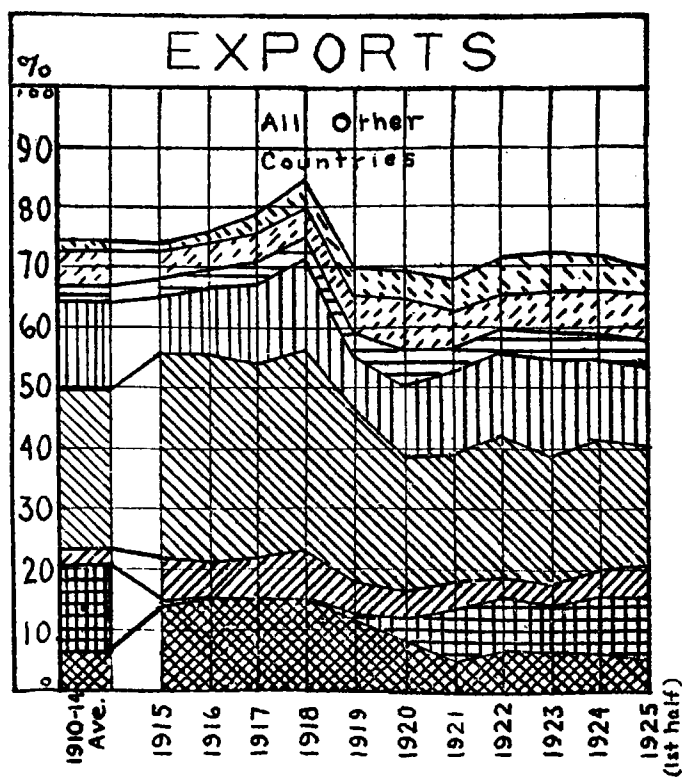
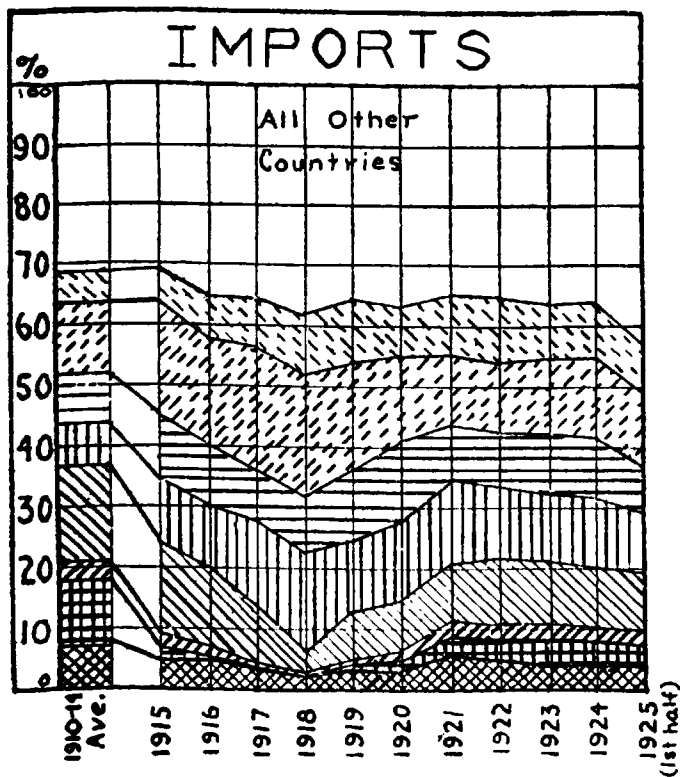
the above four, while the increase with these four was only 53 per cent.

The proportion of imports from South America and Canada increased during the war period, but subsequently declined, until South America is now about at its 1910-1914 average, Canada being somewhat higher. The percentage of imports from countries not shown on the chart has increased materially.

The chart showing exports gives an idea of the tremendous amount of goods sent by us to the Allied countries during the war. Before the war, from 1910 to 1914, France, Italy, and the United Kingdom took 36 per cent of our total exports, while at the height of the war period—the year 1918—these countries took 57 per cent of the total. Furthermore, the actual volume of exports during the war years was far above the pre-war average. Exports to Germany, which disappeared during 1916 and 1917, have arisen to about two-thirds of their 1910-1914 average, with an expanding tendency. Japan, Cuba, and South America are all taking a larger percentage of our goods than before the war.

A feature of the charts which may be surprising to some is the extent of our trade with Cuba, imports from that country for 1924 exceeding those from either France, Germany, Japan, and Italy, and being not far behind Canada and the United Kingdom.

Percentage Distribution by Countries of the Foreign Trade of the United States, 1910-1925



Retail Trade Sales

	No. of Reports	Percentage Increase or Decrease	
		SALES August, 1925, compared with August, 1924	SALES Jan.-Aug., 1925, compared with Jan.-Aug., 1924
Department Stores			
Akron.....	5	9.2	6.4
Canton.....	4	-9.8	-12.2
Cincinnati.....	7	13.2	5.8
Cleveland.....	6	3.8	0.4
Columbus.....	6	4.3	8.8
Dayton.....	5	0.9	-1.3
New Castle.....	3	-8.1	-3.6
Pittsburgh.....	7	-2.6	-2.0
Toledo.....	5	12.1	-1.4
Wheeling.....	5	4.4	-5.8
Youngstown.....	3	5.7	1.0
Other Cities.....	13	6.8	4.3
District.....	69	2.8	0.4
Wearing Apparel			
Cincinnati.....	6	55.2	...
Cleveland.....	3	17.7	...
Other Cities.....	12	26.6	...
District.....	21	30.2	...
Furniture			
Canton.....	3	63.7	...
Cleveland.....	6	14.1	...
Other Cities.....	11	2.3	...
District.....	20	12.1	...

Wholesale Trade and Chain Store Sales

	No. of Reports	Percentage Increase or Decrease	
		SALES August, 1925, compared with August, 1924	SALES Jan.-Aug., 1925, compared with Jan.-Aug., 1924
Groceries			
Akron.....	3	0.3	4.0
Cleveland.....	4	-4.6	-6.9
Columbus.....	3	-3.3	-6.9
Erie.....	4	2.5	-3.5
Lexington.....	3	-15.5	-15.8
Pittsburgh.....	7	-4.7	2.1
Toledo.....	3	9.6	-0.7
Youngstown.....	3	-11.6	-20.1
Other Cities.....	23	6.2	-2.1
District.....	53	-0.2	-4.1
Dry Goods	19	-4.4	-6.5
Drugs	16	7.0	1.3
Hardware	16	-5.3	1.8
Shoes	7	22.0	-2.1
Chain Stores*			
Drugs-Dist.....	3	2.8	0.9
Groceries-Dist.....	5	-8.3	2.2

*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 (15 firms)	Wholesale Shoes (6 firms)	Wholesale (All) (106 firms)	Chain Drugs (3 firms)
August, 1921.....	73	93	95	91	78	76	90	93
August, 1922.....	81	96	99	89	96	73	93	95
August, 1923.....	97	109	120	94	108	76	103	107
August, 1924.....	87	102	86	84	96	52	87	103
August, 1925.....	88	109	83	82	93	62	86	106

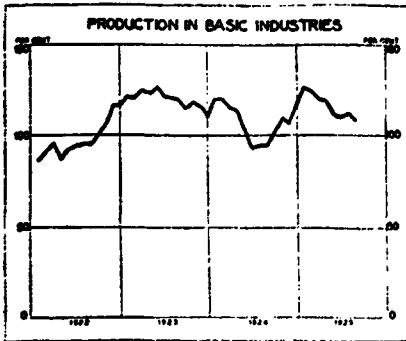
Debits to Individual Accounts

(In thousands of dollars)

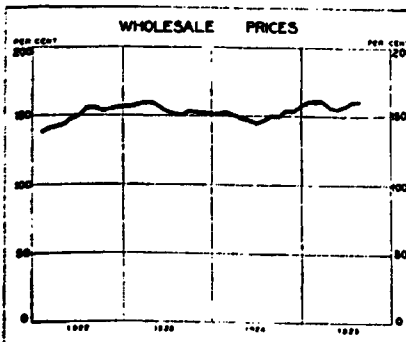
	1 5 weeks ending Sept. 16, 1925	2 5 weeks ending Aug. 12, 1925	3 5 weeks ending Sept. 17, 1924	4 % incr. or decr. 1 over 2	5 % incr. or decr. 1 over 3	6 1925 to date (Jan. 1-Sept. 16)	7 1924 to date (Jan. 3-Sept. 17)	8 % incr. or decr. 6 over 7
Akron.....	\$112,414	\$106,883	\$79,236	5.2	41.9	\$738,852	\$612,205	20.7
Butler, Pa.....	11,562	12,789	11,869	-9.6	-2.6	92,767	89,932	3.2
Canton.....	51,292	54,728	48,045	-6.3	6.8	409,812	379,051	8.1
Cincinnati.....	363,676	388,526	328,565	-6.4	10.7	2,940,091	2,618,284	12.3
Cleveland.....	760,046	819,364	649,669	-7.2	17.0	5,839,878	5,282,536	10.6
Columbus.....	165,576	177,668	147,538	-6.8	12.2	1,220,308	1,121,846	8.8
Connellsville, Pa.....	5,036	5,304	5,133	-5.1	-1.9	39,359	40,578	-3.0
Dayton.....	93,607	96,969	72,271	-3.5	29.5	666,759	581,905	14.6
Erie, Pa.....	39,009	41,230	34,233	-5.4	24.0	288,835	264,296	9.3
Greensburg, Pa.....	23,479	22,696	23,682	3.4	-0.9	171,749	189,106	-9.2
Homestead, Pa.....	4,994	5,575	4,697	-10.4	6.3	39,203	36,208	8.3
Lexington, Ky.....	20,533	25,029	18,498	-18.0	11.0	202,377	192,330	5.2
Lima.....	20,403	21,845	20,649	-6.6	-1.2	158,460	156,651	1.2
Lorain.....	8,050	7,561	8,190	6.5	-1.7	58,509	52,191	12.1
Oil City, Pa.....	16,964	21,432	12,926	-20.8	31.2	128,572	113,276	13.5
Pittsburgh, Pa.....	948,943	1,070,513	863,381	-11.4	9.9	7,803,469	7,072,930	10.3
Springfield.....	24,982	25,672	21,486	-2.7	16.3	185,312	167,248	10.8
Steubenville.....	15,118	14,703	12,727	2.8	18.8	101,805	98,998	2.8
Toledo.....	226,736	245,690	186,867	-7.7	21.3	1,745,540	1,511,051	15.5
Warren.....	16,613	15,705	15,131	5.8	9.8	115,547	106,024	9.0
Wheeling, W. Va.....	46,651	48,732	46,107	-4.3	1.2	377,563	384,895	-1.9
Youngstown.....	75,515	80,376	60,967	-6.0	23.9	575,780	513,984	12.0
Zanesville.....	13,342	14,781	14,208	-9.7	-6.1	104,628	111,395	-6.1
Total.....	\$3,064,541	\$3,323,771	\$2,686,075	-7.8	14.1	\$24,005,175	\$21,696,920	10.6

National Summary of Business Conditions

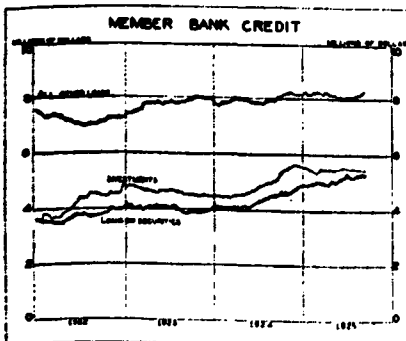
(By the Federal Reserve Board)



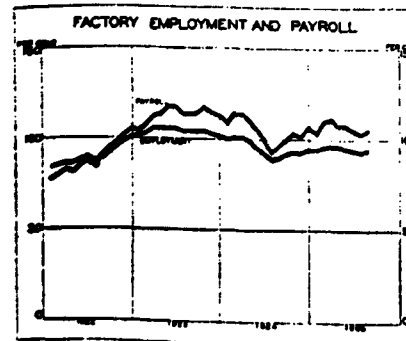
Index of 22 basic commodities corrected for seasonal variations (1919=100). Latest figure—August, 108.



Index of U. S. Bureau of Labor Statistics (1919=100, base adopted by Bureau). Latest figure—August, 108.



Weekly figures for member banks in leading cities. Latest figures—September 16th.



Index of 33 manufacturing industries (1919=100). Based on number of men employed and amount of payroll. August figures: Employment, 94; payroll, 105.

Production of basic commodities declined in August to the lowest level of the year, but was considerably higher than during the summer of 1924. Distribution of goods at wholesale and retail continued in greater volume than a year ago. Seasonal growth in the demand for credit, arising partly from financing of the crop movement was reflected in an increase in the volume of commercial borrowing.

PRODUCTION

The Federal Reserve Board's index of production in basic industries, which is adjusted for seasonal variations declined 4 per cent in August, but was 15 per cent higher than a year ago. Output of steel and of bituminous and anthracite coal and activity in the woolen industry increased in August, while mill consumption of cotton and the production of flour and lumber decreased. Employment and earnings of factory workers were larger in August than in July, but continued smaller than in June. Building contracts awarded during August, owing chiefly to large awards in New York, exceeded all previous records. Crop reports of the Department of Agriculture at the beginning of September, as compared with forecasts a month earlier, indicated somewhat larger yields of spring wheat, oats, barley, hay, and tobacco, and smaller yields of corn and potatoes. The mid-September cotton crop estimate was 13,931,000 bales compared with a forecast of 13,740,000 bales on September 1.

TRADE

Wholesale trade was 5 per cent larger in August than in July, owing to seasonal increases in the sales of dry goods and shoes, and sales in all lines except groceries were greater than those in August, 1924. Sales at department stores and at mail order houses showed less than the usual increases in August, but continued in greater volume than last year. Stocks of merchandise at department stores increased in August and for the first time this year were considerably larger than in the corresponding month a year ago. Wholesale firms in all leading lines except drugs and hardware reported smaller stocks on August 31 than a month earlier.

Total freight car loadings were larger during August than in any month since last October. Coal shipments, preceding the anthracite strike, were especially heavy. Less than carload lot shipments continued to increase, and the movements of livestock and grains were seasonally greater than in July, although smaller than in August, 1924.

PRICES

Wholesale prices showed a further slight advance in August and were near the high level reached in the spring of this year. Prices of agricultural commodities, which in recent months have been above the average for all commodities, increased further, while prices of other commodities declined slightly. Between the end of August and the latter part of September prices of bituminous coal, pig iron, rubber, and cotton advanced and prices of spring wheat, corn, raw sugar, and wool declined.

BANK CREDIT

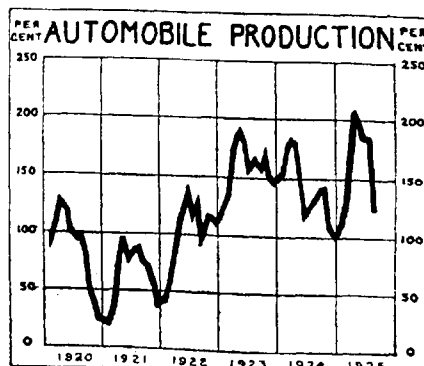
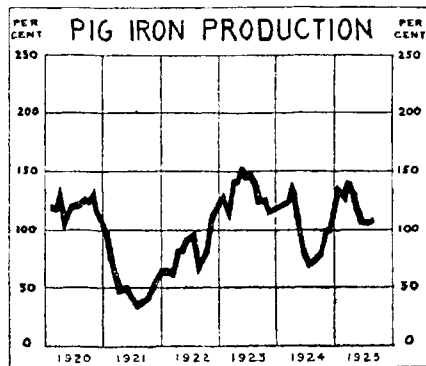
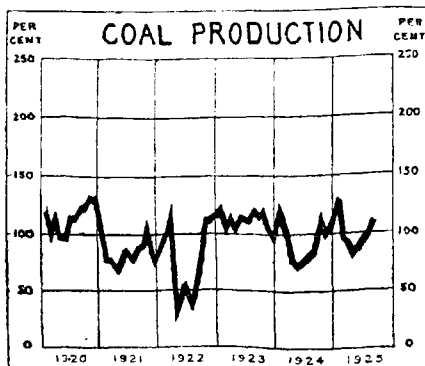
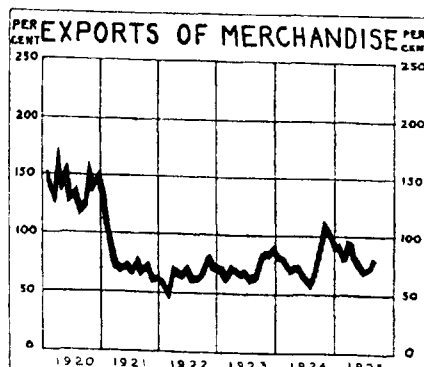
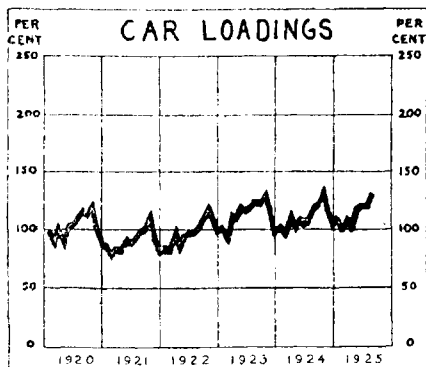
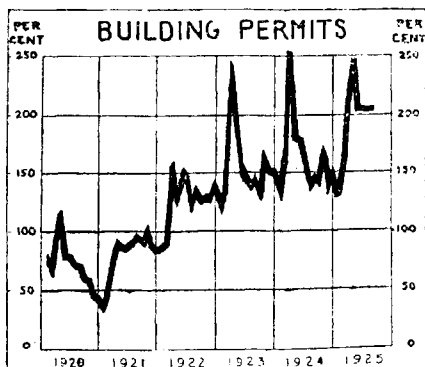
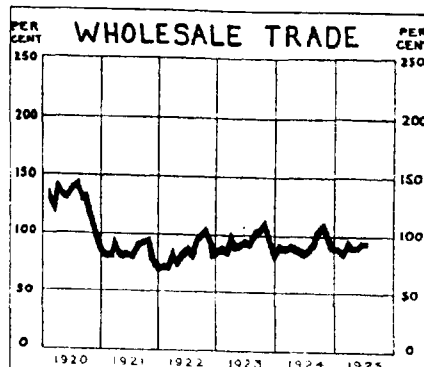
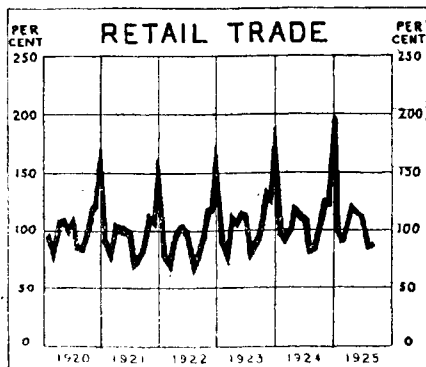
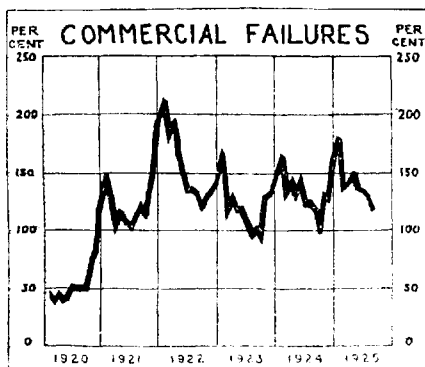
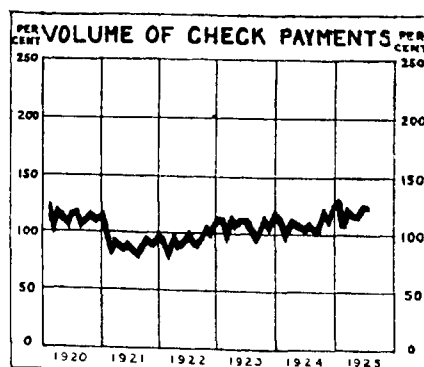
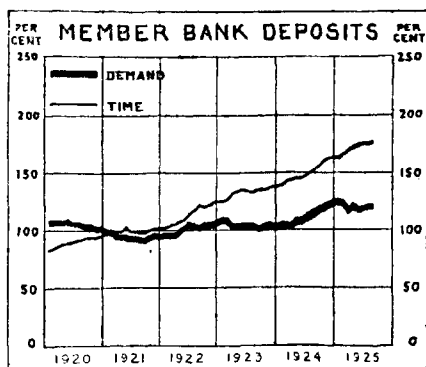
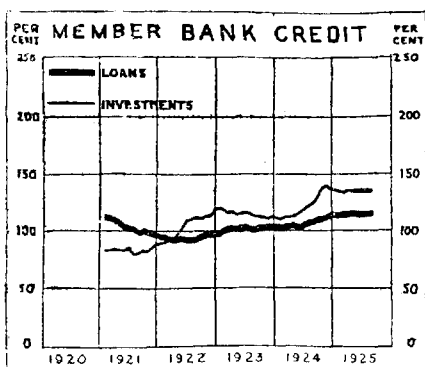
At member banks in leading cities loans chiefly for commercial and agricultural purposes showed further seasonal increases during the first half of September and at the middle of the month were about \$275,000,000 higher than at the end of July. Investment holdings remained in about the same volume as during previous months, but loans on securities increased and on September 16 were near the highest level of the year.

A further growth in the total of reserve bank credit in use occurred during the five-week period ending September 23. Member bank borrowings increased in the early part of September and after a temporary decline during the period of Treasury financing increased to a larger total than at any time since the beginning of 1924. The seasonal growth in the demand for currency during August was reflected in an increase of \$65,000,000 in total money in circulation.

Money rates showed a firmer tendency during the last week of August and the first three weeks of September. The prevailing rate on prime commercial paper remained at $4\frac{1}{4}$ per cent, but there was an increased proportion of sales at $4\frac{1}{2}$ per cent.

Index of National Business Conditions

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



LATEST FIGURES

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| <ol style="list-style-type: none"> 1. Member Bank Credit Loans, August—116. Investments, August—135. 2. Member Bank Deposits, Demand—August—118. Time—August—175. 3. Check Payments, except New York, July—123. 4. Commercial Failures, August—117. 5. Retail Trade, August—87. | <ol style="list-style-type: none"> 6. Wholesale Trade, July—93. 7. Building Permits, August—205. 8. Car Loadings, August—131. 9. Exports of Merchandise, August—80. 10. Bituminous Coal Production, August—112. 11. Pig Iron Production, August—168. 12. Automobile Production, August—125. |
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