MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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Reports from the Fourth District indicate a rather decided pick-up during the past month in those industries which had previously been held back by unfavorable weather conditions. A month ago, it was difficult to judge whether the slackening constituted a general business recession, or whether it was merely a result of the backward spring. With respect to the trades affected by a seasonal increase in demand during the spring, it now seems fair to say that the long, cold winter was very largely responsible in bringing about a reaction in the early spring months. The usual spring demand has recently made its appearance in emphatic fashion in retail trade, and this in turn has favorably affected various lines of manufacture, such as clothing and shoes.

As in the past two years, the iron and steel industry has experienced a slowing-up with the approach of summer. However, operations are holding up better than in 1924 and 1925. General business conditions in the Fourth District outside of the lines already mentioned appear to be satisfactory, although there are some doubtful spots. The wheat crop promises well, but corn has been backward and the outlook at present is uncertain. Business of tire manufacturers has not been up to last year, and depression continues in the Ohio and Pennsylvania coal fields.

Financial Conditions

Savings deposits of seventy selected banks in the larger cities of the Fourth Federal Reserve District amounted to $891,175,000 on May 31, 1926, an increase of 6.4 per cent over a year ago and 0.8 per cent over the preceding month.

Commercial failures in this District according to R. G. Dun and Company, numbered 155 in May, as compared with 200 in April and 153 in May 1925. Liabilities aggregated $4,473,273, as compared with $4,496,342 a year ago. In the United States, there were 1,730 failures in May, 1,957 in April, and 1,767 in May, 1925.

Changes in the main items in the balance sheets of Federal Reserve and member banks are as follows:

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	June 16, 1926	June 17, 1925	May 19, 1926	June 16, 1926	June 17, 1925	May 19, 1926
Gold reserves	$267	$288	$282	$2,837	$2,821	$2,815
Discounts	44	50	57	393	442	490
Acceptances	22	22	16	233	246	226
U. S. Securities	49	26	37	482	306	399
Total bills and securities	116	98	110	1,119	1,007	1,126
Federal Reserve notes in circulation	189	201	191	1,688	1,643	1,665
Total deposits	186	178	189	2,291	2,245	2,281

	Reporting Member Banks— Fourth District (In Millions)					
	June 16, 1926	June 17, 1925	May 19, 1926	June 16, 1926	June 17, 1925	May 19, 1926
Loans secured by stocks and bonds	$539	$472	$530	$5,366	$5,019	$5,287
All other	812	764	801	8,690	8,181	8,609
Total loans	1,351	1,236	1,331	14,056	13,200	13,896
Investments	636	642	290	5,683	5,539	5,699
Demand deposits	1,037	1,005	1,042	13,130	12,865	12,968
Time deposits	809	736	806	5,604	5,188	5,547

Iron and Steel

Revival of confidence which first became apparent several weeks ago, after a period of uncertainty and apprehension, has spread through the iron and steel industry. This appears to be based on a clear recognition that consumption is holding up much better than expected and that it is well ahead of what might be considered normal at this time of the year. Buyers are disposed to cover their estimated future needs more freely. A big factor in this freer buying has been the more stable position of prices. Advances of $2.00 a ton for third quarter delivery in heavy mill products such as plates, sheets and bars, announced by the larger mills, have operated to drive in heavier specifications against lower priced contracts expiring July first. This larger volume of specifications added to a fair amount of strictly new buying has lifted incoming steel tonnage in June considerably over that of May. This increase has run from 10 to 25 per cent.

With this livelier movement of tonnage, works operations have been very well sustained the past month and at present run around 80 per cent of steel ingot capacity. By way of comparison, in June 1925 they were down to around 65 per cent and still falling and that in a year which established the greatest total steel output in history. The completed figures of steel plant operations in May show production to have represented an annual rate of approximately 47,197,000 tons of ingots or 84.27 per cent of theoretical capacity as against 88.09 per cent in April. The May tonnage was 14.2 per cent ahead of the same month in 1925. Pig iron production in May as compiled by IRON TRADE REVIEW, showed the moderate recession of only 2.06 per cent on an average daily basis compared with April. Output in May was at the indicated annual rate of 41,000,000 tons. Furnaces in blast at the end of May were reduced to 229, a loss of 8 from the preceding month. The active units represented 60.9 per cent of the country's numerical total. For the first five months of 1926 to date, steel ingot production is in excess of the same period of 1925 by 6.9 per cent and pig iron by not quite 2 per cent.

The steady absorption of steel in large volume is not attributable to any especially stimulated line of activity but rather to well spread out necessities from all quarters. The movement of steel for building purposes has been surprisingly good considering past activities. Building steel awards in May are computed at 77 per cent of shop capacity and were the largest since October. In May 1925 they were 68 per cent of capacity. The automobile industry, while continuing to make some readjustments, has kept its output on a high plane, this for the first five months equaling 14 per cent over 1925, and the flow of mill tonnage in this direction has been in proportion. Railroad buying has been sluggish in spots, particularly for cars, but on the whole has been fair. A considerable tonnage of rail business for last half delivery is being closed, locomotive orders have been more plentiful and car awards, while light, were much better in June than in May. Oil development work is providing a large demand for tubular goods, tankage, refinery equipment, etc. Miscellaneous steel needs are in good volume.

June has seen the inception of a large buying movement in pig iron for third quarter and last half delivery, sales the past three weeks totalling over 500,000 tons. This business has been done at some expense of prices. The latter have yielded about $1.00 a ton in a number of producing centers and this has brought the market level to a point where it has proved attractive to melters, both large and small.

Iron and steel prices at large have continued a slow recession the past month which now seems to have reached the point where the situation more nearly is in balance. IRON TRADE REVIEW composite of 14 leading iron and steel products as of June 23rd, stood at $37.58. Four weeks previously it was $38.14 and at the beginning of the year, $39.26.

Coal

Production of soft coal in the country increased slightly between May 8 and June 5, as in previous years. The 1926 production curve continues to run ahead of 1925 and 1924, but behind 1923. Total output for this year up to June 5 was 233,395,000 net tons, as compared with 203,970,000 last year.

In the Fourth District, dealers report the usual seasonal falling-off in householders' orders with the approach of summer. There has also been a slackening in industrial demand in localities where manufacturing plants have recently been less active. Depression continues in the union field, particularly in Ohio.

The Coal Age composite prices of coal was $1.94 per ton on June 4, as against $1.89 on May 28 and $1.96 on June 5, 1925.

Rubber and Tires

Conditions in the tire industry have not changed greatly from last month, according to reports from manufacturers in this District. Some curtailment of production schedules is reported. The question of tire prices continues to be an important element in the situation, it being stated that dealers hesitate to stock up to any considerable extent in view of the possibility of price reductions. There has recently been a seasonal improvement in public demand, with a consequent reduction of dealers' supplies.

Stocks of tubes and casings in manufacturers' hands were still abnormally high on May 1st and in fact showed a gain over April. The Rubber Association of America reports the actual number of casings in manufacturers' hands on May 1st (the latest available date) at 9,345,000, as compared with about 6,800,000 a year ago and 6,600,000 two years ago. Production of both balloon and high pressure inner tubes has been considerably ahead of shipments for several months.

The rapid increase in the use of balloon tires in the last eighteen months is well known. In this connection it is of interest to note that in April, the output of balloon inner tubes exceeded that of high pressure tubes for the first time. As to casings, production of balloon casings has increased rapidly in 1926, while that of the old type of cords has merely held its own. The output of fabric tires is steadily declining, and now amounts to only about 300,000 a month, or about 8 per cent of the total of all tires.

Automobiles

According to the United States Department of Commerce, production of automobiles in the United States in May declined from April, but continued at a very high rate and was ahead of May of last year. The output in May was 419,677 passenger cars and trucks, as against 433,000 in April and 406,000 in May, 1925. Passenger car production aggregated 371,595, and that of trucks, 48,082. For the first five months of 1926, production was at a record high level, being approximately 14 per cent ahead of the same period in 1925.

It is reported that some slowing-up has taken place in June, owing to temporary shut-downs or partial curtailment of operations by some concerns for inventory-taking and the preparation of new models. Price reductions are still a feature of the automobile situation, two important manufacturers having recently announced such reductions. Retail buying was heavy in May. This was partly due to the appearance of the late spring demand. Dealers' stocks, particularly of used cars, are stated to be unusually high.

A pamphlet recently issued by the National Automobile

Chamber of Commerce puts Ohio third in the total number of cars registered in 1925. Pennsylvania was fourth, Kentucky twenty-second, and West Virginia twenty-eighth. In number of persons for each car, Ohio ranked seventeenth with 5.36; Pennsylvania thirty-seventh, with 8.11; West Virginia thirty-ninth, with 8.42; and Kentucky forty-second, with 10.58. The average for the United States was one car to every 6.5 persons, California and Iowa leading with 3.20 and 4.08 respectively.

Clothing The belated appearance of warmer weather has naturally had a stimulating effect upon the business of clothing manufacturers. Although conditions are still rather dull here and there, operations in general are on a more normal basis and the majority of reporting manufacturers are more optimistic than a month ago. In most cases, April business ran behind last year, May even or a little improved, and June ahead. A month or two ago, it was feared that a considerable part of the usual spring trade might be permanently lost this year on account of the extremely late spring; but recent developments indicate that most of this trade was merely held back, the demand making its appearance several weeks later than ordinarily.

Buying for the most part continues on a very restricted basis, although in one case a marked improvement in unfilled orders over a year ago is reported. In cotton goods manufacturing lines, both retailers and jobbers are keeping their future commitments at a minimum in view of the continued decline in the price of raw cotton, which was 18.92 cents a pound in May, as compared with 19.13 in April, 20.84 in January, and 23.41 a year ago. Cotton goods prices have experienced a similar decline.

A concrete example of the improvement already noted is found in the sales of 18 wholesale dry goods firms in the Fourth District. In each of the first four months of this year, sales ran behind every one of the preceding five years, and for the four months combined were about 16 per cent less than the 1921-25 average for the same period. On the other hand, May sales were greater than in 1924 and 1925, and were only 6 per cent under the 1921-25 average for that month. Furthermore, May was the first month since last October to show a gain in sales over the same month in the preceding year. Sales of 13 firms increased over last year, only 5 showing losses. The gain of all 18 firms combined was 3.7 per cent over May, 1925, and 1.2 per cent over April.

Sales of 41 department and wearing apparel firms in this District for May show substantial gains over May, 1925, in numerous lines of clothing, including men's clothing, men's furnishings, women's dresses, misses' ready-to-wear, juniors' and girls' ready-to-wear, boys' wear, sweaters, gloves, millinery, hosiery, knit underwear, petticoats and aprons and house dresses. It is significant of the improved situation in May that sales in all of the above departments in April except gloves and hosiery decreased from the preceding year. Yard goods showed a decline from 1925 in May as well as in April, but the loss was smaller in May.

Shoes The shoe business in the Fourth District in May was very good from the standpoint of retailers and wholesalers, and fair from that of manufacturers. Factories whose salesmen are on the road report a moderate demand, with customers asking mostly for quick delivery. Preliminary production figures for 33 plants in this District indicate a gain in May of 34 per cent over April, and for 792 plants in the country a gain of 12.4 per cent. Final figures for April showed a loss of 38 per cent from March in the Fourth District. Total output in the United States was 29,928,240 pairs in March and 26,518,902 in April.

Sales of reporting wholesale shoe houses in May gained 16.8 per cent over last year, nearly offsetting the loss of 17.5 per cent in April.

Sales of shoes in department stores in May increased 9.6 per cent in women's shoes, and 11 per cent in men's.

The gain in both wholesale and retail sales was doubtless caused largely by more favorable weather conditions.

Paint With the beginning of summer, a noticeably better feeling is manifested by Fourth District paint and varnish manufacturers. It is now apparent that in most cases the somewhat unsatisfactory business of the first three months was caused by bad weather rather than by any recessionary tendencies. In spite of the decline in first quarter business from last year, manufacturers in general report sales for the first five months of 1926 as equal to or a little better than those for the same period a year ago. This means that operations in April and May, particularly the latter, were well ahead of a year ago, as a result of better weather which permitted outside painting on a large scale to go forward.

June has brought a good volume of business, and the immediate outlook is termed satisfactory by manufacturers. Customers are still purchasing largely for immediate needs only, but the industry, in common with others, is becoming pretty well adjusted to this method of buying. Some slowing-up of Mexican and Cuban business is reported, due to uncertain conditions in the former country and general depression in the latter.

Building The value of building permits issued in the United States in May declined both from April and from May of last year, according to Bradstreet's. The decrease from April was seasonal, and that from a year ago was not unexpected in view of the abnormally high level of building activity in 1925.

Permits for 165 cities totaled $311,220,511 in May, a loss of 5.6 per cent from the same month in 1925. The loss from April was 15.9 per cent. The first five months of 1926 ran about 3 per cent under last year. In May, 98 out of the 165 reporting cities showed decreases from May, 1925.

In the Fourth District the decline in building activity has been much more noticeable than in the country as a whole. Thus, permits of 27 cities in May were 15.4 per cent under last year, and the first five months of 1926 ran 17.5 per cent behind. For the five months' period, 25 out of 27 cities showed decreases, Akron and Youngstown being the exceptions. In May, all cities showed decreases from last year except Akron, Canton, Cleveland, Columbus, and Newark.

Building Operations

May, 1926

(Valuation of Permits)

	May 1926	% change from 1925	Jan.-May 1926	Jan.-May 1925	% change from 1925
Akron	$1,435,304	+21.5	$6,955,785	$6,596,600	+ 5.4
Ashtabula	86,130	—53.0	304,372	494,538	—38.5
Barberton	88,467	— 7.9	334,586	365,511	— 8.5
Canton	600,265	+17.6	2,543,689	3,217,223	—20.9
Cincinnati	3,772,390	—13.0	11,161,130	13,885,330	—19.6
Cleveland proper	6,057,275	+23.7	27,943,525	28,491,550	— 1.9
" suburbs:					
Cleve. Heights	497,035	—39.2	2,857,522	4,854,000	—41.1
East Cleveland	55,071	—79.8	534,666	2,007,175	—73.4
Euclid	140,760	—46.7	680,375	862,710	—21.1
Garfield Hgh'ts	256,100	—61.7	1,073,200	1,703,350	—37.0
Lakewood	379,930	—32.0	1,674,685	3,332,810	—49.8
Parma	166,685	—18.9	528,550*	600,260*	—11.9
Rocky River	42,020	—52.9	204,520	437,470	—53.2
Shaker Heights	634,175	—12.8	2,187,355	4,759,825	—54.0
Columbus	2,186,800	+ 4.6	9,392,600	10,877,400	—13.7
Covington, Ky.	208,200	—76.0	654,000	1,572,350	—58.4
Dayton	747,281	—42.9	3,503,573	5,031,307	—30.4
Erie, Pa.	627,288	— 3.7	2,099,028	2,461,961	—14.7
Lexington, Ky.	287,695	—53.2	1,068,486	1,178,815	— 9.4
Lima	138,855	—40.9	759,099	823,921	— 7.9
Mansfield	165,831	—43.7	1,327,046	1,911,430	—30.6
Newark	53,400	+44.8	164,550	320,160	—48.6
Pittsburgh, Pa.	3,834,282	—16.7	16,338,116	19,620,311	—16.7
Springfield	77,471	—61.7	553,149	751,040	—26.3
Toledo	1,566,816	—30.9	5,196,148	6,621,253	—21.5
Wheeling, W. Va.	128,694	—78.6	791,967	2,030,044	—61.0
Youngstown	680,740	—21.1	5,216,862	3,810,865	+36.9
Total	$24,914,960	—15.4	$106,048,584	$128,619,209	—17.5

*January omitted.

Building Materials The condition of the lumber industry is somewhat spotty. The fact that building in this District has not been up to last year has obviously affected various lines of materials. Retailers are reported to be carrying smaller stocks of lumber than formerly as a general practice. In some localities where building is holding up well, lumber manufacturers have been doing a fair amount of business; in others, where the post-war shortage of homes, office buildings and factories has been made up, there is a tendency toward depression. Collections in some sections have been very slow, with renewals becoming more frequent. Prices of both hardwood and softwood lumber have eased since the middle of May, particularly the latter.

Operations in building brick plants continue at a satisfactory level. It is reported that the percentage of common brick used in building is increasing. The demand for hollow tile is strong, and factories are operating at 100 per cent capacity. Unfilled orders of paving brick have gained during the past three months.

Stocks of finished cement at factories throughout the country have finally begun to decrease, after reaching a very high peak in March. Shipments in both April and May were ahead of production, showing about the usual seasonal excess. In Ohio, Western Pennsylvania and West Virginia production totaled 1,781,000 barrels in May, as compared with 1,540,000 a year ago; shipments, 1,886,000 as compared with 1,590,000; and stocks on hand, 2,616,000 as against 1,966,000.

The Aberthaw index of industrial building costs remained unchanged at 199 on June 1.

Agriculture A general survey of crop conditions in the Fourth District, based on reports from the various State Departments of Agriculture, shows that the present prospects for wheat indicate an increase in total production of approximately 4.6 per cent over last year's yield. This is not equally distributed, however, as Ohio reports prospects of more than 30 per cent increase, while Pennsylvania and Kentucky report indications of a decrease of 21 per cent and 8 per cent respectively.

It is well to remember that in this section the crop is not yet beyond the danger of encountering climatic conditions which might seriously affect the above forecasts. Reports show that the dry, cool weather of May caused more damage in the southern portion of the District than in the northern part, the brightest prospects being reported from those counties which border on Lake Erie.

The oats crop shows prospects of a considerably decreased yield from that of last year, and this condition exists in practically the same degree all over the District, the average drop from last year being some 12 or 13 points.

Pastures are in poor condition on account of the backward spring, and prospects for the hay crop are rather discouraging, with last year's stocks somewhat lower than usual at this time of year.

Reports from the fruit-growing districts indicate that practically all fruits show a condition considerably above the average. This is especially true of the lake region, where the backward spring retarded budding until after the danger of killing frosts was past.

Fruit-growers point out that an exceptionally poor year is almost invariably followed by a bumper crop, and assign as the reason for this fact that the year of rest permits the trees to regain their vitality.

The Ohio Department of Agriculture reports that the prospect for a peach crop is 60 per cent above last year's production, and that present indications point to about an 80 per cent crop of apples, as against a 65 per cent yield last year. Cherries and pears also promise larger crops than in 1925.

Tobacco Setting out of tobacco plants in Kentucky has been going on rapidly during the past month, after having been delayed somewhat by unseasonable weather. Rains early in June aided materially in putting the ground in satisfactory shape. So far, a good stand is indicated.

The Burley Tobacco Growers' Cooperative Association recently sold 7,000,000 pounds of re-dried tobacco of the 1923 crop to the Liggett and Myers Co. The amount involved was about $1,250,000.

Retail Trade In other parts of the Review, reference has been made to the belated spring demand which has recently made its appearance. This is very clearly shown, in this District at least, by department store sales in May, which were larger than for any other May in the post-war period except 1923. Every reporting city in the District except New Castle experienced an increase in sales over May, 1925, the gain for the 70 stores combined being 4.4 per cent. The good showing in May did not quite make up for the loss of 6.7 per cent which occurred in April, and sales for the first five months of 1926 were 0.2 per cent less than last year, whereas for the first quarter of this year they were 0.7 per cent greater. Cities making particularly good gains in May were Dayton, 27.0 per cent; Cincinnati, 9.5; and Youngstown, 7.9. For the five months, the only cities to show increases were Cincinnati, Columbus, and Dayton.

Sales of 28 out of 52 separate departments were larger in May than a year ago. The largest gains were 29.5 in knit underwear; 25.2 in petticoats; and 20.6 in aprons and house dresses. Departments showing a gain of more than 10 per cent were leather goods, men's furnishings, boys' wear, women's dresses, juniors' and girls' ready-to-wear, millinery, hosiery, knit underwear, infants' wear, petticoats, aprons and house dresses, men's and boys' shoes, and toys and sport goods. Departments showing declines of more than 10 per cent were woolen dress goods, laces and embroideries, silverware, umbrellas, women's suits, women's skirts, furs, waists and blouses, sweaters, and musical instruments.

Percentage changes in departments doing the largest business in May were:

	% change—May 1926 compared with May, 1925
Silks and Velvets	— 2.8
Men's Clothing	+ 5.6
Men's Furnishings	+11.1
Women's Coats	— 1.1
Women's Dresses	+14.2
Millinery	+16.6
Women's and Children's Hosiery	+18.7
Women's Shoes	+ 9.6
Furniture	+ 6.3
Draperies, Lamps, Shades	+ 1.2
Floor Coverings	+ 0.3

Wholesale Trade Sales of all reporting wholesale lines were higher in May than in the same month last year with the exception of groceries. Shoes gained 16.8 per cent, drugs, 8.2; dry goods, 3.7; hardware, 2.1; while groceries lost 3.8 per cent. For the first five months of 1926, sales of drug firms increased 7.9 per cent, and those of shoes, 4.6 per cent. Groceries showed a loss of 2.5, hardware 3.4, and dry goods of 5.2 per cent. As compared with April, sales in May were greater in the case of dry goods, hardware, and shoes, and less in the case of groceries and drugs.

Stocks on hand of groceries, dry goods, hardware and shoes were less in May than a year ago, and also less than in April. Open book accounts of all lines except hardware were larger in May than a year ago, but as compared with April, May showed a reduction for all lines except shoes.

General Manufacturing In answer to an inquiry by this bank as to whether any noticeable slowing-up in business had recently occurred, a number of important manufacturers in representatives lines in this District replied in the negative. It was generally admitted that some recession had taken place earlier in the year, but in the past few weeks increased activity is reported in many cases, owing to the belated spring demand. Business is now what might be expected at this season and in quite a few instances is running moderately ahead of a year ago. Although price reductions tend to reduce profit margins and although conditions in a few lines are still "slow", most of the replies showed a more confident feeling than was apparent a month ago.

Electrical goods makers report orders up to last year, with prospects favorable. Late planting of crops has hampered the agricultural implement lines to some extent, but these have lately been picking up. A slight decrease in the demand for plate glass is noted, caused partly by large importations and partly by smaller automobile production. Window glass has also been affected by large imports, which attained a high record in April. Competition in the paper trade is keen, with merchants showing a tendency to curtail buying and reduce inventories. Conditions in this line appear at present to be less favorable than a year ago. Several lines of machinery manufacturing report operations at a very satisfactory level, and in one case foreign business has shown an encouraging increase. Boxboard makers are operating on a normal scale, but reductions in prices have been an adverse factor. Manufacturers of food products state that business in the last month or two has increased over last year. Orders for printing and lithographic supplies are ahead of 1925.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

		May 1926	May 1925	% change	Jan.-May 1926	Jan.-May 1925	% change
Bank Debits (23 cities)	Millions of dollars	2,854	2,766	+ 3.2	14,789	13,944	+ 6.1
Savings Deposits (end of month)							
Ohio (43 banks)	Thous. of dollars	660,546	615,068	+ 7.4	646,755[1]	601,872[1]	+ 7.5[1]
Western Pennsylvania (27 banks)	" " "	240,729	231,564	+ 4.0	237,914[1]	228,936[1]	+ 3.9[1]
Total (70 banks)	" " "	901,275	846,632	+ 6.5	884,669[1]	830,808[1]	+ 6.5[1]
Commercial Failures—Number	Actual Number	155	153	+ 1.3	1,001	810	+23.6
" " —Liabilities	Thous. of dollars	4,473	4,496	— 0.5	21,066	17,226	+22.3
Postal Receipts—9 cities	" " "	2,944	2,728	+ 7.9	15,224	13,893	+ 9.6
Sales—Life Insurance—Ohio and Pa.	" " "	99,779	97,079	+ 2.8	477,082	472,417	+ 1.0
" —Dept. Stores—(54 firms)	" " "	25,407	24,591	+ 3.3	113,379	114,443	— 0.9
" —Wholesale Grocery (49 firms)	" " "	6,687	6,945	— 3.7	32,880	33,780	— 2.7
" — " Dry Goods —(18 ")	" " "	3,076	2,967	+ 3.7	15,654	16,518	— 5.2
" — Hardware —(16 ")	" " "	2,173	2,128	+ 2.1	10,157	10,510	— 3.4
" — " Drugs —(16 ")	" " "	1,781	1,645	+ 8.2	9,288	8,608	+ 7.9
Building Permits, Valuation—13 cities	" " "	24,915	29,439	—15.4	106,049	128,619	—17.5
Production — Pig Iron, U. S.	Thous of Tons	3,481	2,934	+18.6	16,612	16,302	+ 1.9
" — Steel Ingots, U. S.	" " "	3,945	3,458	+ 1.1	20,509	19,179	+ 6.9
" — Automobiles, U. S.							
Passenger Cars	Actual Number	394,781	382,972	+ 3.1	1,811,771	1,569,941	+15.4
Trucks	" "	51,374	42,322	+21.4	222,981	193,940	+15.0
" — Bituminous Coal, 4th Dist.	Thous. of Tons	16,685[2]	14,078[2]	+18.5[2]	78,708[3]	68,878[3]	+14.3[3]
" — Cement: Ohio, W. Va., Wn. Pa	" " barrels	1,781	1,540	+15.2	4,827	5,032	— 4.1
" — Petroleum: Ohio, Pa., Ky.	" " "	1,875[2]	1,871[2]	+ 0.2[2]	7,162[3]	7,137[3]	+ 0.3[3]
" — Shoes, 4th Dist.	" " pairs	[4]	[4]	—43.7[2]	[4]	[4]	+ 4.8[3]
" — Tires, U. S.	" " casings	4,058[2]	4,071[2]	— 0.3[2]	15,413[3]	15,424[3]	—0.07
Bituminous Coal Shipments (from Lake Erie ports)	" " tons	4,091	2,994	+36.6	5,159	4,785	+ 7.8
Iron Ore Receipts (at Lake Erie ports)	" " "	3,338	5,410	—38.3	3,338	6,275	—46.8

[1]5 months' average
[2]April
[3]Jan.-April
[4]Figures Confidential

Retail and Wholesale Trade

	No. of Reports	Percentage Increase or Decrease SALES May 1926, compared with May 1925	SALES Jan.-May 1926, compared with Jan.-May 1925
DEPARTMENT STORES			
Akron	5	3.1	— 0.1
Canton	5	3.4	— 3.4
Cincinnati	7	9.5	7.4
Cleveland	6	1.6	— 0.8
Columbus	7	2.5	0.6
Dayton	3	27.0	9.7
New Castle	3	— 6.1	—12.0
Pittsburgh	7	3.0	— 2.4
Toledo	5	0.9	— 3.3
Wheeling	5	1.2	— 4.7
Youngstown	3	7.9	— 0.8
Other Cities	14	9.9	4.8
District	70	+.4	— 0.2
WEARING APPAREL			
Cincinnati	6	16.9	2.4
Cleveland	3	12.1	1.1
Other Cities	9	7.1	— 1.3
District	18	11.6	0.7
FURNITURE			
Canton	3	15.2	....
Cincinnati	11	1.3	....
Cleveland	10	— 0.2	....
Columbus	16	16.2	....
Dayton	5	25.8	....
Toledo	5	13.7	....
Other Cities	11	13.5	....
District	61	8.5	....
CHAIN STORES*			
Drugs—District	3	6.4	4.6
Groceries—District	5	— 6.0	— 1.2
WHOLESALE GROCERIES			
Akron	3	—12.9	—10.8
Cleveland	4	— 5.5	— 4.8
Erie	4	— 1.9	— 0.1
Pittsburgh	10	—12.2	—11.9
Toledo	3	— 1.6	1.5
Youngstown	3	— 7.4	— 6.5
Other Cities	27	1.8	3.6
District	54	— 3.8	— 2.5
WHOLESALE DRY GOODS	18	3.7	— 5.2
WHOLESALE DRUGS	16	8.2	7.9
WHOLESALE HARDWARE	16	2.1	— 3.4
WHOLESALE SHOES	6	16.8	4.6

*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)

	May 1922	May 1923	May 1924	May 1925	May 1926
Department Stores (54)*	101	119	114	112	116
Wholesale Drugs (15)*	92	107	105	103	111
Wholesale Dry Goods (17)*	74	84	68	67	70
Wholesale Groceries(49)*	79	89	85	81	78
Wholesale Hardware (15)*	98	126	108	105	107
Wholesale Shoes (6)*	94	99	85	71	81
Wholesale—All (102)*	83	95	86	82	84
Chain Drugs (3)*	98	103	101	102	108

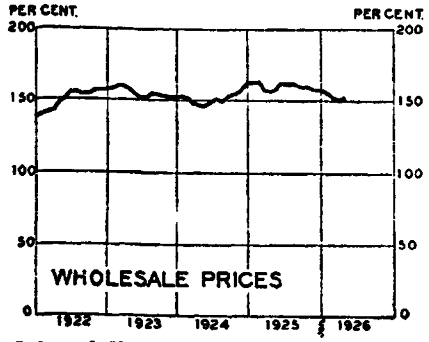
*Number of firms.

Debits to Individual Accounts

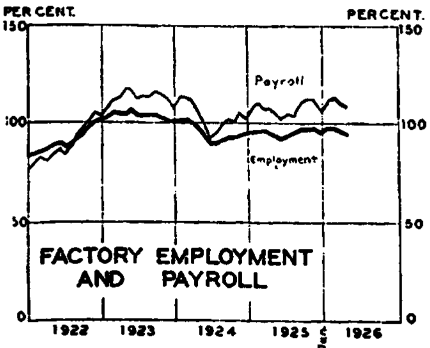
(In Thousands of Dollars)

	5 weeks ending June 16, 1926	% change from 1925	1926 to date (Dec. 31-June 16)	1925 to date (Jan. 1-June 17)	% Incr. or decr. 1926 over 1925
Akron	108,715	+ 9.8	525,427	455,132	+15.4
Butler, Pa.	12,170	— 3.0	61.749	60,930	+ 1.3
Canton	54,121	— 8.8	274,950	271,306	+ 1.3
Cincinnati	396,217	— 0.1	2,110,390	1,948,618	+ 8.3
Cleveland	845,551	+ 5.3	4,101,064	3,765,168	+ 8.9
Columbus	181,863	+11.4	880,129	772,942	+13.9
Connellsville, Pa.	6,740	+20.7	28,736	26,001	+10.5
Dayton	95,482	+ 8.0	478,350	415,019	+15.3
Erie, Pa.	41,934	+ 4.3	193,980	184,619	+ 5.1
Greensburgh, Pa.	22,788	— 0.4	116,732	111,949	+ 4.3
Homestead, Pa.	5,822	+ 3.4	24,994	25,176	— 0.7
Lexington, Ky.	23,269	+ 9.3	141,275	139,777	+ 1.1
Lima	18,645	— 3.5	89,547	104,178	—14.0
Lorain	7,459	— 6.9	33,113	38,076	—13.0
Oil City, Pa.	16,496	— 8.0	74,385	79,759	— 6.7
Pittsburgh, Pa.	1,062,152	+ 9.0	5,254,241	5,098,115	+ 3.1
Springfield	26,883	+ 6.6	135,235	119,304	+13.4
Steubenville	13,602	— 1.9	61,825	64,189	— 3.7
Toledo	255,075	+ 1.7	1,206,047	1,122,105	+ 7.5
Warren	13,764	—13.4	72,732	74,695	— 2.6
Wheeling, W. Va.	49,701	+ 0.4	269,289	250,835	+ 7.4
Youngstown	79,971	+11.3	379,272	372,148	+ 1.9
Zanesville	15,326	+ 7.0	71,717	68,176	+ 5.2
Totals	3,353,746	+ 5.5	16,585,179	15,568,217	+ 6.5

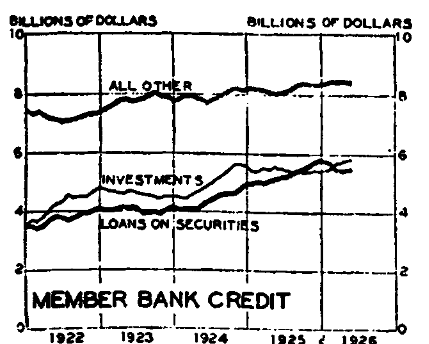
Summary of National Business Conditions



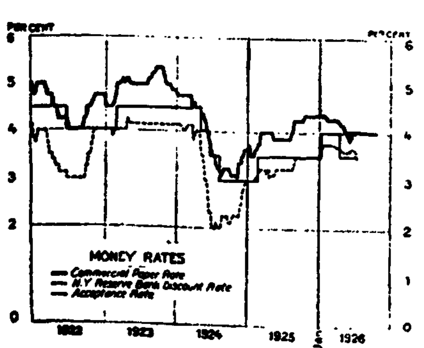
Index of U. S. Bureau of Labor Statistics (1913—100, base adopted by Bureau). Latest figure—May, 152.



Federal Reserve Board's index of factory employment and payrolls (1919—100). Latest figures, May, Employment—95; Payrolls—109.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first weekly report dates in June.



Weekly rates in New York money market; commercial paper rate on 4-to-6 months paper; and acceptance rate on 90-day paper.

(By the Federal Reserve Board)

Production in basic industries and factory employment declined further in May, while wholesale prices advanced slightly for the first time in seven months. The volume of trade at wholesale and at retail increased partly as the result of more favorable weather conditions.

Production

Activity in most lines of industry was smaller in May than in April. The reduction was reflected in a decreased volume of output as well as in a decline in the number of factory workers and in total wage payments. The largest declines occurred in the textile, leather and shoe, and iron and steel industries. Production of automobiles continued large in May. In the lumber, cement, brick, and glass industries activity was maintained and there were seasonal increases in the output of certain food products. The volume of building contracts awarded declined further in May but continued larger than in May of last year. Figures for the first three weeks of June indicate further decreases and the volume of contracts awarded was smaller in that period than in the corresponding weeks of 1925. Recent declines in contracts as compared with last year have been particularly large in middle western and southeastern districts.

Reports by the Department of Agriculture indicate that the composite condition of crops on June 1 was 8 per cent below the average condition on that date for the past ten years, and somewhat lower than the average condition a year ago. On the basis of the June 1 condition, the estimated yield of winter wheat was 543,000,000 bushels as compared with an estimate of 549,000,000 bushels made a month earlier and final yield of 398,000,000 bushels in 1925.

Trade

With more favorable weather in May than in the preceding month the volume of wholesale and retail trade increased and was larger than in May of last year. Department store sales exceeded those of earlier months of this year, and total sales for the first five months were larger than for the corresponding period of any preceding year. Merchandise stocks carried by wholesale firms were slightly smaller at the end of May than a month earlier. Stocks of groceries, hardware, and drugs were larger than a year ago, but those of meats, dry goods, and shoes were smaller. Stocks at department stores declined more than usual in May and were only slightly larger at the end of the month than a year ago. Railroad freight shipments increased, and in May and in the first two weeks of June were above those of the same weeks of previous years. Shipments of miscellaneous commodities were especially large.

Prices

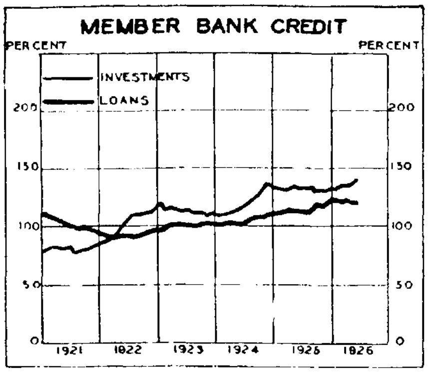
The general level of wholesale commodity prices, according to the index of the Bureau of Labor Statistics, rose slightly in May for the first time since last August. Price advances were shown both for agricultural and non-agricultural commodities. Among the principal advances were those in the prices of gasoline, livestock and meat, while prices of grains and cotton declined. In the first three weeks of June, prices of grains, livestock, silk, and non-ferrous metals advanced, while those of sugar, cotton, cotton goods, and pig iron declined.

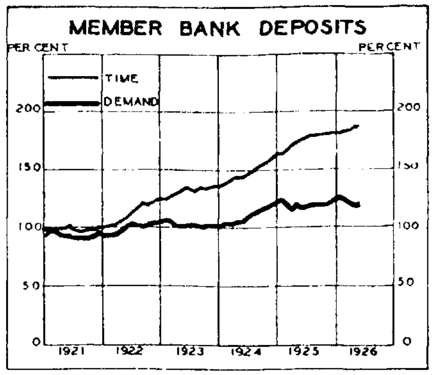
Bank Credit

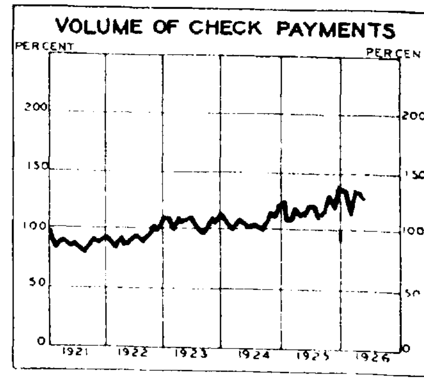
Growth in loans on securities and commercial loans carried total loans and investments of reporting member banks in leading cities in the middle of June to a new high point above the total reached at the close of last year. The large reduction in the volume of loans on securities by New York City banks since the beginning of the year has been more than offset in the total of loans and investments of all reporting banks by increases in commercial loans and in investments of banks both in New York City and outside.

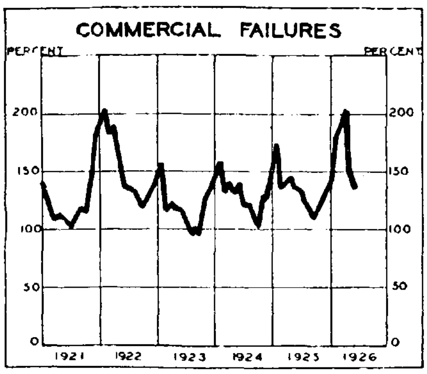
Index of National Business Conditions

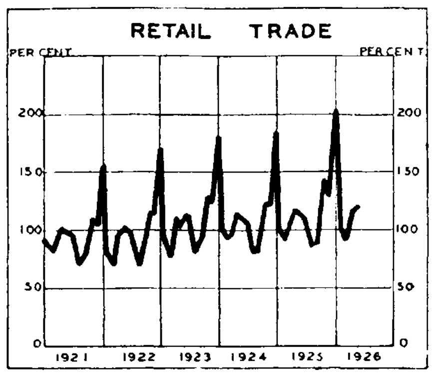
The base (100) for all the charts except the first is the monthly average for the 5 years 1919-1923 inclusive. For the first chart, the base is the monthly average for the three years 1921-1923.

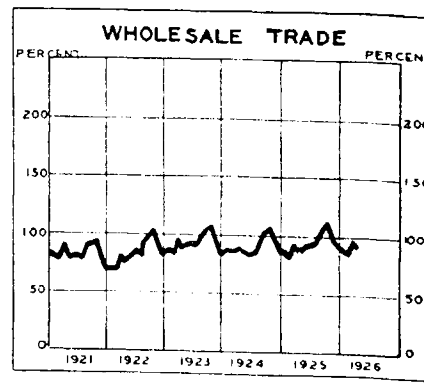


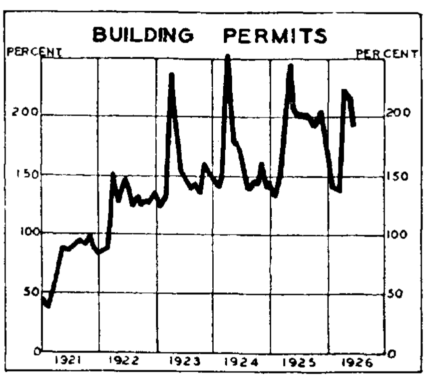


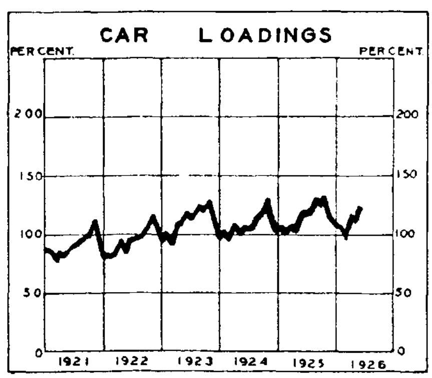


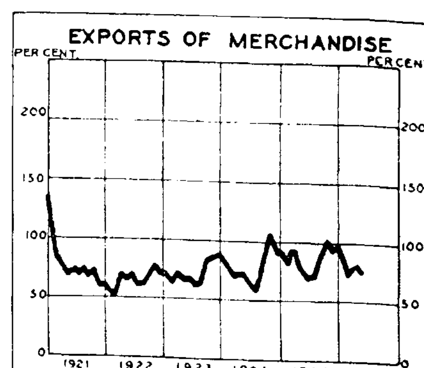


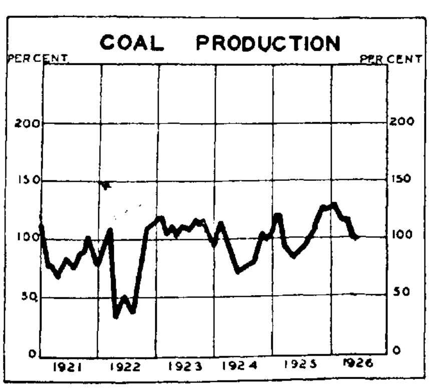


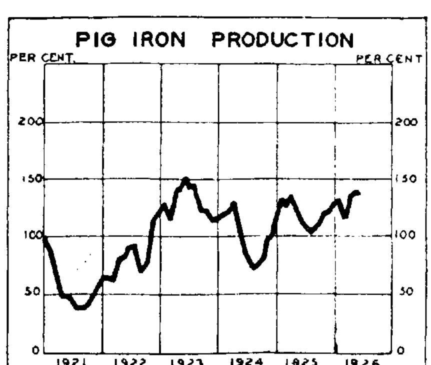


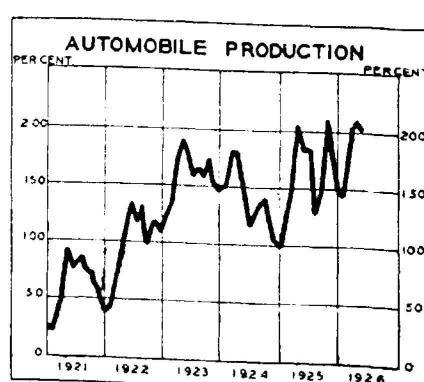












LATEST FIGURES

1. **Member Bank Credit: Loans, May—120. Investments, May—140.**
2. **Member Bank Deposits: Demand, May—120. Time, May—187.**
3. **Check Payments, except New York, April—129.**
4. **Commercial Failures, May—134.**
5. **Retail Trade, May—122.**
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7. **Building Permits, May—194.**
8. **Car Loadings, May—125.**
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10. **Bituminous Coal Production, May—98.**
11. **Pig Iron Production, May—139.**
12. **Automobile Production, May—202.**