

MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

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With the opening of the fall season, financial, manufacturing, and agricultural conditions in the Fourth District have all been favorable, this situation being unusually widespread. Credit conditions are thoroughly sound, the banks having ample resources to handle the usual seasonal requirements. In agriculture, improvement has taken place in corn, the chief crop of the District, and the September crop report indicates that Ohio leads all other states in the yield per acre for the second successive year. The wheat, tobacco, and fruit crops are also good. In manufacturing industries, iron and steel operations continue at a high level; betterment has occurred in coal, rubber and tires, clothing, and shoes; and in paint and various miscellaneous lines, business is mostly normal or above. In distribution, retail trade as measured by department store sales made a 5 per cent gain in August over last year. Building still lags behind 1925, but August permits declined only 8 per cent, as compared with 15 per cent for the first seven months.

Financial Conditions

In most sections of the District, the supply of credit continues to be sufficient for fall demands at moderate rates and with but little recourse to rediscounting at this bank. On September 15, discounts for member banks totaled only 44 millions, as compared with 69 millions a year ago. This is in sharp contrast to the country at large; the 12 Federal reserve banks combined held 566 millions of discounted bills on September 15, as compared with 488 a year ago, or an increase of 16 per cent, as compared with a decrease of 36 per cent in the case of the Cleveland bank. In some of the agricultural sections of the District borrowing is reported to be heavy, but this is to be expected at this time of year. Interest rates in general have changed very little recently.

Total loans, discounts and investments of 75 large city member banks in the Fourth District were \$2,040,142,000 on September 15, an increase of 1.3 per cent for the month and of 5.9 per cent for the year. Most of the increase is due to the growth of loans secured by stocks and bonds. Demand deposits on the same date were \$1,084,000,000, and time deposits \$821,000,000. Both of these items rose about 8 per cent from a year ago, but for the month demand deposits increased

2 per cent while time deposits remained practically unchanged.

Debits to individual accounts in 23 cities in the District for the four weeks ending September 15 increased 0.2 per cent over last year. Several cities gained substantially, among them Connellsville, Erie, Homestead, and Springfield. The largest declines were in Akron, Greensburg, Steubenville, Lima, and Lorain.

Savings deposits of 70 large banks amounted to \$908,991,749 on August 31, a gain of 1.2 per cent over July 31 and of 5.3 over last year.

Commercial failures in the Fourth District in August numbered 138, as against 153 a year ago and 137 in July. Liabilities were \$2,651,989 in August, 1926, and \$4,871,170 in 1925. In the United States, there were 1,593 failures in August, 1,605 in July, and 1,513 a year ago.

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	Sept. 15, 1926	Sept. 16, 1925	Aug. 18, 1925	Sept. 15, 1926	Sept. 16, 1925	Aug. 18, 1925
Gold reserves	293	290	297	2,833	2,773	2,834
Discounts	44	69	40	566	488	535
Acceptances	25	18	25	262	212	254
U. S. Securities	43	31	38	488	409	360
Total bills and securities	112	119	103	1,820	1,119	1,162
Federal Reserve notes in circulation	207	225	195	1,724	1,677	1,656
Total deposits	193	180	196	2,417	2,280	2,272
	Reporting Member Banks Fourth District (In Millions)			United States (In Millions)		
	Sept. 15, 1926	Sept. 16, 1925	Aug. 18, 1925	Sept. 15, 1926	Sept. 16, 1925	Aug. 18, 1925
Loans secured by stocks and bonds	572	492	558	5,582	5,124	5,459
All other	815	792	815	8,735	8,474	8,606
Total loans	1,387	1,284	1,373	14,317	13,598	14,065
Investments	654	642	642	5,655	5,464	5,620
Demand deposits	1,084	1,009	1,064	13,274	12,965	12,845
Time deposits	821	752	822	5,584	5,185	5,738

Iron and Steel

The two most notable developments in the iron and steel industry during the past month have been the marked increase in the production of ingots and the growing firmness in the undertone of prices. Production has expanded as a result of maintained demand for steel from a multitude of miscellaneous consumers in addition to which has come quickened demand from a

number of important consumers. The approach of fall has stimulated buying from a variety of sources including the automobile and farm implement industries.

As a result of the upward turn in output of steel ingots in August, the summer of 1926 has now definitely scored as the most active summer in the history of the steel industry. During the three months of June, July and August, output aggregated 11,406,291 gross tons, a total eclipsing those for the corresponding months of all other years. The former record for these three months was in the war spurred year of 1918 when approximately 11,030,000 gross tons of steel were made. During the first eight months of 1926, ingot production amounted to 31,916,175 gross tons compared with 28,888,541 gross tons in the corresponding period of 1925. The gain this year was 10.5 per cent. Operations of steel mills during this year have averaged 85.87 per cent of theoretical capacity. This compared with 80 per cent of capacity operations in the corresponding period of 1925. In August, the rate of ingot production per day reached 154,022 gross tons, being the highest for any August in the history of the country. Operations averaged 85.78 per cent of capacity. For 1926 to equal the total ingot production of 1925, average operations during the next four months would not have to exceed 65.5 per cent.

The precedence of good buying during recent weeks indicates that the industry actually has not made any wide departure from the extended practice of hand-to-mouth buying and the preponderance of evidence is that steel production is still going promptly into consumption with no endangering accumulation of surplus stocks. The lack of heavy future buying is seen in the drop of unfilled orders of the United States Steel Corporation in August by 60,000 tons. This was significant only in showing that shipments during the month exceeded new bookings. The decline in orders in August was the smallest recession reported for any month this year.

One of the most interesting phases of the steel situation at the moment is that of prices. During September it seemed evident that producers would be able to hold prices for contracts placed for fourth quarter. Advances were made in automobile sheets of about \$2 per ton and new differentials are in effect on black and galvanized sheets, making advances of from \$1 to \$3 per ton on light gages and a reduction of \$1 to \$7 per ton on heavy gages. Because of the acceptance by buyers of firmer quotations in the recent past and the continued inflow of large scale business, producers are more confident than in many months of being able to maintain quotations at a more profitable level. IRON TRADE REVIEW composite of fourteen leading iron and steel products reflects the firmness which has crept into the long, ragged price situation. As of September 15, the index stood at \$37.78, compared with \$37.61 one month ago and with \$37.35 one year ago.

During August, production of pig iron as compiled by IRON TRADE REVIEW was at the daily average rate of 103,249 tons compared with 104,021 tons in July and 87,328 tons in August 1925. Furnaces in blast

at the end of August showed a loss of two, the total number on the active list being 215 against 217 one month previously and compared with a total number of serviceable furnaces in the country of 372. This represents 57.8 per cent of the total number of serviceable furnaces against 58.4 per cent one month ago and compared with a theoretical normal of 60 per cent.

Coal Increasing exports of coal to England have been accompanied by advancing prices, the Coal Age composite price of bituminous standing at \$2.07 on September 10, as compared with \$2.04 the preceding week and \$1.96 on August 13. Prices of soft coal are still somewhat behind a year ago, but on some grades are higher than at any time since last February. For the four weeks ending September 4, soft coal production in the country showed only the usual seasonal rise, in spite of the improved tone of the market. As a result, indications are that industrial stocks are comparatively low. The latest report of the National Association of Purchasing Agents (August 1) shows industrial stocks at a lower level than at any time during 1924 and 1925.

In the Fourth District, warm weather during the first part of September kept down winter orders by householders, but, allowing for seasonal factors, dealers report satisfactory business and a somewhat better outlook.

Rubber and Tires Tire manufacturers experienced a heavy volume of business in August. Production schedules were increased until Akron factories were operating at capacity, in response to a strong demand. Preliminary figures indicate a marked increase in the production of inner tubes during August as compared with July, accompanied by an even greater gain in shipments. This means a further reduction of stocks in manufacturers' hands during August, probably greater than seasonal, and marks the third successive monthly decline from the abnormally high stocks at the end of May.

After allowing for seasonal slackening, business has held up well during the first part of September. The comparative stability of crude rubber prices is a favorable factor in the present situation; a year ago erratic price fluctuations were frequent, while the existing price of about 40 cents a pound has continued for the last three months with but little variation. It should be added, however, that there is a possible element of future instability in that the present British law provides for a 20 per cent reduction of crude rubber exports if the average price is below 21 pence a pound in the quarter ending October 31.

The Department of Commerce has recently prepared 1925 statistics on the rubber industry, and puts the total output of rubber tires and inner tubes in the United States at \$925,000,000, as compared with \$644,000,000 in 1923. Ohio was far in the lead, both in the number of wage earners and the value of products; in fact, 60 per cent of the entire country's wage earners

in the tire industry were in Ohio. Detailed statistics are as follows:

1925	Ohio	Pennsylvania	Total U. S.
Number of establishments	44	11	126
Wage earners	50,350	3,065	81,670
Wages	\$76,491,597	\$3,838,509	\$120,614,081
Cost of materials	\$330,554,798	\$16,157,323	\$569,939,811
Value of products	\$556,262,424	\$25,784,062	\$925,032,833
Horsepower	219,341	18,090	403,227

Automobiles August production of passenger cars and trucks in the United States showed a large increase over last year. The figures for August a year ago, however, were unusually low, owing to curtailment of factory operations in connection with new models. Cars produced during the past month numbered 379,111, as against 216,087 a year ago, and trucks, 45,283 as compared with 36,364. The total output was 424,394, the fourth month in 1926 to exceed the 400,000 mark, and the third highest month of the year to date, only March and April being higher.

Production of cars in the United States for the first eight months of 1926 amounted to 2,765,369, and that of trucks to 339,383. Last year's figures were 2,431,202 and 305,503, respectively.

Paint Reports from a number of large paint manufacturers in the Fourth District indicates that business is normal or better. In one case, activity has increased materially during the summer months, with an absence of the usual midsummer lull. In another, business is now better than at any time of the year. All lines of paints and varnishes are sharing in this activity. The automobile lacquer trade continues excellent. Prices appear to be fairly well stabilized, at least for the present.

The outlook for Fall is partly dependent upon the amount of building to be done, and this in turn depends somewhat upon weather conditions. With respect to the latter, the outlook is better than last year, for the reason that in this District unusually heavy rains took place in September and early October a year ago, followed by an early winter. These conditions interfered with outside painting. This year the weather has been favorable for outside work during the first part of September.

Clothing Fall buying in various lines of clothing has been good, in many cases exceeding that of last year. Customers are still purchasing only for immediate needs, which has given rise to heavy orders for rush delivery in some lines. Manufacturers of men's underwear report that advance orders for spring have been disappointing, but that fall business has been very good. Business in men's clothing, particularly the well-established lines, compares favorably with last year. Orders for knit goods have been coming in above normal, all for immediate shipment. In women's dresses, bookings exceed those of a year ago, and the outlook is satisfactory. Business in the worsted lines is reported to be fair.

Further weakening in woolen goods prices took place during the month, but raw wool changed very little. Cotton and cotton goods strengthened slightly after their previous decline, but remained materially below last year. Silk rose from \$5.92½ a pound on August 13 to \$6.15 on September 10.

Sales of 17 reporting wholesale dry goods firms in the Fourth District in August ran behind last year, as usual. The loss for the month was 3.8 per cent, and for the first eight months was 5.6 per cent. Stocks on August 31 were down 9.8 per cent from last year, and open book accounts up 1.4 per cent.

Sales in ready-made clothing departments of department stores in August were nearly all larger than a year ago. Men's clothing gained 10.2 per cent, boys' wear 3.5, women's dresses 8.9, furs 21.2, juniors' and girls' ready-to-wear 6.7, misses' ready-to-wear 2.2, hosiery 6.0, knit underwear 23.4, muslin and silk underwear 19.1, infants' wear 4.8, petticoats 37.6, and aprons and house dresses 26.2. Sweaters and waists and blouses showed decreases of 15.1 and 17.4 per cent respectively.

Shoes Improvement continues in the shoe industry in this District. Both wholesale and retail sales in August were ahead of last year by considerable margins. Factories have been engaged in turning out new fall styles. Orders have been maintained at a high level, although mostly for immediate delivery, and one large firm reports the largest August shipments in years. Activity fell off slightly during the first week in September.

Sales of reporting wholesale shoe firms in August were 12.3 per cent ahead of a year ago, and the first eight months of 1926 showed a gain of 8.5 per cent. Shoe sales in about 50 department stores in the District in August gained 5.8 per cent over 1925. The increase in women's and children's shoes was 4.6 per cent, and in men's and boys', 7.3 per cent.

Preliminary production figures for August indicate a gain of about 10 per cent over July in the Fourth District. Final July figures were 7 per cent under last year.

General Manufacturing Fall business is about normal in most lines of manufacture in this District; in others, it is better than normal. Only one or two trades report unsatisfactory conditions.

Business of glass manufacturers is stated to be somewhat above normal owing to a strong demand. Agricultural implements are being sold at about the usual rate—in some cases a little better. Orders have been somewhat greater than last year in the paper trade. Business in machine tools is good, and is moderately ahead of 1925, which was also a good year. Stove manufacturers in Cleveland are operating on a normal scale, with general conditions satisfactory. Inquiries for electrical supplies are becoming more numerous, collections are good, and business running ahead of last year. Low prices and overproduction have hampered the boxboard trade, conditions during the last few

months have been unsatisfactory, although a recent increase in the price of raw materials was a favorable development.

Agriculture

Ohio

Corn—According to the September forecasts of the State Department of Agriculture, Ohio will again lead the country in the yield of corn, the prospects having increased by ten million bushels in the past month. Present indications are for a total crop of some 138,000,000 bushels. The continued growing weather has permitted the late planting to mature and in the southern portion of the state considerable cutting has already been done, and in other sections all danger from early frosts is past. Probabilities are, however, that there will be more than the usual amount of soft corn, owing to the late planting in many parts of the state.

Oats—Threshing has been greatly retarded in central and southwestern Ohio by excessive rainfall, part of the crop being lost. The estimates of the Department of Agriculture show a decrease of about 25 per cent from last year.

Potatoes—Potato prospects have improved considerably in the past month, the present estimate for the state standing at 10,822,000 bushels. The estimate for the country at large shows an increase of 25,000,000 bushels, but is still 45,000,000 below an average crop.

Pennsylvania

Corn—The rains of the latter part of August greatly improved the condition of the crop, but the official estimate of 61,600,000 bushels is still 6 per cent below the average for the past five years. In the northern part of the state the crop will not be properly dried before the end of September, and the sappy condition is proving quite a problem.

Oats—Prospects for a bumper crop of oats were completely upset by the wet weather which seriously interfered with harvesting and threshing. Total production is about 3 per cent below the 5-year average.

Potatoes—Total estimated yield in the state is given as 23,801,000 bushels, or 5.5 per cent below the 5-year average. Blight and rot played havoc with many fields, the early planting showing the greatest loss.

Kentucky

Condition of all crops throughout the state is very satisfactory. Estimates of the Department of Agriculture show an increase of 19.2 per cent in the corn crop, 52.6 per cent in oats, and 30 per cent in Irish potatoes, over last year's yield. The estimates on these three crops for the entire United States are as follows: corn 7.1 per cent decrease, oats, 16.4 per cent decrease, and Irish potatoes 7.9 per cent increase.

West Virginia

Corn prospects have improved somewhat in the past month, but the total estimated yield in the state is still some 20 per cent below last year.

Oats shows a decrease of slightly more than 3 per cent in total yield, notwithstanding an increase of 12.8 per cent in acreage. Here as elsewhere in the District the loss was caused by continuous rains during the harvest and threshing season.

Potatoes show an increase of 27.2 per cent over last year's crop, but the acreage was 8½ per cent greater than a year ago. The condition of the crop is considerably lower than the 10-year average.

Tobacco

The Kentucky burley crop was damaged by rust to some extent in August and early September, and excessive rains were also experienced during this period. The crop as a whole, however, is still in good condition; the quality and yield at present appear to be above the average, and the latest Government crop report (September 1) indicates a probable output of 318,000,000 pounds, as compared with 274,530,000 a year ago. This report puts burley acreage at practically the same figure as last year, so that the 1926 yield per acre has shown material improvement. Estimated probable production of all types of tobacco in Kentucky in 1926 is 381,866,000 pounds, compared with the five-year average of 411,890,000 in 1921-1925.

Building

For the fifth successive month, the value of building permits in the United States during August was less than for the corresponding month in the preceding year. Permits in 181 cities reporting to Bradstreet's totaled \$314,138,749 in August, as compared with \$341,704,658 a year ago and \$300,000,000 in July. The decrease from last year was 8 per cent, and for the first eight months, 1926 ran 5 per cent behind 1925.

In the Fourth District, August permits in 27 cities aggregated \$25,622,070, a loss of 7.8 per cent from August, 1925. Large gains occurred in Canton, Cleveland, Covington, Lexington, Newark, and Pittsburgh, while material declines were shown by Akron, Cincinnati, Columbus, Dayton, Erie, Lima, Springfield, Wheeling, and Youngstown. For the first eight months, the District decreased 14.2 per cent. The only cities showing gains were Akron, Ashtabula, and Youngstown.

Building Operations

August, 1926

(Valuation of Permits)

	August 1926	% change from 1925	Jan.-Aug. 1926	Jan.-Aug. 1925	% change from 1925
Akron.....	\$1,083,684	-32.5	\$11,159,936	\$10,759,848	+3.7
Ashtabula.....	49,395	+5.5	846,497	670,397	+26.3
Barberton.....	84,937	-14.0	581,381	679,502	-14.4
Canton.....	445,298	+17.3	3,904,707	6,297,460	-38.0
Cincinnati.....	2,080,045	-21.1	19,568,330	22,332,825	-12.4
Cleveland proper.....	5,633,875	+14.0	47,353,725	47,902,750	-1.1
suburbs:					
Cleveland Heights.....	546,830	-23.8	4,854,317	7,194,500	-32.5
East Cleveland.....	78,858	-63.7	835,961	3,001,153	-72.1
Euclid.....	178,367	+51.4	1,207,158	1,287,365	-6.2
Garfield Heights.....	210,300	-19.3	1,657,050	2,490,650	-33.5
Lakewood.....	259,035	-47.0	3,027,239	4,986,140	-39.3
Parma.....	190,360	+7.4	1,207,718	1,251,750	-3.5
Rocky River.....	40,615	+3.4	563,535	629,162	-10.4
Shaker Heights.....	1,326,800	+43.8	5,224,205	7,148,255	-26.9
Columbus.....	3,645,100	-31.6	18,356,200	21,097,400	-13.0
Covington, Ky.....	632,300	+53.2	1,700,900	1,921,150	-11.5
Dayton.....	1,746,033	-24.6	6,392,860	10,079,868	-36.6
Erie, Pa.....	604,275	-41.6	3,787,975	6,116,102	-38.8
Lexington, Ky.....	105,655	+38.0	1,397,213	1,556,789	-10.3
Lima.....	36,605	-73.7	1,027,111	1,067,271	-3.1
Mansfield.....	222,925	+105.6	2,142,011	2,617,895	-18.2
Newark.....	34,045	+23.8	312,500	430,935	-27.5
Pittsburgh, Pa.....	4,506,070	+35.0	28,106,466	29,854,482	-5.9
Springfield.....	78,555	-33.6	998,784	1,136,923	-12.2
Toledo.....	1,162,518	-12.1	9,630,190	12,777,398	-24.6
Wheeling, W. Va.....	54,450	-50.7	1,110,865	2,717,440	-59.1
Youngstown.....	585,140	-46.9	7,107,692	6,437,595	+10.4
Total.....	25,622,070	-7.8	184,062,526	214,448,005	-14.2

Building Materials The lumber trade in the Fourth District is about normal or a little below.

Business is less than last year, but this is natural in view of the tremendous amount of building done during the last half of 1925. Some over-production in hardwoods during 1926 has been an adverse factor, but recent improvement in the hardwood trade is reported. Retail yards in the Pittsburgh section have been buying lightly and carrying small stocks.

Cement production in August for Ohio, Western Pennsylvania and West Virginia totaled 1,757,000 barrels, as compared with 1,810,000 a year ago.

The Aberthaw index of industrial building costs declined one point during August, standing at 197 on September 1. This was the second successive monthly decrease of one point and was caused by lower prices of cement and some falling-off in lumber.

Retail Trade Sales of 68 department stores in August gained 4.9 per cent over August, 1925. For the first eight months, the increase was 0.4 per cent. All reporting cities except Akron, New Castle and Wheeling shared in the former gain, particularly large increases occurring in Cincinnati and Dayton. For the eight months, Dayton showed the largest gain, followed by Cincinnati, Columbus and Youngstown. Both Cleveland and Pittsburgh gained for the month, but were slightly behind 1925 for the eight months' period.

An unusually large number of separate departments had greater August sales than a year ago, only 20 out of 52 showing declines. Nearly all of the ready-to-wear clothing lines were higher, in many cases having very substantial increases. Miscellaneous lines, such as domestics, jewelry, umbrellas and parasols, and books and stationery, also experienced sizeable increases. Departments with gains of more than 15 per cent were as follows: umbrellas, 23.6; furs, 21.2; knit underwear, 23.4; muslin underwear, 18.2; silk underwear, 19.2; petticoats, 37.6; aprons and house dresses, 26.2. Those show-

ing losses of more than 15 per cent were woolen dress goods, 27.7 per cent; women's suits, 68.3; skirts, 19.7; waists and blouses, 17.4; sweaters, 15.1; musical instruments, 34.7.

August in this District is the biggest month in the year for fur sales, accounting for almost 20 per cent of the year's business. The gain over last year in this department of 21.2 per cent is therefore particularly noteworthy. August is also the second largest month for furniture sales, which gained 5.2 per cent over last year.

Wholesale Trade Sales of wholesale hardware, drugs, and shoes in August increased over August, 1925, but those of groceries and dry goods declined. There was a particularly large gain in the case of shoes—12.3 per cent. For the first eight months, drugs and shoes increased and the others decreased.

This bank's index number of sales of 101 wholesale firms in the Fourth District combined (1919-1923-100) stood at 87 in August, as compared with 86 a year ago, 87 in 1924, 103 in 1923, and 93 in 1922.

Mineral Resources According to the Bureau of Mines, the of the Fourth District states in the Fourth District rank high in mineral production. Pennsylvania in 1924 produced 21.64 per cent of the principal mineral products of the United States, and ranked first. West Virginia ranked fourth, with 6.57 per cent; Ohio sixth, with 5.33 per cent; and Kentucky eighth, with 2.58 per cent.

The following table shows the value in 1924 of the principal mineral products for the United States and the four states which fall entirely or partly in the Fourth District: (Products not shown separately are included in "Total.")

	Kentucky	Ohio	Pennsylvania	West Virginia	United States	% Cols. 1-4 to Col. 5
Asphalt.....	\$ 2,386,557	\$ 9,064	\$	\$	\$18,263,346	.....
Cement.....	.....	7,836,325	69,693,517	.....	266,053,267	.....
Clay Products.....	7,519,239	97,831,641	52,167,366	15,625,022	415,779,378	41.6
Coal—Anthracite.....	.....	.....	477,230,852	.....	477,230,852	100.0
Coal—Bituminous.....	84,733,000	62,011,000	295,164,000	185,229,000	1,062,626,000	59.0
Ferroalloys.....	.....	1,769,077	24,618,060	.....	43,249,948	.....
Gypsum.....	.....	5,620,099	.....	.....	42,724,507	.....
Lime.....	58,228	9,511,270	5,634,806	1,884,682	39,596,423	43.2
Natural Gas.....	3,432,000	24,203,000	45,546,000	68,000,000	253,856,000	55.6
Natural-gas Gasoline.....	769,000	1,148,000	2,266,000	7,154,000	82,233,000	13.8
Petroleum.....	14,592,000	17,165,000	27,025,000	20,840,000	1,022,683,000	7.8
Salt.....	.....	3,641,585	.....	258,089	25,747,048	.....
Sand and Gravel.....	1,629,973	7,441,659	10,927,752	2,888,833	97,013,115	23.6
Stone.....	2,786,249	11,280,865	17,966,836	3,040,154	161,870,113	21.7
Total, eliminating duplications and including all other products.....	\$120,510,775	\$249,049,648	\$1,011,630,879	\$307,314,205	\$5,305,800,000	.....

Retail and Wholesale Trade

	No. of Reports	Percentage Increase or Decrease SALES	
		Aug. 1926 compared with Aug. 1925	Jan.-Aug. 1926 compared with Jan.-Aug. 1925
DEPARTMENT STORES			
Akron	5	- 4.4	- 1.3
Canton	3	+ 9.7	- 3.1
Cincinnati	7	+13.1	+ 5.9
Cleveland	6	+ 2.0	- 1.1
Columbus	7	+ 7.6	+ 1.4
Dayton	3	+18.0	+12.7
New Castle	3	- 5.0	-10.9
Pittsburgh	7	+ 5.6	- 1.0
Toledo	5	+ 0.5	- 1.4
Wheeling	5	- 7.8	- 4.2
Youngstown	3	+ 8.8	+ 1.1
Other Cities	14	+ 8.7	+ 4.9
District	68	+ 4.9	+ 0.4
WEARING APPAREL			
Cincinnati	6	+ 9.7	+ 4.7
Cleveland	4	+23.5	+ 7.6
Other Cities	9	+ 9.1	+ 1.6
District	19	+15.2	+ 4.8
FURNITURE			
Canton	3	-16.0	.....
Cincinnati	11	- 2.9	.....
Cleveland	9	-10.7	.....
Columbus	16	- 1.8	.....
Dayton	5	+ 7.8	.....
Toledo	6	-13.3	.....
Other Cities	9	- 7.6	.....
District	59	- 5.9	.....
CHAIN STORES*			
Drugs—District	3	+ 0.2	+ 4.1
Groceries—District	5	+ 6.8	+ 0.2
WHOLESALE GROCERIES			
Akron	3	- 5.2	- 9.8
Cleveland	4	- 1.7	- 5.0
Eric	4	- 7.3	- 1.5
Pittsburgh	10	- 6.9	- 9.8
Toledo	3	- 8.1	- 0.3
Youngstown	3	-12.1	- 6.8
Other Cities	27	+ 1.2	+ 3.1
District	54	- 2.6	- 2.5
WHOLESALE DRY GOODS			
.....	17	- 3.8	- 5.6
WHOLESALE DRUGS			
.....	16	+ 1.3	+ 6.7
WHOLESALE HARDWARE			
.....	16	+ 5.9	- 1.8
WHOLESALE SHOES			
.....	6	+12.3	+ 8.5

*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)

	August 1922	August 1923	August 1924	August 1925	August 1926
Department Stores (52)*	80	97	86	89	93
Wholesale Drugs (15)*	96	109	102	109	111
Wholesale Dry Goods (16)*	100	123	86	84	80
Wholesale Groceries (49)*	89	95	85	84	82
Wholesale Hardware (15)*	96	108	96	93	99
Wholesale Shoes (6)*	73	76	52	62	77
Wholesale—All (101)*	93	103	87	86	87
Chain Drugs (3)*†	95	107	103	106	106

*Number of firms.

†Per individual unit operated.

Debits to Individual Accounts

(In thousands of dollars)

	4 weeks ending Sept. 15 1926		1926 to date (Dec. 31-Sept. 15)		1925 to date (Dec. 31-Sept. 16)	
	1926	% change	1926	% change	1925	% change
Akron	76,234	-15.1	796,844	.....	738,852	+ 7.8
Butler, Pa.	9,392	+ 2.9	94,509	.....	92,767	+ 1.9
Canton	40,811	- 2.1	414,877	.....	409,812	+ 1.2
Cincinnati	286,344	- 0.4	3,139,270	.....	2,940,091	+ 6.8
Cleveland	609,600	+ 0.5	6,293,928	.....	5,839,878	+ 7.8
Columbus	133,744	+ 2.1	1,360,465	.....	1,220,308	+11.5
Conneville, Pa.	5,265	+29.1	45,959	.....	39,359	+16.8
Dayton	77,389	*	749,953	.....	666,759	+12.5
Eric, Pa.	34,485	+13.0	301,916	.....	288,835	+ 4.5
Greensburg, Pa.	18,098	-10.3	176,368	.....	171,749	+ 2.7
Homestead, Pa.	4,291	+11.1	39,655	.....	39,203	+ 1.2
Lexington, Ky.	16,608	+ 1.6	204,036	.....	202,377	+ 0.8
Lima	14,259	- 9.6	139,944	.....	158,460	-11.7
Lorain	6,060	- 9.1	52,693	.....	58,509	- 9.9
Oil City, Pa.	12,745	- 4.9	121,377	.....	128,572	- 5.6
Pittsburgh	754,548	- 0.9	7,980,388	.....	7,803,469	+ 2.3
Springfield	23,185	+16.2	208,414	.....	185,312	+12.5
Steubenville	9,820	-21.6	94,512	.....	101,801	- 7.2
Toledo	191,988	+ 9.7	1,885,580	.....	1,745,540	+ 8.0
Warren	12,994	- 3.8	113,974	.....	115,547	- 1.4
Wheeling, W. Va.	38,023	+ 2.6	398,917	.....	377,593	+ 5.6
Youngstown	63,324	+ 3.0	591,998	.....	575,780	+ 2.8
Zanesville	10,680	- 0.1	108,365	.....	104,628	+ 3.6
Total	2,449,887	+ 0.2	25,313,942	.....	24,005,201	+ 5.5

*No change.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified.)

	August 1926	August 1925	% change	Jan.-Aug. 1926	Jan.-Aug. 1925	% change	
Bank Debits (23 cities)	Millions of dollars	2,808	2,684	+ 4.6	23,772	22,577	+ 5.3
Savings Deposits (end of month)	Thous. of dollars	668,992	626,827	+ 6.7	655,014 ¹	610,463 ¹	+ 7.3 ¹
Ohio (43 banks)	" " "	239,999	236,616	+ 1.4	237,287 ¹	230,313 ¹	+ 3.0 ¹
Western Pennsylvania (27 banks)	" " "	908,991	863,443	+ 5.3	892,301 ¹	840,776 ¹	+ 6.1 ¹
Total (70 banks)	" " "	138	153	- 9.8	1,420	1,303	+ 9.0
Commercial Failures—Number	Actual Number	2,652	4,871	-45.6	29,998	31,595	- 5.1
" —Liabilities	Thous. of dollars	2,691	2,488	+ 8.2	23,436	21,631	+ 8.3
Postal Receipts—9 cities	" " "	87,808	86,018	+ 2.1	764,021	746,311	+ 2.4
Sales—Life Insurance—Ohio and Pa.	" " "	20,295	19,457	+ 4.3	175,901	176,178	- 0.2
" —Dept. Stores—(54 firms)	" " "	7,044	7,241	- 2.7	54,065	55,665	- 2.9
" —Wholesale Grocery (49 firms)	" " "	3,359	3,493	- 3.8	23,671	25,073	- 5.6
" —Dry Goods —(17 ")	" " "	2,032	1,919	+ 5.9	16,467	16,773	- 1.8
" —Hardware —(16 ")	" " "	1,771	1,749	+ 1.3	14,721	13,800	+ 6.7
" —Drugs —(16 ")	" " "	25,622	27,802	- 7.8	184,063	214,448	-14.2
Building Permits, Valuation—27 cities	Thous. of Tons	3,196	2,704	+18.2	26,266	24,350	+ 7.9
Production — Pig Iron, U. S.	" " "	4,005	3,424	+17.0	31,916	28,898	+10.4
" — Steel Ingots, U. S.	Actual Number	394,111	221,739	+77.7	2,893,058	2,514,863	+15.0
" — Automobiles, U. S.	" " "	47,683	36,696	+29.9	359,554	307,975	+16.7
Passenger Cars	Thous. of Tons	19,118	17,530	+ 9.1	149,552	134,561	+11.1
Trucks	" " barrels	1,757	1,810	- 2.9	9,997	10,047	- 0.5
— Bituminous Coal, 4th Dist.	" " "	1,971 ²	1,914 ²	+ 3.0 ²	12,961 ²	12,889 ²	+ 0.6 ²
— Cement: Ohio, W. Va., Wn. Pa.	" " "	.....	.....	.....	.....	.....	.....
— Petroleum, Ohio, Pa., Ky.	" " "	.....	.....	.....	.....	.....	.....
— Shoes, 4th Dist.	" " pairs	.....	.....	.....	.....	.....	.....
— Tires, U. S.	" " casings	3,746 ²	4,266 ²	-12.2 ²	27,080 ²	28,013 ²	- 1.5 ²
Bituminous Coal Shipments (from Lake Erie ports)	" " tons	4,093	4,203	- 2.6	18,710	16,371	+ 3.3 ³
Iron Ore Receipts (at Lake Erie ports)	" " "	7,655	6,228	+22.9	24,640	24,660	- 0.8

¹ 8 months' average
² July
³ Jan.-July
⁴ Figures Confidential

Summary of National Business Conditions

(By the Federal Reserve Board)

Industrial activity and distribution of commodities continued in large volume in August at a level higher than a year ago. The general level of wholesale prices receded further in August, reflecting price declines for agricultural commodities.

Production

The index of production in basic industries, which is adjusted for the usual seasonal variations, declined slightly in August but this decline was accounted for by the fact that there were five Sundays in August as against four in July. Textile mill activity and production of steel ingots, zinc, and petroleum increased, while the output of pig iron, lumber, coal, copper, cement, and sugar was smaller than the month before. Automobile production increased considerably in August and was larger than in any month since April. Factory employment and pay rolls, after declining in July, increased in August, as is usual at this season of the year. Building activity, as measured by contract awards in 37 states east of the Rocky Mountains, was in larger volume in August than in July or in any other previous month with the exception of August, 1925. In eastern and southeastern states the volume of building was smaller in August than a year ago, while in the middle west contracts awarded were larger. Contracts for residential structures were smaller than last year, while those for industrial buildings and for public works and public utilities were substantially larger.

Trade

Volume of wholesale trade and of sales at department stores increased in August and retail sales were larger than a year ago. Stocks of dry goods and shoes carried by wholesale firms were smaller at the end of August than last year, while those of groceries and hardware were larger. Inventories of department stores increased in preparation for autumn trade, but this increase was less than is usual at this season and at the end of the month stocks were smaller than a year ago. Freight car loadings in August continued higher than in the corresponding months of previous years and for the weeks of August 28 and September 4 exceeded all previous weekly records. Loadings of grain continued large and shipments of merchandise in less-than-car-load lots, miscellaneous commodities, ore, and coke were considerably larger than in the corresponding period of previous years.

Prices

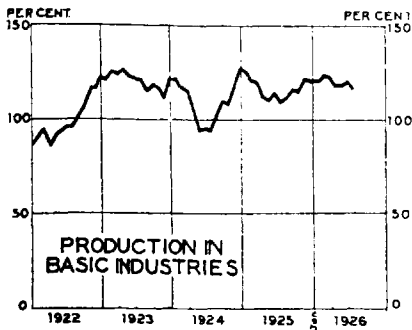
Wholesale commodity prices, according to the index of the Bureau of Labor Statistics, declined by over 1 per cent in August, reflecting largely price decreases for grains, livestock, and meat products. Prices of clothing materials, fuels, and metals increased between July and August, while prices of cotton, wool, sugar, building materials, and rubber showed little change. In the first half of September prices of grains, cattle, sugar, bituminous coal, and coke advanced while prices of raw cotton, silver, and bricks declined.

Bank Credit

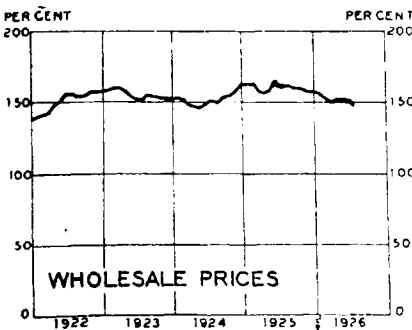
Increased demand for bank credit in connection with the harvesting and marketing of crops and autumn trade, together with an increase in loans on securities, was reflected in a considerable growth between the middle of August and the middle of September in loans of member banks in leading cities. The banks' holdings of investments also increased, though there was a decrease in investments at banks in New York City, and total loans and investments on September 15 were larger than at any previous time.

The volume of reserve bank credit increased by about \$90,000,000 between August 18 and September 22, partly in response to seasonal demands for currency. Discounts for member banks rose in September to the highest figure for the year, and acceptance holdings also increased, while United States securities declined by about \$55,000,000.

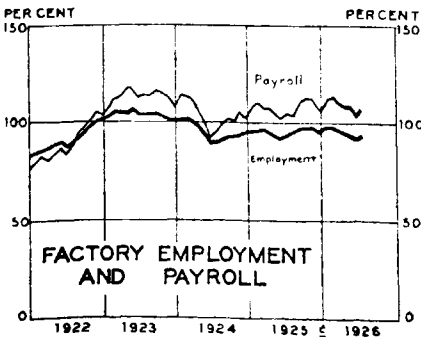
Money rates continued to rise in September. Rates on commercial paper advanced by one-fourth per cent to 4½-4¾ per cent, and rates on security loans also averaged higher than in August.



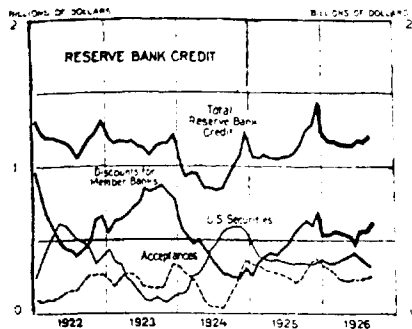
Index of 22 basic commodities, adjusted for seasonal variation (1919—100). Latest figure, August—116.



Index of U. S. Bureau of Labor Statistics (1913—100, base adopted by Bureau). Latest figure, August—149.2.



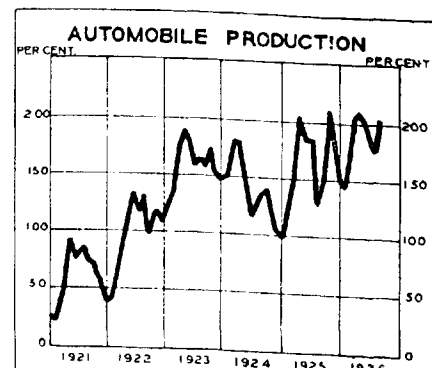
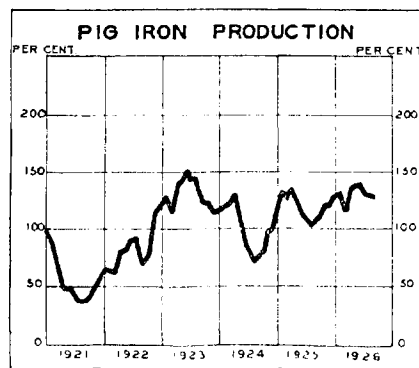
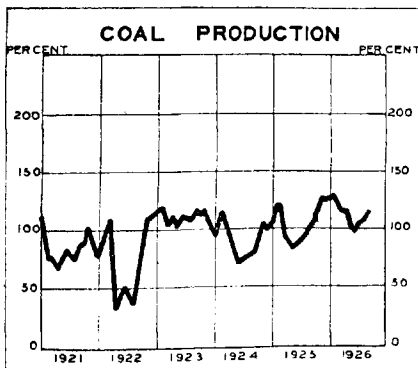
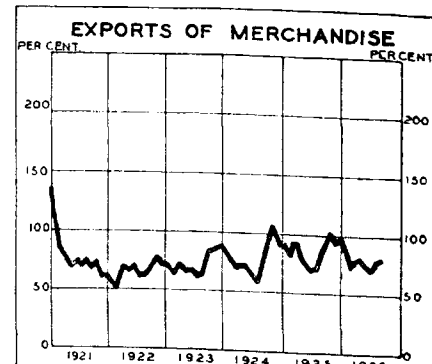
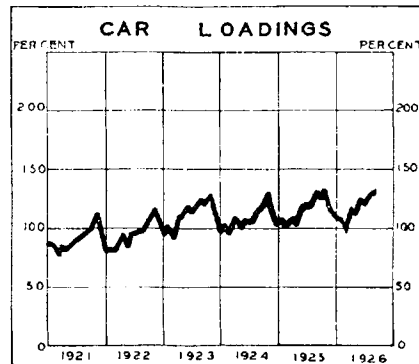
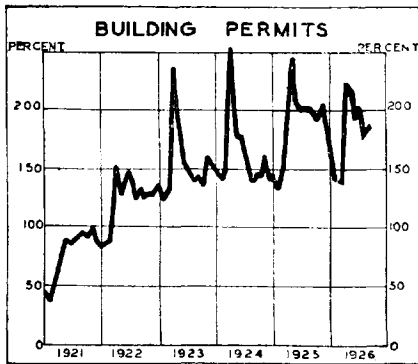
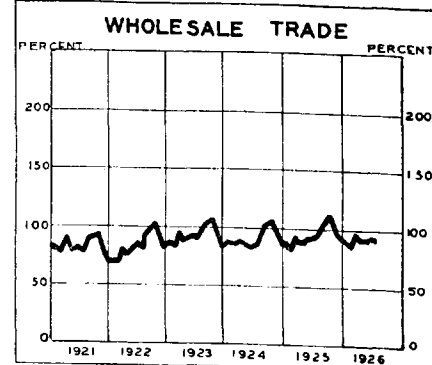
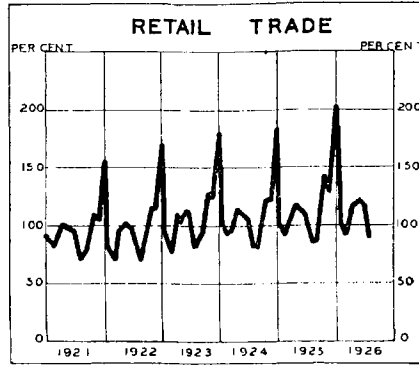
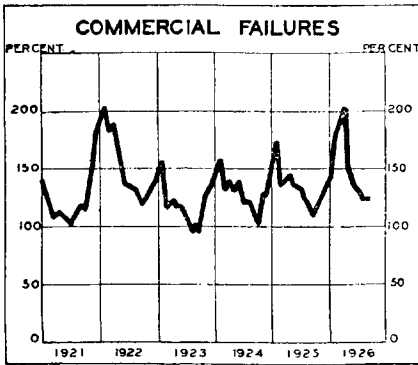
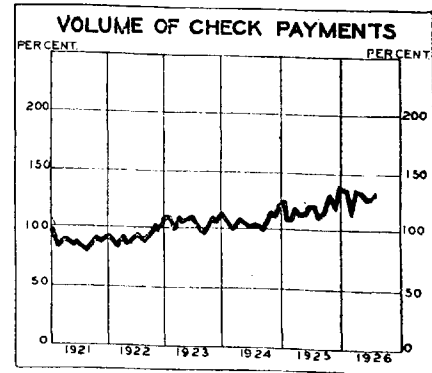
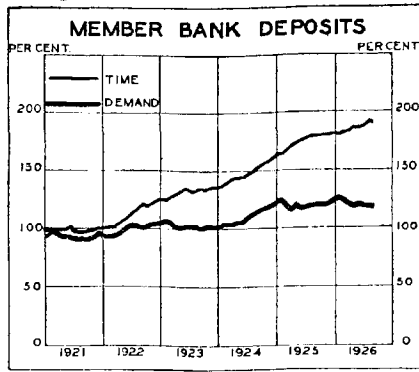
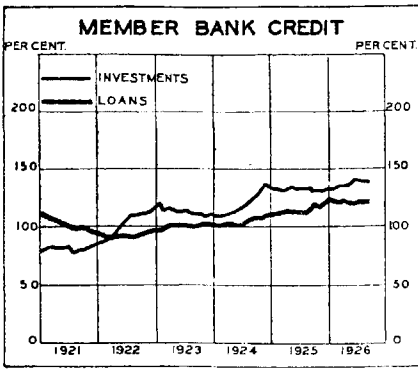
Federal Reserve Board's indexes of factory employment and payrolls (1919—100). Latest figures, August—employment 94.4, payrolls 107.7.



Monthly averages of daily figures for the 12 Federal Reserve Banks. Latest figures are averages of first 23 days in September.

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, August—122. Investments, August 133.
2. Member Bank Deposits: Demand, August—119. Time, August—192.
3. Check Payments, except New York, July—133.
4. Commercial Failures, August—124.
5. Retail Trade, July—88.
6. Wholesale Trade, July—92.
7. Building Permits, August—189.
8. Car Loadings, August—131.
9. Exports of Merchandise, August—81.
10. Bituminous Coal Production, August—116.
11. Pig Iron Production, August—128.
12. Automobile Production, August—204.