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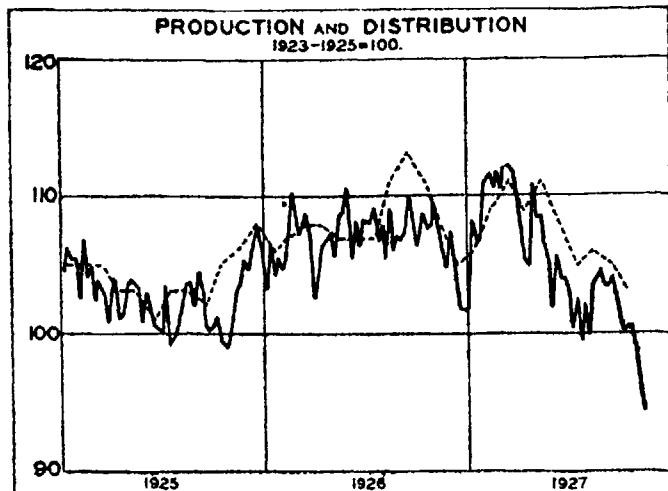
The general trend of business continued to be unmistakably downward in October, reaching the lowest point of the past two years. The Federal Reserve Board's index of industrial production dropped from 105 in September to 103 in October, and this bank's index of distribution also declined almost without interruption from 101.0 for the week ending October 1st to 98.8 for the week ending the 29th. A confirmation of the drop in these two indexes is found in the Annalist's index of general business activity, which fell from 100.9 in September to 96.0 (preliminary) in October. The distribution index slumped further in the first half of November, falling from 98.8 for the week ending October 29 to 96.0 the following week and to 94.3 for the week ending November 12.

Some signs of improvement in the situation have recently been discernible, in spite of the comparatively low ebb of business. For one thing, agricultural prices have risen noticeably in the past few months, and are now higher than the general wholesale price level (in relation to 1913). In other words, the present position of the farmer is better than in some time past. Again, demand has finally strengthened in the iron and steel industry,

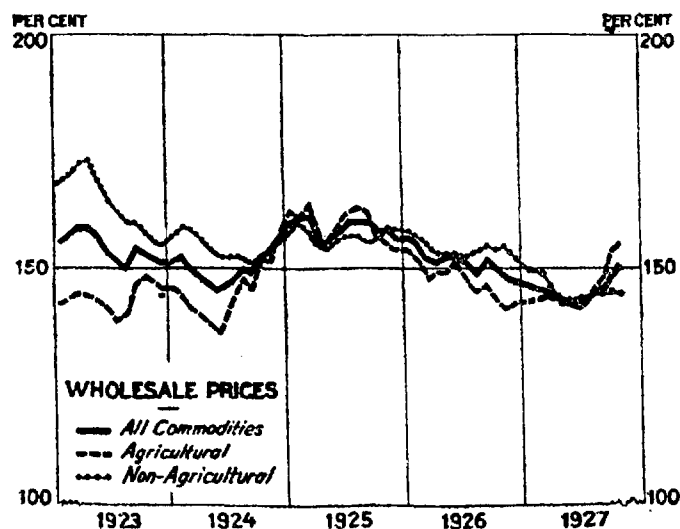
which has suffered more than most lines during the business recession. Tire and motor accessory manufacturers are beginning to receive orders for the new Ford car, and general employment as measured by payrolls has shown a slight gain. The feeling of business men, at least in the Fourth District, appears to be somewhat more optimistic than a month ago, and meanwhile the supply of credit remains cheap and plentiful.

Agricultural Prices

One of the most encouraging developments in a year marked on the whole by a decline in general business has been the rise in agricultural prices during 1927. The chart below, constructed by the Federal Reserve Board, gives the wholesale price trend from 1923 to date of agricultural, non-agricultural, and all commodities. A study of this graph shows that throughout most of the period from 1923 to 1926, agricultural prices lagged behind those of all commodities, sometimes to a very noticeable extent (as in 1923, the first part of 1924, and the end of 1926). Early in 1927, however, the index of agricultural prices practically caught up with that of all commodity prices, and in August the agricultural index went ahead, standing at 148.1 in that month as against



Solid line—Weekly index of car loadings, F. R. B. of Cleveland (1923-1925 = 100). Latest figure: Week ending November 12—94.3. Broken line—Monthly index of industrial production, F. R. Board, 1923-1925 = 100. Latest figure October, 103. Both curves adjusted for seasonal variation.



Indexes of U. S. Bureau of Labor Statistics (1913 = 100). Latest figures, October: all commodities—150.1; agricultural, 154.7; non-agricultural, 144.9.

146.6 for all commodities. In September the advance in agricultural prices was even more marked, and a further rise took place in October; whereas in these two months all commodities advanced to a lesser extent, owing to the inability of non-agricultural products to get above their previous level.

Since January of this year, the agricultural price index has risen from 143.4 to 154.7, while the non-agricultural index has declined from 149.6 to 144.9. Although not all farm and livestock products are enjoying higher prices than a year ago, the general trend has been plainly upward, while the trend of manufactured and other products has been slightly downward.

Financial

The money market is still "easy", rates being unchanged from a month ago both in this District and in the New

York market. In the latter, commercial paper remained at 4 per cent during October and the first half of November, and acceptances have been quoted at $3\frac{1}{4}$ per cent since the middle of October. Call money dropped from 4 to $3\frac{1}{2}$ per cent on October 20, and has been at the latter figure ever since with the exception of four days.

Bills discounted by the Cleveland Federal Reserve bank have ranged around \$50,000,000 in November, standing at that figure on the 16th. This is about the same as a month ago, but \$25,000,000 less than in 1926, and \$32,000,000 less than in 1925. This falling-off in the demand by member banks for accommodation as compared with previous years reflects the import of gold into the country early this year and the recent recession in business.

Loans secured by stocks and bonds made by reporting members in the Fourth District have been gradually declining for some months and on November 16 stood at \$583,289,000, as compared with the high point for 1927 to date of \$624,215,000 on June 8. The present figure, however, is nearly \$28,000,000 more than a year ago. "All other" loans, largely commercial (excluding Government-secured loans), have also dropped with the decline in business, and on November 16 were \$772,035,000, as compared with the high point in 1927 of \$811,981,000 on April 6 and with \$791,509,000 a year ago. The decline in loans has been taken up by an increase in the investment holdings of the banks, these having reached, on November 16, their high point for 1927 of \$720,392,000 as compared with \$641,000,000 a year ago.

Savings deposits of 68 leading banks in this District were \$972,423,000 on October 31, a gain of 6.4 per cent for the year and of 0.8 for the month.

Commercial failures in this District numbered 175 in October, 149 in September, and 167 a year ago, according to R. G. Dun and Company. Liabilities were unusually large in October, amounting to \$7,009,505 as against \$2,572,720 last year. There were 1,787 failures in the United States in October, 1927, and 1,763 in October, 1926.

Debits to individual accounts at 13 leading centers in the Fourth District aggregated \$2,647,308,000 in October, \$2,521,242,000 in September, and \$2,637,978,000 a year ago.

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

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	Nov. 16, 1927	Nov. 17, 1926	Oct. 19, 1927	Nov. 16, 1927	Nov. 17, 1926	Oct. 19, 1927
Gold Reserves	289	258	286	2,889	2,851	2,976
Discounts	50	76	43	367	567	413
Acceptances	18	32	19	334	348	283
U. S. Securities	75	36	57	705	308	500
Total bills and securities	142	144	119	1,407	1,226	1,201
Federal Reserve notes in circulation	209	204	210	1,706	1,750	1,717
Total deposits	215	193	189	2,566	2,301	2,429

REPORTING MEMBER BANKS

	Fourth District (In Millions)			United States (In Millions)		
	Nov. 16, 1927	Nov. 17, 1926	Oct. 19, 1927	Nov. 16, 1927	Nov. 17, 1926	Oct. 19, 1927
Loans secured by stocks and bonds	583	556	600	6,230	5,828	6,105
All other	789	813	817	8,900	8,961	8,951
Total loans	1,372	1,369	1,417	15,130	14,289	15,056
Investments	720	641	706	6,293	5,548	6,083
Demand deposits	1,053	1,037	1,041	13,763	12,959	13,450
Time deposits	894	819	918	6,424	5,772	6,369

Iron and Steel

Generalizations fail in a steel market as spotty as the present one. Track material and steel pipe orders have been so heavy that they have overcome the drag in heavy finished products and such lighter products as sheet and strip, and in the aggregate new business has shown expansion. These tonnage orders, however, have been largely for 1928 delivery, and producers meanwhile have been pressed to maintain an average operating rate of 65 per cent. Because they have not participated in track material and pipe orders to the same extent as in the Chicago and Pittsburgh districts, producers in the Mahoning valley and the Cleveland districts have not held up to the national average.

The same spotty condition obtains in prices. Although steel bars, plates and shapes have been advanced to \$1.80 at Pittsburgh, large users covered for the remainder of the year at the old price of \$1.75. Sheet, strip, tin plate and cold finished steel prices continue highly irregular.

After many weeks of extremely inactive demand, the market in pig iron has revived. Carryover iron from the third quarter has been exhausted and consumers are considering their needs for the remainder of this quarter and into the first quarter of 1928. The revival in demand has been more marked at Cleveland than at Pittsburgh during the first part of November. Basic iron has been holding at \$17.00, Valley furnace, and No. 2 foundry and malleable at \$17.50. For delivery in Cleveland, producers asked \$18.00 furnace.

Coke prices have been tending toward easiness. Standard beehive furnace coke is sold down to \$2.75 for scattered carloads while standard beehive foundry, not hand drawn, has been put out at \$3.50 with few takers. Most foundry coke makers are asking \$4.50 to \$4.75. Production has been curtailed, but apparently not so much as consumption.

Slack automotive buying is largely responsible for the inactivity at northern Ohio sheet and strip mills. A leading manufacturer of small cars is placing moderate sized orders quietly but not as yet in the volume expected. With the determination of the 1928 tin plate price, which is expected to be slightly lower than the 1927 level, Mahoning valley tin mills look for heavier schedules.

Pig iron production in November continued the slide

which set in last May. The November daily rate of 88,619 gross tons compared with 90,710 in October and 107,933 tons last November. The November total is estimated at 2,658,569 tons, as against the October total of 2,812,015 tons. For the eleven months of 1927, pig iron production stands at 33,587,610 tons or not quite 7 per cent under the 36,011,766 tons of the opening eleven months of 1926. Furnaces in blast at the close of November totaled 173 or 47.9 per cent of the total number serviceable. This was the lowest percentage since June, 1925. The loss of active stacks from the end of October was one.

Steel ingot production in October recovered slightly, having a daily average of 126,500 tons compared with 124,312 tons in September and 142,042 tons last October. The October total of all producers was 3,289,013 tons compared with 3,232,108 tons in September and 4,074,544 tons last October. The ten month total for 1927 stands at 36,788,807 tons against 39,763,695 tons in the same period last year.

The downward trend in the Iron Trade Review composite of 14 leading iron and steel products continued in November, the month averaging \$35.44 compared with \$35.67 in October and \$38.43 last November.

Coal

This industry is still beset with difficulties. Industrial demand for soft coal has fallen off sharply in recent months, owing both to the decline in general business and to very heavy stocks on hand, and householders' demand has also lagged this Fall on account of the warm weather. As a result, prices have sagged lower and lower in spite of a recent drop in output, the Coal Age weighted average standing at \$1.90 on November 17, as compared with \$2.02 on October 7th. The present price is at about the level that prevailed during the dull midsummer season of the last three years, the Winter advance of other years having failed to materialize in 1927. An advance did occur in September, but the settlement of the strike in Illinois and other states sent prices down again.

The production curve for bituminous coal from October 15 to November 12 was irregular, with the general tendency downward, in contrast to the usual seasonal rise. This is doubtless in response to the sluggishness of demand, already explained. Stocks of soft coal in the hands of commercial consumers on October 1 totaled 61,900,000 tons, according to the Bureau of Mines. Although somewhat lower than at the beginning of the strike last April, this figure is exceedingly high as compared with the general level of former years, and furthermore stock piles have diminished but little in the past few months.

Operators and dealers in the Fourth District have the same conditions with which to contend—low prices, heavy stocks, and lack of demand arising from industrial slackness and unseasonably warm weather—and in addition those in the Southeastern Ohio union fields are affected by the depression in that section. The general feeling, however, seems to have improved with the coming of severe weather in the third week of November, which naturally had the effect of increasing domestic orders.

Rubber and Tires

Operations in this line in the Fourth District continue fairly satisfactory. Prices on high-grade tires were reduced 5 per cent on November 1 by leading manufacturers, but secondary tire lines were not affected, nor were tubes. Following the announcement of these price reductions, the spring dating campaigns got under way, and early orders received from dealers are reported to be in good volume. Warm weather in October and early November kept more cars on the road than in other years, and this served to reduce dealers' stocks and stimulate buying from that quarter. Sales of tires as original equipment are still low, but at least one large order from Ford has already been received. The demand for both rubber footwear and mechanical rubber goods remains strong, although keen price competition in the latter department is being experienced.

With the opening of the sixth year of the Stevenson Restriction Act on November 1, the action of the British Government was awaited with much interest. The announcement of the Colonial office on October 20, however, stated that no changes would be made in the Act for another quarter, the right being reserved to make any changes found desirable on February 1, 1928. The amount of exportable rubber from British-owned plantations thus remains at 60 per cent of standard production for the time being.

It is of interest to note that in spite of two successive reductions in the amount of exportable rubber allowed, bringing the percentage down from 80 per cent of production a year ago to 60 per cent in May and the succeeding months of 1927, the price of crude rubber exhibited a declining tendency from March to October of this year. Although a rise of about four cents a pound took place during October and November, the present price of 37½ cents is still three cents or more below that of a year ago. The failure of crude rubber prices to hold up may be traced to the growth of world rubber stocks on hand even in the face of heavy consumption; and this again is largely accounted for by the increasing production of Dutch plantations, the greater use of reclaimed rubber in this country, and the practice of British growers of shipping rubber during one quarter which was left over from their quotas of previous quarters. In addition some rubber has been smuggled out from British-owned plantations.

Automobiles

The situation in the automobile trade is much the same as a month ago—light sales and low production, with the industry still awaiting the new Ford. Production in October amounted to only 221,292 cars and trucks, a decline of 108,000 from October, 1926. Sales were likewise reported to be slack, both in the country and in the Fourth District. In Cleveland and other cities of Cuyahoga County, for example, sales of new cars in October were 27 per cent less than a year ago, and those of used cars were 6 per cent less. Passenger car registrations in the United States for the third quarter of 1927 were 25 per cent under the same period last year.

The spotty condition of the industry is brought out by third quarter earnings so far published. Outside of

General Motors, only three motor concerns out of eleven were able to show larger net profits than in the third quarter of 1926, the group as a whole showing a loss of about 7 per cent.

Clothing The backward Fall slowed up most lines of clothing manufacturing in this District during October, but the arrival of cold weather around the middle of November stimulated orders from retailers and wholesalers. The resulting increase in business in most cases made up for the general slackness in October. Business on the whole is now about equal to that of a year ago.

An improvement in the demand for woollens and worsteds has taken place lately. Orders have been received in good volume, the demand for men's wear being fully equal to last year and that for women's wear even better. Re-orders have been heavier during the last several weeks in the men's clothing trade, due principally to the cold weather. The same is true of men's underwear. Advance bookings for the Spring are also larger in the latter trade than last year, but this is the result of transactions made several months ago when cotton prices were advancing. The knit goods line is not doing as well as a year ago.

Sales of 15 wholesale dry goods houses in the Fourth District in October were 15.4 per cent less than in 1926; and were 8.1 per cent less for the first ten months of this year. As compared with September, there was a loss of 6.5 per cent.

Most lines of clothing showed a loss in retail sales in October, according to figures from 50 department and apparel firms in this District. Men's clothing decreased 10.0 per cent from a year ago; men's furnishings, 1.5 per cent; boy's wear, 12.6; women's coats, 6.0; furs, 24.1; girls' wear, 7.9; women's dresses, 2.1; knit underwear, 11.7; and muslin and silk underwear, 3.3 per cent. On the other hand, the following clothing departments showed gains: misses' ready-to-wear, 4.2; hosiery, 12.4; and aprons and house dresses, 6.0 per cent.

Shoes The shoe trade in the Fourth District was rather slack during the past month, according to manufacturers' reports. Part of this falling-off is seasonal and part is doubtless explained by the extremely warm weather which prevailed during October and early November.

Preliminary production figures for the District show a decrease in October of 4.1 per cent from September, which in turn was about 13 per cent under the August figure. Stocks on hand of reporting wholesale and retail firms are two and four per cent larger respectively than at the end of October a year ago. Wholesale shoe sales have fallen off considerably, being 19.7 per cent less in October than a year ago and 9.8 per cent less than in September of this year. This is more than a seasonal decrease. Sales for this year to date are 6.2 per cent less than for the first ten months of 1926.

Shoe sales in October in some 50 department stores of the District showed a drop of 6.3 per cent from October, 1926. Most of this loss occurred in women's shoes, the loss in men's shoe sales being only 1.5 per cent.

Other Manufacturing Business remained comparatively dull in October and early November in most lines of manufacture in this District, there being little, if any, evidence of an upturn during this period. In some cases business has compared favorably with last year, but this has not been true as a rule. Numerous manufacturers are somewhat more optimistic than a month ago, but are still pursuing a "waiting" policy, with operations at a low point. Those lines which normally expand at this time of the year have been held back by unseasonably warm weather.

The electrical supply trade is spotty, one important maker reporting a downtrend, while another has experienced an improved demand lately. Glass production has been running considerably under that of 1926; lack of automobile demand and greater competition from imported glass still constitute the main unfavorable factors. Various lines of machinery manufacturing are running behind a year ago. The automobile parts trades are awaiting a revival in the motor industry. The volume of business in box-board factories is about the same as last year, but is hardly up to earlier expectations. Prices, however, are higher than a year ago. The watch and jewelry trade is doing well, one concern reporting a seven per cent gain in business over the first ten months of 1926. Makers of white lead report sales ahead of last year at this time.

Tobacco The November 1st estimate of the Department of Agriculture places Kentucky's 1927 tobacco crop at 228,442,000 pounds. This is one per cent greater than the October 1 estimate, but is 36 per cent less than in 1926 and 45 per cent less than the 1922-1926 average. The estimate for burley in Kentucky is 142,523,000 pounds this year as compared with 213,800,000 last year, a decrease of 33 per cent. In the United States, the total 1927 crop is put at 1,190,357,000 pounds, a decrease of 8.5 per cent from 1926 and of 11.1 per cent from the five-year average.

Many types of tobacco in the country underwent considerable declines in acreage and production in 1927, while consumption increased. This was particularly true of burley, where small acreage and a still smaller crop, coupled with a gain in consumption, have brought supply and demand much nearer each other than was the case in 1926, when prices received for the crop were very low. Consumption of burley for the year ending October 1 is estimated at 315,455,000 pounds, or 50 per cent greater than 1927 production. This means, of course, that the large surplus stocks of the past few years have been greatly reduced, and that the outlook for the burley selling season which will commence soon is therefore materially better than a year ago.

The Burley Tobacco Growers' Association has decided to sell its 1927 tobacco at auction, and unless 75 per cent of the 1926 production had signed up for membership by the middle of November, tobacco of non-members as well as members will be accepted, the grower to be paid in full on the day of sale.

The Department of Agriculture's estimates of tobacco production and consumption by types are as follows:

	Consumption (Year ending October 1)	Production 1927 (In thousands of pounds)	Production 1926 (In thousands of pounds)
1. AIR CURED			
Burley (mostly Ky., also Tenn., Ind., Ohio)	315,455	202,942	300,699
Green River (Ky.)	43,261	26,532	39,997
One Sucker (mostly Ky.)	39,010	13,642	30,754
Va. sun-cured (chewing tob.)	5,500	6,270	6,000
Md. and East Ohio export	?	26,406	29,000
2. FLUE CURED			
Bright (mostly N. C., also Ga., S. C., and Va.)	554,116*	655,379	565,221
3. FIRE CURED			
Clarksville and Hopkinsville, Paducah, etc (Ky., Tenn., Va.)	163,916	122,325	181,000
4. CIGAR TYPES			
Other	200,586	186,462	145,000
TOTAL U. S.	1,350,000**	1,190,357	1,301,211

*Year ending July.

**Including estimated production of Md. and E. Ohio export.

Building The Dodge record of building contracts awarded in 37 eastern states registered a gain in October, contracts amounting to \$562,815,800 as compared with \$515,726,600 a year ago, an increase of 9 per cent. The former figure was the highest yet recorded for October. The largest part of the gain over last year occurred in the public utility and engineering fields. Residential building, in fact, was not up to last year. Bradstreet's record of building permits, which excludes road building, etc., shows a loss of 32.5 per cent from October, 1926, for 169 cities in the country.

Contracts awarded in the Fourth District in October aggregated \$51,273,000, a decrease of 7 per cent from a year ago. Building permits in 27 cities totaled \$19,566,025, a decline of 16.6 per cent from last year. For October, the largest increases were in Ashtabula, Barberton, East Cleveland, Garfield Heights, and Lexington, while the largest losses were in Canton, Cleveland Heights, Lakewood, Parma, Covington, Dayton, Lima, Pittsburgh, and Wheeling. Permits for the first ten months of 1927 for these cities were \$214,898,028, a decline of 6.1 per cent from 1926. The greatest gains for the ten months were in Akron, Rocky River, Lexington, Newark, and Wheeling, while the heaviest decreases were in Canton, Ashtabula, Cleveland, Cleveland Heights, Covington, and Lima.

The Aberthaw index of industrial building costs stood at 191 on November 1, the same as October but three per cent lower than a year ago.

BUILDING OPERATIONS (Valuation of Permits)

	October, 1927	% change from 1926	Jan.-Oct. 1927	Jan.-Oct. 1926	% change from 1926
Akron	1,347,113	+ 25.2	17,752,122	13,326,862	+ 33.2
Ashtabula	87,110	+128.4	494,125	914,661	- 46.0
Barberton	79,533	+ 89.7	971,941	879,271	+ 10.5
Canton	284,084	- 27.0	3,522,321	4,963,015	- 29.0
Cincinnati	3,542,575	+ 21.3	31,015,050	28,175,948	+ 10.1
Cleveland	3,773,125	+ 10.4	36,447,650	54,898,925	- 33.6
Cleve. suburbs					
Cleve. Hts.	342,245	- 62.0	4,618,882	6,834,277	- 27.1
E. Cleve.	225,113	+175.0	1,268,124	1,168,438	+ 8.5
Euclid	125,258	+ 24.4	1,595,710	1,481,596	+ 7.7
Garfield Hts.	187,500	+ 61.5	2,452,060	2,006,050	+ 22.2
Lakewood	268,533	- 30.8	3,301,997	3,583,843	- 8.0
Parma	139,375	- 29.8	2,937,961	1,467,733	+100.2
Rocky River	76,550	- 22.0	1,101,894	791,429	+ 39.2
Shaker Hts.	732,950	+ 10.1	7,992,510	6,466,905	+ 23.6
Columbus	1,714,800	- 15.6	20,102,800	22,599,300	- 11.0
Covington, Ky.	78,200	- 39.8	1,453,306	1,996,300	- 26.9
Dayton	553,379	- 40.5	9,545,516	7,921,350	+ 20.5
Erle, Pa.	412,305	+ 24.5	4,387,616	4,729,071	- 7.2
Hamilton	82,355	- 16.1	1,751,651	2,257,532	- 22.4
Lexington, Ky.	119,715	+ 27.5	2,118,964	1,566,907	+ 35.2
Lima	18,225	- 73.4	678,701	1,147,279	- 40.8
Newark	33,925	+ 2.3	600,917	862,800	- 65.6
Pittsburgh, Pa.	8,529,164	- 50.2	32,104,339	87,042,379	- 13.3
Springfield	150,688	- 18.9	1,659,108	1,303,633	+ 27.3

Toledo	899,231	- 25.9	14,745,585	11,878,666	+ 26.8
Wheeling					
W. Va.	154,724	- 36.6	2,743,993	1,566,072	+ 75.2
Youngstown ..	696,450	+ 17.8	7,528,245	8,288,617	- 9.2
Total	19,566,025	- 16.6	214,898,028	228,923,859	- 6.1

Retail Trade

Sales of 61 department stores in the Fourth District were 5.5 per cent less in October than in the same month of 1926. The general business inactivity accounts for some of this, as sales in nearly all departments were lower than a year ago; but the unseasonably warm weather was also an adverse factor. For example, sales of such articles as furs were not as heavy as is normally the case with the approach of winter. All reporting cities except Cincinnati and Toledo shared in the decrease from last year. For the first ten months of 1927, sales of all firms were slightly greater than a year ago.

Only 14 out of 52 individual departments reported larger sales than in October of 1926. Of these, the greatest increases were in jewelry, 22.9 per cent; women's suits, 34.5; and women's and children's hosiery, 12.4. The largest losses were in woolen dress goods, 17.3 per cent; domestics, 15.1; umbrellas, 18.3; furs, 24.1; and victrolas and records, 18.7. Changes in the main departments were as follows:

	% change from 1926
Silks and Velvets	- 4.3
Men's Wear	- 6.5
Boys' Wear	-12.6
Women's Coats	- 6.0
Women's Dresses	- 2.1
Millinery	- 7.8
Hosiery	+12.4
Shoes	- 6.3
Furniture	- 3.4
Draperies, lamps, shades	- 4.4
Floor Coverings	+ 3.1
House Furnishings	- 1.1

Wholesale Trade

With the exception of drugs, with an increase of 0.2 per cent, all reporting wholesale lines showed a loss in sales in October this year as compared with the same month of 1926. Grocery sales declined 7.3 per cent; dry goods, 15.4; hardware, 3.5; and shoes, 19.7 per cent. For the first ten months of 1927 all lines but drugs report a loss from 1926. Drug sales are 0.01 per cent greater. The decreases are: groceries, 4.8; dry goods, 8.1; hardware, 2.1; and shoes, 6.2 per cent. Sales in October compared with those in September in the case of dry goods and shoes fell off 6.5 and 9.8 per cent respectively. Sales of groceries and hardware increased 0.2 and 7.7 per cent. Drugs showed a slight loss of 0.8 per cent from September.

Stocks on hand in all lines but shoes, which show an increase of 2.1 per cent, were smaller than on October 31, 1926. The decreases were—groceries, 3.4; dry goods, 8.6; and hardware, 6.8.

Hardware is the only line showing an increase in the amount of open book accounts, and drugs the only one reporting a gain in collections over October, 1926. The decreases in collections were: dry goods, 11.4; shoes, 10.9; groceries, 6.1; and hardware, 2.9 per cent.

Corporation Earnings

Quarterly earnings of 100 identical industrial corporations in the United States clearly illustrate the business reaction of the past seven months. Net earnings of these firms have fallen further behind 1926 with each

succeeding quarter of the present year, and in the third quarter they also fell behind 1925. The table below gives the figures:

NET EARNINGS OF 100 INDUSTRIAL CORPORATIONS

(In thousands of dollars)

	1927	1926	% change, 1927-1926	1925	% change, 1927-1925
First Quarter	\$88,842	\$ 93,299	- 4.8	\$80,419	+10.5
Second Quarter	93,639	101,046	- 7.8	91,295	+ 2.6
Third Quarter	87,178	101,194	-13.9	98,418	- 6.7
Fourth Quarter .....	.....	98,750	.....	87,988	.....

Earnings of 192 industrials, including the 100 given above, also show a loss from last year, amounting to 16.8 per cent for the third quarter and 12.5 per cent for the nine months. Even after including the figures of General Motors and United States Steel, decreases of 12.4 and 4.7 per cent respectively are shown. For the third quarter, 106 of the 192 firms reported lower earnings than in 1926; and for the nine months, 98 reported lower earnings.

As to groups, most of these shared in the general decline, particularly the oils and steels. Net earnings of the oils were 65.8 per cent under last year for the third quarter, and the steels experienced a 42 per cent decrease. However, gains for the third quarter were shown by the chemical, coal, food, shoe, store, and tobacco groups. The following table gives the net earnings by groups:

CORPORATION EARNINGS

(In thousands of dollars)

	Third Quarter 1927	Third Quarter 1926	% change	Nine Months 1927	Nine Months 1926	% change
7 Chemicals	\$ 11,709	\$ 10,012	+ 16.9	\$ 30,266	\$ 26,529	+14.1
5 Coal	1,382	1,099	+ 25.8	3,639	2,576	+41.3
6 Equipment	4,276	5,459	- 21.7	15,827	18,206	-13.1
16 Food	28,134	25,426	+ 10.7	82,191	77,834	+ 5.6
12 Mining	12,349	13,509	- 8.6	37,039	34,619	+ 7.0
11 Motor	18,704	20,141	- 7.1	62,315	74,357	-16.2
12 Motor Accessories	4,106	4,792	- 14.3	14,388	15,492	- 7.1
5 Office Equipment	2,893	2,993	- 3.3	9,849	9,451	+ 4.2
20 Oil	12,376	36,187	- 65.8	32,175	91,209	-64.7
4 Shoe, Leather	1,287	240	+486.8	2,606	192*	.....
15 Steel	10,974	18,905	- 42.0	45,354	58,428	-22.4
6 Stores	6,181	5,621	+ 10.0	17,075	16,257	+ 5.0
5 Tobacco (cigars)	2,748	2,449	+ 12.2	7,514	5,663	+32.7
68 Miscellaneous	57,515	62,947	- 8.6	136,778	137,461	- 0.5
192 Total	174,634	209,790	- 16.8	497,016	567,890	-12.5
1 General Motors	64,607	56,032	+ 15.1	193,757	149,318	+29.8
1 U. S. Steel	21,585	31,710	- 31.9	74,060	85,484	-13.3
194 Grand Total	260,726	297,522	- 12.4	764,823	802,642	- 4.7

* Loss.

Fourth District Industries The following table gives the most important industries in the leading cities in this District in 1925, the latest available date. This information is from the 1925 Census of Manufactures, recently published.

Industry	Number of Wage Earners (Ave. no. in 1925)	Value of Products, 1925
AKRON		
1. Rubber; tires and tubes	43,391	\$480,380,347
All other	9,155	85,060,975
Total	52,546	\$565,391,322

CINCINNATI

1. Men's Clothing*	7,667	\$ 45,289,778
2. Foundry and machine shop products*	4,433	27,236,396
3. Boots and Shoes	4,231	14,256,284

4. Metal-work machinery (incl. machine tools)	3,171	18,114,208
5. Printing and publishing; book and job	3,115	17,438,597
6. Bread and other bakery products	2,020	16,547,466
7. Electrical machinery and supplies	1,718	10,190,677
All Other	37,860	313,471,246
Total	68,715	\$457,538,652

CLEVELAND

1. Foundry and machine shop products*	12,760	\$ 66,538,331
2. Steel works and rolling mills	11,254	107,771,912
3. Motor-vehicle bodies and parts	10,710	78,153,951
4. Motor vehicles	6,933	123,555,678
5. Electrical machinery and supplies	5,004	48,975,704
6. Men's Clothing*	4,618	24,888,614
7. Car and general construction and repairs	4,242	13,011,932
8. Bolts, nuts, rivets, and washers (not made in rolling mills)	3,563	17,924,715
9. Stoves	3,078	25,789,883
10. Bread and other bakery products	2,849	24,298,091
11. Metal-working machinery (incl. machine tools)	2,817	14,842,399
12. Forgings (not made in steel works or rolling mills)	2,716	15,540,118
All Other	62,308	534,488,233
Total	132,852	\$1,094,779,556

COLUMBUS

1. Car and general construction and repairs	4,495	\$ 14,718,849
2. Foundry and machine-shop products*	4,054	28,581,886
3. Boots and shoes	2,796	12,460,720
All Other	13,245	122,528,106
Total	24,590	\$178,289,061

DAYTON

1. Foundry and machine-shop products	5,524	\$ 37,070,313
2. Tobacco; cigars and cigarettes	1,275	4,139,295
3. Motor-vehicles, bodies and parts	1,261	6,879,287
All Other	21,281	158,014,155
Total	29,341	\$206,103,560

PITTSBURGH

1. Steel works and rolling mills	16,316	\$115,706,198
2. Foundry and machine-shop products*	4,511	29,300,686
3. Bread and other bakery products	4,303	38,852,054
4. Printing and publishing	1,583	9,868,961
5. Slaughtering and meat packing	1,503	30,046,117
All Other	37,198	300,689,756
Total	65,414	\$518,963,766

TOLEDO

1. Foundry and machine-shop products*	3,418	\$ 19,591,500
2. Electrical machinery and supplies	2,483	21,452,227
3. Car and general construction and repairs	1,647	5,271,697
All Other	29,661	324,504,745
Total	37,209	\$371,120,169

YOUNGSTOWN

1. Steel works and rolling mills	8,953	\$119,180,799
2. Blast furnaces	1,434	40,016,555
All Other	8,828	77,082,866
Total	19,215	\$236,179,720

* Not elsewhere classified.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	Oct. 1927	Oct. 1926	% Change	Jan.-Oct. 1927	Jan.-Oct. 1926	% Change
Bank Debits (23 cities)	3,201	3,127	+ 2.4	32,177	29,749	+ 8.2
Savings Deposits (end of month)						
Ohio (41 banks)	710,069	669,937	+ 6.0	692,891	652,602	+ 6.2
Western Pennsylvania (27 banks)	262,354	243,949	+ 7.5	256,512	238,514	+ 7.5
Total (68 banks)	972,423	913,886	+ 6.4	949,404	891,116	+ 6.5
Commercial Failures—Number	175	167	+ 4.8	1,675	1,742	+ 3.8
—Liabilities	7,010	2,573	+172.4	45,861	34,460	+33.1
Postal Receipts—9 cities	3,211	3,340	+ 3.9	30,382	29,794	+ 2.0
Sales—Life Insurance—Ohio and Pa.	90,201	90,046	+ 0.2	984,848	933,558	+ 5.5
—Dept. Stores—(50 firms)	26,552	28,112	+ 5.5	226,249	225,359	+ 0.4
—Wholesale Groceries—(50 firms)	7,436	8,052	+ 7.7	66,770	70,347	+ 5.1
—Dry Goods—(15 firms)	2,936	3,472	+15.4	28,628	31,137	+ 8.1
—Hardware—(16 firms)	2,313	2,397	+ 3.5	20,733	21,168	+ 2.1
—Drugs—(15 firms)	1,894	1,890	+ 0.2	18,289	18,287	+ 0.01
Building Permits, Valuation—27 cities	19,566	23,460	+16.6	214,898	228,924	+ 6.1
Building Contracts Awarded	51,273	55,236	+ 7.2	616,864	549,924	+12.2
Production—Fig Iron, U. S.	2,784	3,314	+16.0	30,877	32,716	+ 5.6
—Steel Ingots, U. S.	3,289	4,075	+19.3	36,789	39,764	+ 7.5
—Automobiles, U. S.						
—Passenger Cars	185,706	289,565	+35.9	2,694,570	3,408,194	+20.9
—Trucks	35,586	39,577	+10.1	378,345	396,874	+ 4.7
—Bituminous Coal, 4th Dist.	17,342	22,808	+24.0	185,695	195,352	+ 4.9
—Cement: Ohio, W. Va., Wn. Pa.	1,746	1,795	+ 2.7	14,770	13,893	+ 6.3
—Electric Power: Ohio, Pa., Ky.	1,017 ²	1,050 ³	+ 3.1	9,678 ³	9,621 ³	+ 0.6
—Petroleum: Ohio, Pa., Ky.	2,030 ⁴	1,924 ²	+ 5.5	17,943 ³	16,822 ³	+ 6.7
—Shoes, 4th District	3,652 ²	4,322 ²	+15.5	38,558 ²	35,850 ²	+ 7.6
—Tires, U. S.	3,751	3,547	+ 5.8	30,802	25,797	+19.4
Bituminous Coal Shipments (from Lake Erie ports)	4,929	6,906	+28.6	34,721	38,888	+10.7
Iron Ore Receipts (at Lake Erie ports)						

¹10 months' average²September³Jan.-September⁴Figures Confidential

Index Numbers of Trade in the Fourth Federal Reserve District

(Average Monthly Sales for the Five-Year Period 1919-1923 inc.=100)

	Oct. 1923	Oct. 1924	Oct. 1925	Oct. 1926	Oct. 1927
Department Stores (50)*	130	116	138	130	123
Wholesale Drugs (15)*	117	110	121	120	119
Wholesale Dry Goods (15)*	115	96	112	98	85
Wholesale Groceries (50)*	111	107	102	93	86
Wholesale Hardware (15)*	123	115	124	117	113
Wholesale Shoes (5)*	100	82	99	102	83
Wholesale All (100)*	113	104	109	101	93
Chain Drugs (3)*†	103	100	109	107	99

*Number of firms.

†Per individual unit operated.

Retail and Wholesale Trade

	No. of reports	Percentage Increase or Decrease Oct. 1927 compared with Oct. 1926	Jan.-Oct. 1927 compared with Jan.-Oct. 1926
DEPARTMENT STORES			
Akron	5	+ 7.2	+ 2.7
Cincinnati	7	+ 3.1	+ 3.9
Cleveland	6	+ 5.8	+ 1.0
Columbus	6	+ 0.2	+12.4
Pittsburgh	7	+ 8.7	+ 3.2
Toledo	4	+ 1.6	+ 3.7
Wheeling	5	+10.6	+ 3.0
Youngstown	3	+ 5.5	+ 5.3
Other Cities	18	+ 1.7	+ 1.4
District	61	+ 5.5	+ 0.5
WEARING APPAREL			
Cincinnati	6	+ 4.9	+ 7.8
Cleveland	4	+15.3	+ 6.6
Other Cities	10	+ 5.7	+ 5.1
District	20	+ 7.0	+ 1.2
FURNITURE			
Cincinnati	11	+ 6.3	.....
Cleveland	8	+23.7	.....
Columbus	15	+ 6.2	.....
Dayton	5	+12.4	.....
Toledo	6	+11.1	.....
Other Cities	6	+ 6.8	.....
District	51	+13.7	.....
CHAIN STORE*			
Drugs—District	3	+ 7.5	+ 0.5
Groceries—District	7	+ 3.0	+ 2.3
WHOLESALE GROCERIES			
Akron	3	+ 1.3	+ 5.7
Cincinnati	3	+ 3.5	+ 3.4
Cleveland	4	+11.1	+ 5.4
Erie	4	+24.1	+11.7
Pittsburgh	7	+ 9.2	+ 1.2
Toledo	3	+ 6.9	+ 6.0
Other Cities	27	+ 9.2	+ 5.9
District	51	+ 7.3	+ 4.8
WHOLESALE			
DRY GOODS	16	+15.4	+ 8.1
WHOLESALE DRUGS	15	+ 0.2	+ 0.04
WHOLESALE			
HARDWARE	16	+ 3.5	+ 2.1
WHOLESALE SHOES	6	+19.7	+ 6.2

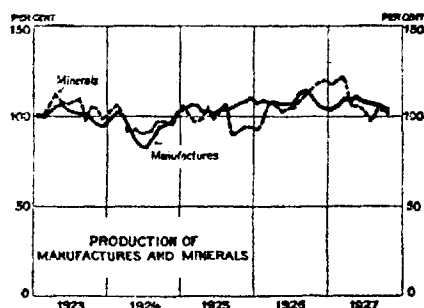
*Sales per individual unit operated.

Debits to Individual Accounts

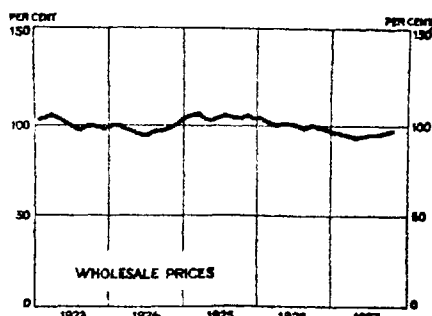
	(In thousands of dollars)	1927 to ending Nov. 16, 1927	% change from 1926	1926 to date (Dec. 29-Nov. 16), 1926	% change from 1925
Akron	88,594	+ 5.6		1,072,371	+ 7.0
Butler, Pa.	11,692	+18.6		126,507	+ 5.6
Canton	41,587	+ 4.7		507,548	+ 0.2
Cincinnati	358,999	+ 4.8		4,327,684	+10.3
Cleveland	748,711	+ 9.1		8,619,499	+ 8.3
Columbus	142,322	+ 0.5		1,775,015	+ 4.7
Connellsville, Pa.	3,972	+55.9		53,877	+10.0
Dayton	78,275	+ 1.6		1,006,285	+ 7.6
Erie, Pa.	31,914	+ 5.7		387,099	+ 1.9
Greensburg, Pa.	19,783	+ 9.3		238,783	+ 8.4
Homestead, Pa.	3,927	+12.4		48,111	+ 4.0
Lexington, Ky.	23,032	+23.4		282,057	+ 6.6
Lima	14,704	+ 1.3		161,095	+ 7.4
Lorain	5,542	+ 1.5		55,623	+ 1.7
Middletown	10,722	+ 5.7		120,113	+ 0.3
Oil City, Pa.	13,980	+11.6		164,426	+ 3.9
Pittsburgh, Pa.	852,980	+ 1.3		10,930,058	+ 9.4
Springfield	20,358	+ 2.9		256,362	+ 0.1
Steubenville	10,041	+ 3.2		120,195	+ 2.6
Toledo	214,912	+12.0		2,481,626	+ 6.3
Warren	12,421	+ 0.7		151,168	+ 4.7
Wheeling, W. Va.	40,293	+ 7.4		487,971	+ 1.8
Youngstown	58,499	+ 6.4		761,788	+ 2.2
Zanesville	12,651	+ 7.5		137,559	+ 1.6
Total	2,819,861	+ 3.4		34,262,585	+ 7.7

Summary of National Business Conditions

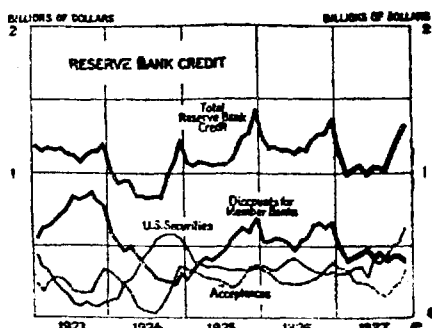
(By the Federal Reserve Board)



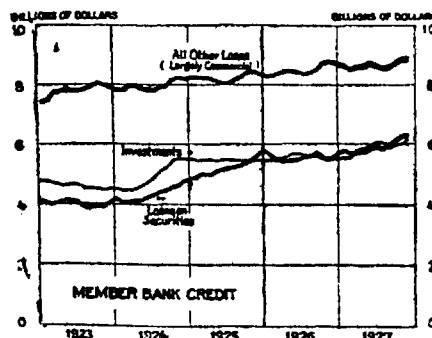
Index number of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 = 100). Latest figures: October, manufactures—102; minerals—105.



Index of U. S. Bureau of Labor Statistics, (1926 = 100). Latest figure: October, 97.0.



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



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

Industry and trade were less active in October than in the preceding month and were in smaller volume than a year ago. The general level of wholesale commodity prices showed a further slight advance.

Production

Production of manufactures declined in October, contrary to the usual seasonal tendency, while the output of minerals remained in practically the same volume as in September. In October and November, activity of iron and steel mills and of automobile plants was smaller than at any previous period of the year. There were also decreases during October in cotton consumption and in the production of building materials, crude petroleum, and boots and shoes. The output of bituminous coal and the number of hogs and cattle slaughtered increased by less than the usual seasonal amount. Production of flour, copper and anthracite coal showed increases in October. Building contracts awarded increased considerably owing to unusually large awards in New York and Chicago in the last week of the month. The increases were largest in contracts for residential and commercial buildings.

Unusually favorable weather during October in agricultural states resulted in increased yield for late fall crops. The indicated production of corn, according to the November crop report of Department of Agriculture, was placed at 2,753,000,000 bushels, an increase of 150,000,000 bushels over the estimate of the previous month and 106,000,000 bushels over the yield a year ago. Larger yields, as compared with the previous month's estimates, were also indicated for cotton, tobacco and potatoes.

Trade

Trade at wholesale and retail showed less than the usual seasonal increase in October. Compared with October a year ago, wholesale trade in all leading lines, except meats and drugs, was smaller. Department store sales were approximately 3 per cent smaller than in October, 1926, while those of mail order houses and chain stores were somewhat larger. Inventories of merchandise carried by wholesale firms were smaller in all reporting lines at the end of the month than in September. Compared with a year ago, stocks were smaller in all lines except drugs. Stocks of department stores increased in October in anticipation of growth in sales that usually occurs in November and December, but at the end of the month they were no larger than a year ago.

Freight car loadings declined in October and the first part of November and were smaller than in the corresponding period of last year for all classes of freight except grain and grain products.

Prices

Wholesale commodity prices increased slightly in October, continuing the advance which began early in the summer, and the Bureau of Labor Statistics index for October was higher than for any previous month of this year. The advance in the average for all commodities from September to October reflected increases in the prices of livestock, meats, and dairy products. Prices of corn, cotton, coal, metals, paint materials, and automobile tires on the other hand declined. During the first three weeks in November, there were increases in the prices of grains, cattle, copper, hides, and rubber, and decreases in hogs, cotton, silk, coal, petroleum, and iron and steel.

Bank Credit

Total loans and investments of member banks in leading cities increased by nearly \$300,000,000 during the latter part of October and first half of November, and on November 16 were the highest ever reported. Investments increased by more than \$200,000,000, reflecting in large part purchases of Treasury certificates issued on November 15, and loans on securities increased by about \$125,000,000. Loans, chiefly for commercial and agricultural purposes, declined during the period from the seasonal peak reached early in October.

There was a continued increase in the demand for Reserve bank credit between October 19 and November 23, arising chiefly out of further exports of gold. Discounts from member banks declined somewhat, while acceptances and holdings of United States government securities increased.

Conditions in the money market remained moderately easy in November. Call loan rates remained at the level reached in the latter part of October, and rates on prime commercial paper and bankers' acceptances were unchanged.