



# MONTHLY BUSINESS REVIEW

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in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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No. 10

September closed with industrial activity in the Fourth District at a high point. Iron and steel plants during September were able to expand operations on a rising price scale. Heavy automotive demand has been a strong factor in the situation, reacting as it has on the District's steel, accessory, rubber, paint, and glass industries. Various other lines, such as electrical supply and machinery, are likewise doing more business than a year ago. Money rates are firm, but no shortage of credit for commercial usage is reported from the District's leading financial centers. An increase in speculative activity on the part of the public is reported by several localities.

on call and time money, used for stock exchange loans, and commercial paper and bankers' acceptances, used largely for commercial purposes, has become more marked in recent weeks. Since August 20, when call money renewed at 6 per cent, the renewal rate has been either 7 or 7½ per cent except on September 21, when it rose to 8 per cent. The average renewal rate for the first 22 days of September was 7.42, as compared with 6.81 in August, 6.12 in July, and 3.74 for the first 22 days of September, 1927. Time money has also strengthened, the 90-day rate advancing from 6½ to 7 per cent on September 10, 1¼ on the 18th, and 7¼-½ per cent on the 21st.

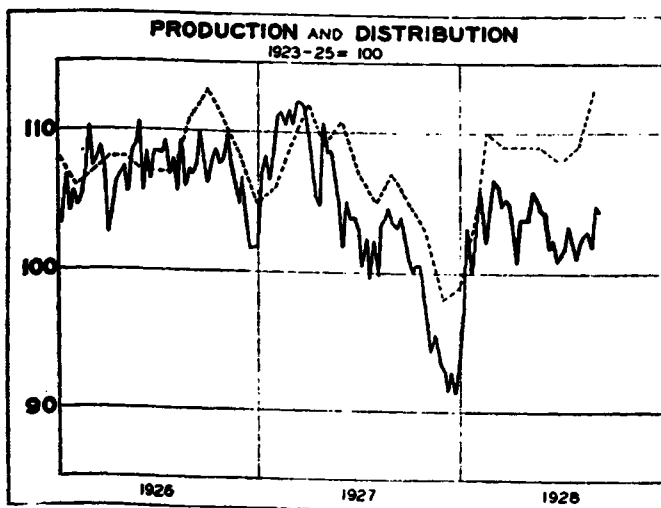
Commercial paper rates, on the other hand, have held steady for some time at 5½ per cent (90-day, prime), while 90-day bankers' acceptances (asked) declined from 4% to 4½ per cent on August 31, remaining at the latter figure since that date. There is thus a spread of 3 per cent between acceptances and call money, and of 2 per cent between prime commercial paper and call money. These differences are considerably larger than in the past.

Money rates in Cleveland are firmer than in the early summer, but show little change as compared with a month ago. Prime commercial paper ranges between 5½ and 6 per cent, and collateral loans are 5½-6. In Cincinnati, these rates are 5½-6 and 5½-7 per cent respectively, and in Pittsburgh the quotation on both is 5-6 per cent.

It should be remembered in discussing the present money situation that this is the season of normal strengthening of rates in connection with crop-moving.

**Reserve Bank Credit.** Bills discounted by the Reserve System declined irregularly for several weeks following the year's peak on July 10, but since August 15 have again moved upward, standing at \$1,094,000,000 on September 19, as compared with \$1,087,000,000 on August 22 and \$415,000,000 a year ago. Acceptance holdings have increased seasonally, standing at \$237,000,000 on September 19 as compared with \$184,000,000 a month ago, and \$219,000,000 a year ago. Government security holdings have changed but little, the figure of \$225,000,000 on September 19 being \$18,000,000 larger than a month earlier. As compared with a year ago, however, there is a drop of \$259,000,000.

For the Cleveland bank, discounts on September 19 were \$70,000,000, a sharp drop for the week and a drop of nearly \$50,000,000 from the year's high on July 3. Acceptance holdings at \$21,800,000 are up seasonally, while



Solid line—weekly index of car loadings F. R. B. of Cleveland (1923-1925 = 100). Latest figure: Week ending September 8—193.4. Broken line—monthly index of industrial production. Federal Reserve Board (1923-1925 = 100). Latest figure: August—113. Both curves adjusted for seasonal variation.

## FINANCIAL

The five weeks ending September 22 have witnessed further tightening in call and time money rates, increasing speculative activity on the New York stock exchange, and larger borrowings from the Federal Reserve System by member banks. Gold imports and exports have been negligible in comparison with earlier months, the country's stock of gold showing a slight gain during August.

**Money Rates.** The spread between rates in New York

Government securities at \$35,200,000 were slightly higher than a month ago.

**Member Bank Credit.** Collateral loans of reporting member banks have shown a declining tendency for two months, reflecting in part the growing practice of large corporations of lending direct to brokers and security dealers. Commercial loans have shown but little change lately. Investment holdings have been noticeably reduced, and time deposits show a corresponding loss, though not so large. Demand deposits have exhibited a very marked downtrend since Spring, another reflection of the withdrawal of corporation deposits for direct lending.

Loans to brokers and security dealers made by reporting member banks in New York City have turned sharply upward since mid-August, amounting to \$4,470,476,000 on September 19. This is less than \$100,000,000 below the high for all time reached on June 6 of this year. The feature of the situation in brokers' loans continues to be the growth in loans made by the banks as agents for corporations and individuals. These now stand at \$1,911,104,000 as compared with \$910,000,000 a year ago.

In the Fourth District, collateral loans have declined somewhat during the past month, "all other" loans have increased, and investments are noticeably lower. Demand deposits have not changed a great deal recently, although lower than in the late Spring. Time deposits have decreased gradually since July 3.

**Security Prices.** The bond market has been stronger recently, after declining for about three months. The New York Times average of 40 bonds was 90.80 on September 19, a gain of about a point for the month. The stock market as a whole marked time during the first three weeks of September, although violent fluctuations in individual issues and lines took place. Speculative activity increased as evidenced by heavier trading and larger brokers' loans. The Dow-Jones industrial average rose from 214.08 on August 14 to 240.38 on September 1—an exceptionally rapid advance—but fluctuated in a narrow range thereafter, standing at 239.40 on September 26.

**Debits, Failures, Savings.** Debits to individual account at 13 leading centers in the Fourth District amounted to \$2,553,261,000 in August, as against \$2,700,414,000 in July and \$2,468,506,000 a year ago.

Commercial failures in this District numbered 156 in August, as compared with 132 in July and 174 in August of 1927. Liabilities were \$4,231,357 in August, \$3,248,216 in July, and \$4,276,479 a year ago. In the United States there were 1852 failures in August, 1723 in July and 1708 in August, 1927.

Savings deposits in 67 banks in the Fourth District amounted to \$1,033,966,343 on September 1, a loss of 1.4 per cent for the month but a gain of 7.8 per cent for the year.

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

	Federal Reserve Bank of Cleveland (In Millions)		Federal Reserve System (In Millions)			
	Sept. 12, 1928	Sept. 14, 1927	Aug. 15, 1928	Sept. 12, 1928	Sept. 14, 1927	Aug. 15, 1928
Gold Reserves .....	255	309	262	2,629	2,984	2,613
Discounts .....	87	40	79	1,069	375	1,002
Acceptances .....	20	15	20	211	227	190
U. S. Securities .....	35	53	83	221	500	206
Total bills and securities	142	108	132	1,504	1,102	1,400
Federal Reserve notes in circulation .....	205	217	197	1,688	1,708	1,639
Total deposits .....	191	193	188	2,388	2,367	2,328

## REPORTING MEMBER BANKS

	Fourth District (In Millions)			United States (In Millions)		
	1928	1927	1928	1928	1927	1928
Loans secured by stocks and bonds .....	670	616	670	6,721	6,149	6,690
All other .....	800	799	795	9,093	8,707	9,049
Total loans .....	1,470	1,415	1,465	15,814	14,847	15,739
Investments .....	722	676	742	6,390	5,939	6,445
Demand deposits .....	1,044	1,053	1,033	13,197	13,544	12,952
Time deposits .....	962	928	980	6,890	6,287	6,904

## MANUFACTURING, MINING

**Iron and Steel** August's performance in setting a new high steel ingot record was the more impressive because it was apparently the direct reaction to consumptive demand. Consumers of steel experienced unusual and unexpected call for their own products and in turn looked to the steel industry for additional raw material. Although producers in August were announcing higher prices and reduced discounts for cash payments, effective with the fourth quarter, little of the tonnage that made August a record month is believed to have been driven in.

This condition of strong production and prices continued into September and promised to make that month also a record one. Some of early September's tonnage came under suspicion of being artificial to the extent that consumers were mildly anticipating their requirements, especially in view of advancing prices, but stocking in the pre-war sense did not appear general. Substantially all of the material ordered out in August and September apparently was for a definite consumptive purpose.

All sources of outlet for steel, excepting possibly railroad equipment builders, were taking steel beyond their usual requirements. With Ford gradually stepping up his production and other important makers behind orders on new models, automotive consumption was practically record breaking. Farm implement manufacturers were near capacity on their Fall runs. Supplementary orders for track material were up to normal. Indicating the wide distribution of steel rather than tonnage, jobbers in the Middle West were reporting the heaviest demand in many months from country hardware stores.

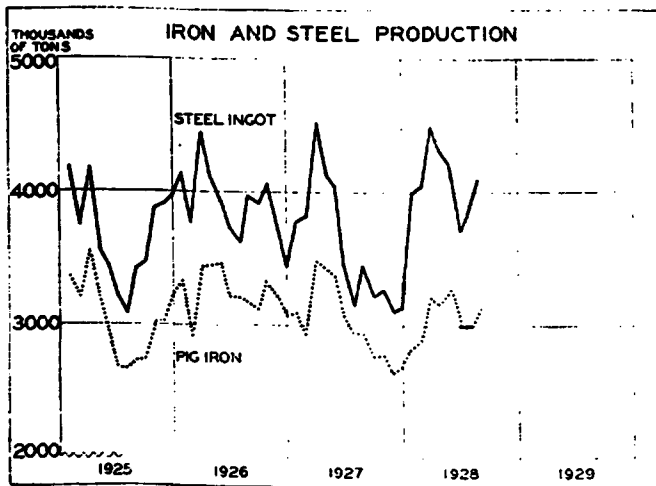
August and early September also saw a heavy buying movement in pig iron, which culminated in a series of price advances late in August and a secondary one in mid-September, after most users had covered for the last quarter. August shipments, a record for some producers, depleted furnace stocks and such important users as some automotive foundries in Michigan were down to five days' stocks. By mid-September pig iron prices in the Cleveland and Mahoning Valley were 50 cents to \$1.00 per ton higher than 60 days previous.

The character of demand benefited northern Ohio, Youngstown and Pittsburgh particularly. Pipe mills in August and early September rounded out their rolling schedules so as to leave little unfilled capacity over the remainder of the year. Tin plate mills operated at 90 per cent, winding up their season of 1928 commitments. Sheet mills, especially on the higher finishes, became three and four weeks behind on deliveries to the automotive industry. Strip mills also were pressed to make deliveries. Scrap iron and steel entered a sharply rising market as consumers bought railroad offerings direct and compelled dealers, many of them "short" on the market, to buy in other districts and at higher prices.

August's record ingot tonnage was 4,187,481, compared

with 3,811,573 tons in July, and 3,498,549 tons in August, 1927. The eight-month total stands at 32,782,937 tons, against 30,510,071 tons in the like period of 1927. The August pig iron total was 3,136,008 tons, compared with 3,072,711 tons in July, and 2,950,674 tons in August, 1927. The eight-month total for pig iron is 24,719,182 tons, and in 1927 it was 25,334,626 tons. The disparity between steel ingot and pig iron production is accounted for by the higher percentage of scrap used this year in the open hearth furnaces.

In the first week of August, the Iron Trade Review composite of fourteen leading iron and steel products apparently touched the bottom of the summer dip, at \$34.93, and rose to \$35.10 by the last week. The August average was \$34.96, compared with \$34.91 for July, and \$36.25 for August, 1927.



#### Coal

Coal stocks in the hands of industrial consumers in the United States and Canada continued to decline during August and now stand at slightly less than 40 million tons, or about a 36 days' supply. There seems to be no particular incentive to build up these stockpiles to any extent, inasmuch as the present productive capacity could amply take care of increased demand due to improving business and the approach of winter. In most parts of the country car shortage is a thing of the past, due to the present efficient operation of the railroads.

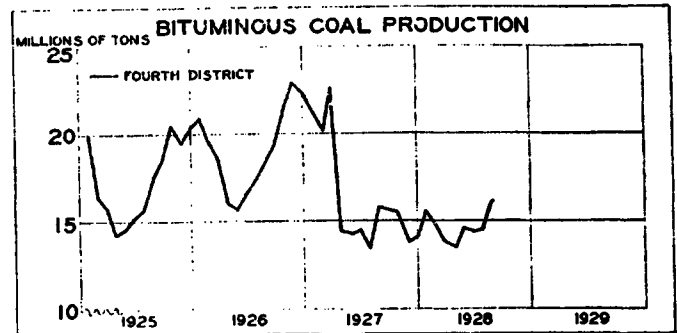
The total United States production of soft coal during the month of August was 41,108,000 tons, as against 36,276,000 tons in July, and 41,705,000 tons in August, 1927. The average daily rate in August was 1,523,000 tons, which was 72,000 tons higher than for the previous month, an increase of 5 per cent.

The average price of bituminous coal, f.o.b. mines, advanced from \$1.68 per ton on July 27 to \$1.90 on August 3 and remained at that figure for the remaining part of the month.

General conditions in the industry in the Fourth District seem to be a shade better than they were last month and a year ago, and the outlook for the last quarter of 1928 is slightly encouraging.

Reports coming from dealers and operators in various parts of this District are agreed that there has been an

increase in orders by customers, both for present and near future delivery, but the general feeling is that this increase is largely seasonal.



#### Rubber and Tires

Reports indicate that operations in Fourth District tire factories in August were about the same as in July. The seasonal shrinkage which usually develops in the industry at this time of year does not appear to be as noticeable as it was a year ago. Manufacturers report a larger volume in the number of tires produced as compared with 1927, but due to the fact that selling prices are lower, the dollar volume is about the same as last year. The automobile industry shows exceptionally large production for this time of year, and the demand for tires as original equipment has consequently been very heavy.

Orders for sundries, rubber boots and shoes are increasing, as is the custom in the fall of the year.

Total shipments of tires during July, the latest figure available, were 5,924,156 casings, an increase of almost 600,000 from the previous month, and 1,161,557 from July, 1927. This figure exceeded the actual monthly production, 4,873,716, by 1,050,440 units, resulting in a corresponding decline in stocks in manufacturers' hands.

There has been little change in crude rubber prices lately, first latex (spot) being quoted at 19.4 cents a pound in New York on September 18, about the same as a month ago. It is interesting to note that on September 20, 1927, crude rubber was quoted at 33½ cents a pound. The drop is due principally to the decision of the British Government to abandon the Stevenson Restriction Act.

#### Automobiles

The August production of passenger cars and trucks in the United States—458,429—was the largest for any month in history, exceeding last year's figure by 45 per cent. The second highest month on record was April, 1926, when 441,000 cars and trucks were produced. For the first eight months of 1928, production totaled 3,051,220, or slightly more than 400,000 in excess of the same period in 1927. The present year's output to date, however, is still about 94,000 short of that of the first eight months of 1926, the record year so far.

Registrations of new cars in the Fourth District are keeping pace with the heavy output. In August, registrations in 61 Ohio counties representing over 80 per cent of the state's population, increased 37 per cent over August of 1927, according to the Ohio State University Bureau of Business Research. In the seven most heavily

populated counties, registrations as compared with 1927 were 43 per cent greater for the month and 15 per cent greater for the first eight months.

**Clothing** The clothing business was quiet in August, as in July. Greater activity has appeared in September in preparation for the winter season, and although the present increase in orders is largely seasonal, there appears to be some gain not accounted for by seasonal factors. Because of this, manufacturers are inclined to be more confident of the winter trade than they were a month ago.

The knit goods branch of the industry is experiencing a heavy increase in orders for quick shipment, as is normal at this season. Business in women's outerwear is about the same as last year; advance orders are in fairly good volume and substantial repeat orders are being received. Improvement is reported in the men's wear trade after a dull summer. But little change has occurred recently in woolens and worsteds.

August sales of reporting wholesale dry goods houses in the Fourth District were 9.6 per cent less than a year ago, but increased 44.1 per cent over July. The first eight months registered a gain in sales of 1.3 per cent over 1927.

August retail clothing sales were only fair as compared to last year. In 31 department stores in the Fourth District, gains were shown by misses' ready-to-wear, 10.5 per cent; juniors' and girls' wear, 14.7; aprons and house dresses, 33.3; hosiery, 4.5; knit underwear, 4.6; and silk and muslin underwear, 9.8 per cent. On the other hand, decreases took place in all the men's wear departments, and several others of importance, such as women's coats, women's dresses, sports' wear, and furs.

**Shoes** The shoe manufacturing industry in this District is in good condition. August production in 32 large factories exceeded that of July by more than the usual seasonal gain, and in addition was larger than in any other month during the past five years except August, 1927, and February, 1928. Cincinnati manufacturers report business as being ahead of a year ago, with the outlook for this Fall quite promising on the basis of orders being received.

The situation in the retail end of the business is also encouraging. August sales of women's shoes in 31 department stores in the Fourth District were 5.5 per cent larger than a year ago, and children's shoes also gained 3.6 per cent. These increases are particularly notable in view of the decreases shown by the great majority of individual departments. Men's and boys' shoes showed a small decline of 1.4 per cent.

Returns from wholesalers are less satisfactory, August sales of reporting units exhibiting a loss of 14 per cent from the same month in 1927.

**Other Manufacturing** The majority of manufacturing lines in this District are doing from 5 to 25 per cent more business now than a year ago. Some others report conditions about the same as last year, while almost no cases are evident of declines from 1927. In most instances, furthermore, condi-

tions improved during August and the first half of September as compared with July.

There appears to be very little disposition on the part of customers to increase their forward buying, in spite of the rise in the general price level during the past few months. Orders, although heavier, continue to be very largely for quick delivery. It may be said, however, that what little change has taken place is in the direction of more advanced purchasing rather than toward an even more restricted buying policy. The tendency until recently has been in the latter direction.

**Agricultural Implements.** Conditions in this line are very satisfactory.

**Electrical Supplies.** Business is somewhat better than a year ago.

**Machinery, Machine Tools.** Sales of engineering specialties are well in excess of a year ago. Steady improvement is reported by makers of woodworking machinery. Sales of twist drills are well above the normal at this season; collections are better, and prices remain firm. Demand for various types of machine tools is good.

**Metal Containers.** Demand is increasing and 1928 to date shows a gain in business of about 10 per cent over last year. An even better record was made by August, in comparison with both August, 1927, and July, 1928.

**Motor Accessory.** Manufacturers remain extremely busy. Numerous factories are operating large night forces in an endeavor to keep up with incoming orders. The tendency to replace castings with forgings has aided the drop forging industry.

**Paint.** Salesmen now on the road are said to be obtaining larger orders than heretofore. Most of the larger paint and varnish concerns in the Cleveland area have done better in 1928 than in 1927 and are enjoying good business at present, especially in lines catering to the motor trade. Pig lead prices have lately advanced \$4.00 per ton.

**Paper.** Conditions in the paper trade leave something to be desired; profits are smaller despite heavier business, and recently orders have exhibited a declining tendency greater than seasonal.

**Stoves.** The usual seasonal increase in inquiries for stoves and ranges is now taking place.

## AGRICULTURE

As harvesting progresses, several of the principal crops of the country give evidence of larger production than was expected earlier in the season, the composite of the prospective yields of all crops in the country on September 1 being 3.3 per cent higher than their ten-year average on that date. It will be remembered that most spring planting was late and that grass and winter wheat started the season in poor shape, but crop growth was generally aided by the rains of June and July.

In the Fourth District, crop prospects on September 1 were, for the most part, slightly lower than a month earlier, due to hot, dry weather in August. The late summer was favorable for haying and threshing in most localities, but fall plowing has been retarded in many places, the ground being too hard to work.

The following table gives the estimated yield of the principal crops in the Fourth District, based on the con-

dition of the crops on September 1, compared with the actual yield in 1927 and also compared with the United States.

	Fourth District		United States	
	Estimate	Yield	Estimate	Yield
	Sept. 1, 1928	1927	Sept. 1, 1928	1927
Corn (bu.) .....	178,112	150,323	2,930,586	2,773,708
Wheat (bu.) .....	13,467	33,931	901,072	872,595
Oats (bu.) .....	110,063	78,362	1,453,829	1,184,146
Hay (tons) .....	5,370	7,652	87,859	123,794
Tobacco (lbs.) .....	117,477	80,647	1,371,782	1,195,880
Potatoes (bu.) .....	24,885	21,501	466,815	406,964

Corn in practically all parts of the District is poorer than a month ago. In Ohio the heaviest declines occurred in the northwest and southwest portions of the State. In Pennsylvania the crop is quite varied. In some sections many fields have been abandoned, while in others the crop has never been better. The September 1 condition was 81 per cent of normal, compared with 84 on August 1, 65 on September 1, 1927, and 84.3, the ten-year average.

Oats prospects declined about 7 per cent in Ohio, 5 per cent in Pennsylvania, and 1 per cent in West Virginia during August. Early threshing returns show oats to be lighter in yield than was expected earlier in the season. The September forecast for Ohio, in spite of the decline in condition, is for a crop of 92,378,000 bushels, a production only exceeded once in the past sixty years. This large crop is a result of the failure of much of the winter wheat, which made it necessary for farmers to replant the ground to some Spring crop.

The condition of potatoes in the District is much above the average of the past ten years, but is not uniformly good. Blight, rot, weeds and drought have affected the crop adversely in different localities. The large increase in estimated production is again explained by the increased acreage.

Pastures in most parts of the District are good, though the condition on September 1 was lower than a month earlier. Hay production in Ohio was estimated on September 1 at 3,288,000 tons, as compared with 5,149,000 tons harvested in 1927.

Fruit crops in Ohio show little change from August 1. In Pennsylvania, apples and grapes have changed slightly in condition during the last month but peach prospects have declined 88,000 bushels since August 1. In spite of this falling-off, the September 1 forecast is still 8 per cent above the average production for the past five years and 75 per cent in excess of the 1927 harvest. Apples continue to drop and the quality of the crop as a whole is inferior. Scab is still bad, and reports of apples bursting are numerous.

The grape crop, both in Ohio and Pennsylvania, is estimated to be much larger than the harvest of 1927, the increase being 43 and 40 per cent respectively. In the Erie belt the crop is in good shape. Weather conditions have been favorable, the temperature being above normal and moisture adequate. Disease and insect damage appear to be light and vines are growing well, clusters are large, and the fruit is firm and of good size. Harvest

will begin in the majority of vineyards about October 1.

The Bureau of Labor's index of agricultural prices in August stood at 107.0, a slight decline from the July figure of 107.1.

**Tobacco**

The warm, dry weather of the past few weeks has been exceptionally favorable for the Kentucky burley tobacco crop.

As a result, the condition of the crop, which was rather poor a month ago, has undergone a marked improvement both as to quality and quantity. The Department of Agriculture's September 1 forecast indicated a 1928 yield of 312,602,000 pounds (all types) for Kentucky, as compared with an estimate of 288,249,000 a month earlier. This shows the improvement in quantity that has taken place, and in addition, reports from Lexington state that the quality of the crop as a whole has improved very materially. The crop is now figured to be 55 per cent larger than last year's low production, but 25 per cent less than the 5-year average, 1922-1926.

The Department of Agriculture's estimate of the total 1928 production of the various types of tobacco grown wholly or partly in Kentucky is as follows (in pounds):

Type	1928	1927
Burley .....	272,698,000	180,659,000
Green River .....	23,240,000	18,110,000
Henderson .....	5,250,000	4,200,000
One-sucker .....	21,230,000	13,056,000
Hopkinsville- Clarksville .....	82,000,000	63,000,000
Paducah .....	28,000,000	18,000,000

For the United States, the latest estimate indicates a 1928 crop (all types) of 1,371,782,000 pounds, as compared with 1,211,301,000 in 1927, and a five-year average (1922-1926) of 1,337,561,000 pounds.

Total stocks of leaf tobacco held by manufacturers and dealers on July 1 were 1,734,378,240 pounds, according to the Department of Agriculture, as against 1,841,078,123 a year earlier and 1,998,144,550 on April 1, 1928. Exports for the first seven months of 1928 amounted to 170,153,254 pounds, an increase of 25,000,000 over the same period in 1927.

**BUILDING**

Building operations in the Fourth District made an unfavorable showing in August, doubtless reflecting the higher cost of borrowing for construction purposes. Both contracts awarded and building permits were less than a year ago. In the case of the former, both residential and total contracts were the smallest for any August since 1924, the declines from last year being 37 and 20 per cent respectively. In dollars, total contracts awarded in August amounted to \$50,408,000, of which \$14,353,000 were for residential purposes. For the first eight months of 1928, total contracts awarded were \$441,178,000, a loss of 8.9 per cent from last year, and residential contracts were \$156,187,000, a decrease of 5 per cent.

August building permits in 27 leading cities in this District totaled \$23,697,614, a loss of 13.8 per cent from a year ago and also a loss from 1926. For the first eight months, however, the total of \$179,867,675 showed a gain of 2.7 per cent over the same period of 1927. For

August, permits were larger than last year in only seven of the 27 reporting cities, the greatest gains taking place in Ashtabula, Cleveland, Newark, and Hamilton. In the first three, the gains were more than 100 per cent. To offset these, decreases of more than 40 per cent occurred in Akron, Canton, five of Cleveland's suburbs, Columbus, Dayton, Erie, Lima, Pittsburgh, and Springfield, and several other cities reported declines nearly as large. For the first eight months, nine cities reported gains, of which the largest were in Newark, Cleveland, Pittsburgh, Lakewood, and Euclid.

Lumber concerns state that August was a dull month, but September has brought a slight betterment in some instances. Most dealers are doing a somewhat smaller volume of business than they were a year ago, which is only natural in view of the falling-off in building previously noted.

The Aberthaw index of industrial building costs remains unchanged for September at 191.

### Building Operations

(Valuation of Permits)

	August, 1928	% change from 1927	Jan.-Aug. 1928	Jan.-Aug. 1927	% change from 1927
Akron.....	1,292,060	-43.3	12,035,957	15,007,051	-19.8
Ashtabula....	36,515	+111.1	313,426	414,585	-24.4
Barberton....	59,582	-3.7	634,698	822,359	-22.8
Canton.....	219,930	-43.2	2,801,373	2,690,118	+4.1
Cincinnati....	4,194,705	+15.6	24,237,005	21,274,153	+13.9
Cleveland....	6,825,300	+119.4	38,969,275	30,015,450	+29.8
Cleve. suburbs					
Cleve. Hts....	174,425	-64.9	3,315,585	3,792,237	-12.6
East Cleve...	29,606	-81.7	632,350	1,012,885	-37.6
Euclid.....	76,095	-70.7	1,709,956	1,357,829	+25.9
Garfield Hts.	122,300	-48.1	1,228,550	2,073,000	-40.7
Lakewood....	51,601	-75.2	4,281,597	2,591,044	+65.2
Parma.....	195,273	-31.9	1,932,439	2,628,626	-26.5
Rocky River	146,650	+10.1	866,063	1,012,273	-14.4
Shaker Hts..	327,225	-37.3	5,720,765	6,675,860	-14.3
Colum bus...	1,129,700	-46.8	12,770,400	16,830,400	-24.1
Covington, Ky.	154,000	-11.4	1,227,500	1,299,900	-5.6
Dayton.....	693,194	-52.4	8,720,226	8,664,681	+0.6
Erie, Pa.....	347,650	-46.8	2,639,737	3,693,184	-28.5
Hamilton....	459,628	+58.6	1,523,761	1,534,306	-0.7
Lexington, Ky.	256,245	-32.1	1,178,976	1,662,499	-29.1
Lima.....	19,175	-76.9	318,229	574,586	-44.6
Newark.....	386,700	+258.9	941,480	329,488	+185.7
Pittsburgh, Pa.	3,166,673	-44.1	30,215,414	26,428,863	+14.3
Springfield...	92,820	-40.5	952,215	1,421,085	-33.0
Toledo.....	1,902,903	-30.6	13,041,640	12,845,302	+1.5
Wheeling, W. Va.	277,080	+39.8	1,360,600	2,101,775	-35.3
Youngstown..	560,535	-33.9	6,298,458	6,433,830	-2.1
Total.....	23,697,614	-13.8	179,867,675	175,187,369	+2.7

### TRADE

**Retail Trade** Sales of 62 department stores in the Fourth District in August were 7.9 per cent less than a year ago. Sales were unusually large in August of last year, however, owing to early Fall buying brought on by unseasonably cool weather in the late summer. The volume of sales for the past month exceeded that for August of 1924 and 1925, and was about the same as in August of 1926.

For the first eight months of 1928, the District showed a loss of 1.5 per cent in sales from last year. Akron and Toledo registered the largest gains, while Pittsburgh showed the largest decrease.

Most of the individual departments suffered losses in sales as compared with August, 1927. Decreases in some of the principal departments were as follows: silks and velvets, 17.6 per cent; women's coats, 10.3; dresses, 4.9; furs, 25.5; men's clothing, 11.7; boys' wear, 1.5; women's and children's shoes, 1.0; furniture, 21.0; floor coverings, 10.0; draperies, lamps, shades, 12.3; house furnishings, 2.8 per cent.

**Wholesale Trade** Sales of reporting grocery and drug firms in the Fourth District in August were in larger volume than a year ago, while those of dry goods, hardware, and shoes were substantially less. For the first eight months of 1928, grocery sales exceeded the same period in 1927 by 2.2 per cent, dry goods by 1.3 per cent, and drugs by 0.8 per cent. Hardware and shoes decreased 6.1 and 10.0 per cent respectively.

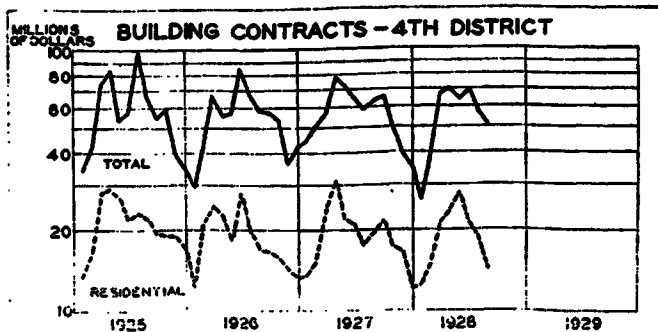
Grocery stocks on August 31 were 1.2 per cent greater than a year previously, but stocks of dry goods and shoes were 6.3 and 7.8 per cent less respectively.

Accounts receivable on August 31 showed an increase of 4 per cent over the preceding year for groceries, 10.5 per cent for drugs, and 4.7 per cent for hardware. In dry goods, receivables fell off 8.1 per cent, and in shoes 9.2 per cent.

Grocery collections in August were 9.5 per cent larger than a year ago; shoes 2.3; and drugs, 0.4 per cent. Dry goods collections were 8.2 per cent less, and hardware, 9 per cent lower.

The percentage of August collections to accounts receivable on July 31 was 85.3 for groceries, 40.4 for dry goods, 35.7 for hardware, 34.7 for shoes, and 81.8 for drugs.

The stock turnover rate for groceries in July was .72, or 3.64 times a year, and for dry goods was .37, or 4.44 times a year.



Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	Aug. 1928	Aug. 1927	% change	Jan.-Aug. 1928	Jan.-Aug. 1927	% change
Bank Debits (24 cities)	3,084	3,005	+ 2.6	26,198	26,011	+ 0.7
Savings Deposits (end of month)						
Ohio (41 banks)	757,132	699,403	+ 8.3	744,826 <sup>1</sup>	690,356 <sup>1</sup>	+ 7.9
Western Pennsylvania (26 banks)	276,834	259,410	+ 6.7	279,547 <sup>1</sup>	255,442 <sup>1</sup>	+ 9.4
Total (67 banks)	1,033,966	958,812	+ 7.8	1,024,373 <sup>1</sup>	945,798 <sup>1</sup>	+ 8.3
Commercial Failures Number	156	173	- 9.8			- 0.5
Liabilities	4,231	4,276	- 1.1	38,916	35,638	+ 9.2
Postal Receipts — 9 cities	2,865	2,876	- 0.4	24,228	24,125	+ 0.4
Sales — Life Insurance — Ohio and Pa.	95,844	93,102	+ 2.9	847,067	808,946	+ 4.7
Dept. Stores (62 firms)	21,246	23,071	- 8.6	184,410	187,256	- 1.5
Wearing Apparel (15 firms)	1,390	1,640	- 17.1	11,681	12,157	- 1.0
Furniture (49 firms)	1,203	1,177	+ 2.3	8,476	8,545	- 0.8
Wholesale Grocery (44 firms)	7,012	6,696	+ 4.7	51,085	49,975	+ 2.2
Dry Goods (13 firms)	2,553	2,823	- 9.6	17,058	16,835	+ 1.3
Hardware (16 firms)	1,870	1,983	- 5.7	15,277	16,273	- 6.1
Drugs (14 firms)	1,887	1,809	+ 4.3	14,561	14,447	+ 0.8
Building Permits, Valuation—27 cities	23,698	27,487	- 13.8	179,868	175,187	+ 2.7
Building Contracts — Total, 4th District	50,408	62,447	- 19.3	441,178	484,394	- 8.9
Residential, 4th District	14,353	19,576	- 26.7	156,187	163,956	- 4.7
Production — Pig Iron, U. S.	3,136	2,947	+ 6.4	24,729	25,318	- 2.3
Steel Ingots, U. S.	4,178	3,471	+ 20.4	32,783	30,268	+ 8.3
Automobiles, U. S.						
Passenger Cars	400,689	274,381	+ 46.0	2,704,514	2,313,869	+ 16.9
Trucks	57,740	34,445	+ 67.6	346,706	332,416	+ 4.3
Bituminous Coal, 4th Dist.	16,118	15,876	+ 1.5	118,628	135,531	- 12.5
Cement: Ohio, W. Va., Wn. Pa.	2,038	1,967	+ 3.5	11,291	11,216	+ 0.7
Electric Power: Ohio, Pa., Ky.	1,031 <sup>2</sup>	1,010 <sup>2</sup>	+ 2.1	7,626 <sup>2</sup>	7,628 <sup>2</sup>	- 0.03
Petroleum: Ohio, Pa., Ky.	2,095 <sup>3</sup>	2,012 <sup>3</sup>	+ 4.2	14,091 <sup>3</sup>	13,805 <sup>3</sup>	+ 2.1
Shoes, 4th District	4,920 <sup>4</sup>	3,864 <sup>4</sup>	+ 27.3	33,904 <sup>4</sup>	30,544 <sup>4</sup>	+ 11.0
Tires, U. S.	5,666	4,166	+ 36.0	20,824	23,182	- 10.2
Bituminous Coal Shipments (from Lake Erie ports)	6,390	6,451	- 0.9	21,515	24,300	- 11.5
Iron Ore Receipts (at Lake Erie ports)						
8 months' average.						
July						
January-July						
Figures Confidential						

Index Numbers of Trade in the Fourth Federal Reserve District

Retail and Wholesale Trade

(1928 compared with 1927)

	Percentage Increase or Decrease		SALES STOCKS
	SALES	SALES	
	Aug.-Aug.	First 8 mos.	Aug.-Aug.
<b>DEPARTMENT STORES (62)</b>			
Akron	+ 2.3	+ 8.7	+ 23.9
Cincinnati	- 10.7	- 0.1	+ 2.3
Cleveland	- 7.9	+ 0.6	- 0.3
Columbus	- 3.0	+ 0.8	+ 4.6
Dayton	- 1.0	+ 0.2	+ 3.9
Pittsburgh	- 13.1	- 6.3	- 9.7
Toledo	+ 1.2	+ 5.3	- 3.0
Wheeling	- 2.0	- 2.8	- 11.4
Youngstown	- 6.8	- 1.6	- 3.3
Other Cities	- 4.3	- 5.0	- 5.6
District	- 8.6	- 1.5	- 2.6
<b>WEARING APPAREL (13)</b>			
Cincinnati	- 17.1	- 1.0	- 9.0
Other Cities	- 14.9	- 5.6	- 3.6
District	- 15.3	- 3.9	- 4.8
<b>FURNITURE (48)</b>			
Cincinnati	+ 0.9	- 2.1	
Cleveland	- 5.2	- 2.4	
Columbus	+ 3.6	- 2.5	
Dayton	+ 13.1	+ 3.7	
Toledo	+ 2.9	+ 3.6	
Other Cities	+ 2.5	- 10.0	
District	+ 2.0	- 0.8	
<b>CHAIN STORES*</b>			
Drugs—District (3)	- 0.5	- 6.0	
Groceries—District (4)	+ 7.9	+ 5.1	
<b>WHOLESALE GROCERIES (44)</b>			
Akron	- 5.9	+ 6.4	
Cincinnati	+ 0.02	+ 3.4	
Cleveland	+ 9.1	+ 2.4	
Eric	- 1.2	- 6.0	
Pittsburgh	+ 7.9	+ 8.2	
Toledo	+ 7.1	+ 0.6	
Other Cities	+ 2.7	+ 1.0	
District	+ 4.7	+ 2.2	+ 1.2
<b>WHOLESALE DRY GOODS (13)</b>	- 9.6	+ 1.3	- 6.3
<b>WHOLESALE DRUGS (14)</b>	+ 4.3	+ 0.8	
<b>WHOLESALE HARDWARE (16)</b>	- 5.7	- 6.1	
<b>WHOLESALE SHOES (6)</b>	- 13.9	- 10.0	- 7.8

\*Sales per individual unit operated.

	Aug. 1924	Aug. 1925	Aug. 1926	Aug. 1927	Aug. 1928
Department Stores (50)*	87	90	93	101	93
Wholesale Dry Goods (14)**	95	101	103	107	111
Wholesale Dry Goods (13)**	100	97	92	104	94
Wholesale Groceries (44)**	97	98	95	95	100
Wholesale Hardware (16)**	95	90	95	93	87
Wholesale All (92)**†	96	96	96	99	97
Chain Drugs (3)*†	103	106	106	97	96

\*Base = Average monthly sales, 1919-1923.  
 \*\*Base = Average monthly sales, 1923-1925.  
 †Includes 4 shoe firms.  
 ‡Per individual unit operated.

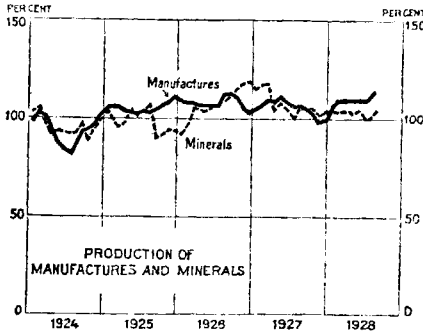
Debits to Individual Accounts

(In thousands of dollars)

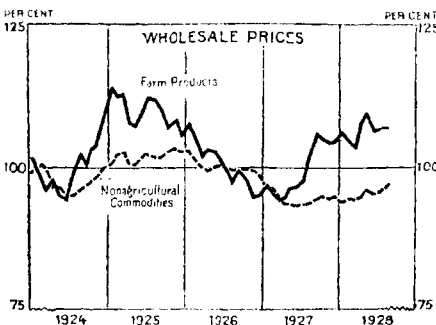
	5 weeks ending Sept. 19, 1928	% change from 1927	1928 to date (Dec. 28-Sept. 19) 1928	1927 to date (Dec. 29-Sept. 21) 1927	% change from 1927
Akron	117,805	+ 5.4	974,841	896,647	+ 8.7
Butler, Pa.	13,410	+ 3.9	101,164	104,604	- 4.2
Canton	57,233	+ 4.8	446,184	436,535	+ 2.2
Cincinnati	437,205	+ 1.5	3,991,973	3,665,549	+ 8.9
Cleveland	898,837	+ 7.7	7,410,460	7,240,849	+ 2.3
Columbus	178,788	+ 0.8	1,507,817	1,501,355	+ 0.4
Connellsville, Pa.	4,742	- 11.1	37,707	46,358	- 18.7
Dayton	107,950	+ 6.0	873,022	859,258	+ 1.6
Eric, Pa.	44,070	+ 5.2	328,108	326,494	+ 0.5
Greensburg, Pa.	21,495	- 10.4	186,106	201,551	- 7.7
Homestead, Pa.	4,944	- 9.0	38,635	40,417	- 4.4
Lexington, Ky.	22,848	- 9.0	221,344	224,571	- 1.4
Lima	19,757	+ 18.5	140,543	133,491	+ 5.3
Lorain	8,416	- 0.9	57,153	56,487	+ 1.2
Middletown	14,268	- 2.1	115,763	101,873	+ 13.6
Oil City, Pa.	21,584	+ 26.4	152,998	138,570	+ 10.4
Pittsburgh, Pa.	1,070,629	+ 7.9	8,826,328	9,417,387	- 6.5
Springfield	25,686	- 7.6	203,673	218,457	- 6.7
Steubenville	14,879	+ 10.9	106,138	102,323	+ 3.7
Toledo	296,845	+ 14.8	2,446,593	2,101,614	+ 16.4
Warren	15,957	+ 3.7	122,691	126,051	- 2.7
Wheeling, W. Va.	57,337	+ 19.2	443,505	418,898	+ 5.9
Youngstown	80,978	+ 5.4	648,348	650,183	- 0.3
Zanesville	15,298	+ 6.8	117,549	115,302	+ 1.9
<b>Total</b>	<b>3,550,961</b>	<b>+ 6.1</b>	<b>29,497,843</b>	<b>29,124,804</b>	<b>+ 1.3</b>

## Summary of National Business Conditions

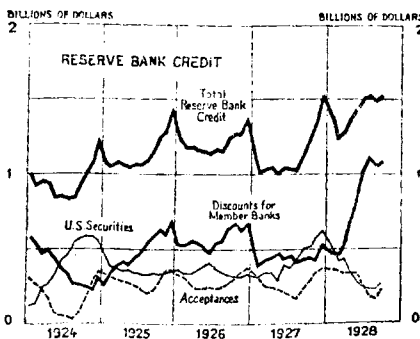
By the Federal Reserve Board



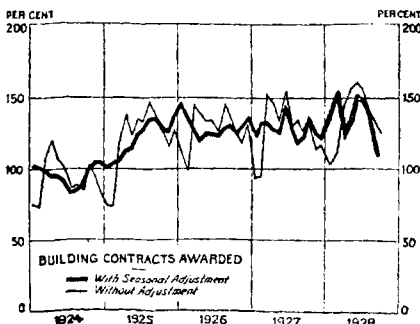
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 = 100). Latest figures, August, manufactures—114; minerals—105.



Index of U. S. Bureau of Labor Statistics (1926 = 100). Latest figures, August, farm products—107.0; non-agricultural, 96.7.



Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages for first 22 days in August



Federal Reserve Board's indexes of value of building contracts awarded as reported by the F. W. Dodge Corporation (1923-1925 average = 100.) Latest figures, August, adjusted index—111; unadjusted index—126.

Volume of industrial and trade activity increased in August, and there was a further advance in wholesale commodity prices. Reserve bank credit outstanding increased in September, reflecting in part seasonal demands for currency and credit. Money rates remained firm.

### PRODUCTION

Production of both manufactures and minerals increased considerably in August, the output of manufacturing plants being larger than at this season of any earlier year. Automobile production was in record volume in August, and available information indicates that output was maintained by many producers at a high level during September. Iron and steel production continued large in August and September, and output of nonferrous metals increased between July and August. Textile mill activity, which had been somewhat reduced in recent months, also showed a substantial increase. Factory employment and payrolls have increased since midsummer and in August were close to the levels of a year ago. In the building industry, there was evidence of recession in a sharp decline after the early summer in contracts awarded, which were in smaller volume during August than in the corresponding month of any year since 1924. In the first three weeks of September, however, awards were somewhat larger than last year.

Estimates of the Department of Agriculture for September 1 indicate that yields of principal crops will be larger than last year and above the average for the preceding five years.

### TRADE

Distribution of commodities showed seasonal increases in August, although sales in most lines of wholesale and retail trade did not equal the unusually large sales of August, 1927. Department store stocks increased as is usual in August, but continued smaller than a year ago, while inventories in several lines of wholesale trade were somewhat larger than last year. Freight car loadings were in about the same volume in August as a year earlier. Shipments of miscellaneous commodities and grains were larger, and those of coal, livestock, and forest products smaller than last year.

### PRICES

The general level of commodity prices increased in August, and the Bureau of Labor Statistics index at 98.9 per cent of the 1926 average, was the highest in nearly two years. Increases in August were chiefly in the prices of livestock and livestock products, which are now higher than at any time since 1920. There were also small increases in fuels, metals, and building materials. Grains and cotton showed sharp declines, and there were decreases also in hides, skins and wool. Since the 1st of September, there have been some declines in livestock and meats, and a sharp further decrease in cotton, while prices of pig iron, copper, and petroleum have advanced.

### BANK CREDIT

Between the middle of August and the middle of September, there was a considerable increase in the loans and investments of member banks in leading cities. Part of the increase was in loans on securities and part reflected a seasonal increase in other loans. Deposits of the member banks also increased during the period. Volume of reserve bank credit outstanding increased during the four weeks ending September 19 in response to seasonal demands for currency and growth in member bank reserve requirements. The increase in total bills and securities was largely in holdings of acceptances and in discounts for member banks. During the same period there were further increases in open market rates on collateral loans and on commercial paper, while rates on bankers' acceptances were reduced from 4½ per cent to 4¼ per cent.