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Federal Reserve Bank of Cleveland

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Analysis of the state of general business during October and early November throughout the Fourth District shows that, while there has been a falling-off in activity in many lines from the peak levels attained earlier in the year, much of it was of a seasonal nature. Operations in most lines accordingly continue to compare favorably with those of a year ago.

Of the 19 indexes of Fourth District business, shown on page 7, only three were lower in October than in the same month of 1928, these being residential building contracts, cement production and chain drug store sales. In addition to these, there was a decline in automobile passenger car production (which adversely affected steel output, especially in this District), tire production and in furniture store sales. All other major industries in October were at least on a par with 1928.

Retail distribution continues in good volume. Department store sales were 5.4 per cent larger in October than a year ago and reports indicate that November business has compared favorably with preceding years. Wholesale firms show an increase in October and for the first ten months in all lines except shoes.

Bituminous coal production in the District in October exceeded 1928 by 5.9 per cent and for the first ten months of 1929, 14.1 per cent more coal had been produced than in the same period of 1928. Coal shipments at Lake Erie ports so far this year, have been 15 per cent larger than a year ago. Iron ore receipts at Lake Erie ports were slightly ahead of 1928 in October, but for the year-to-date have exceeded last year by 28 per cent.

Net earnings of various concerns throughout the District were considerably higher in the third quarter than they were a year ago, but showed a decline, partly seasonal, from the second quarter of this year.

General manufacturing concerns, except those directly dependent upon the automobile industry for the bulk of their orders, are operating at levels which are above last year. Textile factories are busy; makers of men's and women's apparel are producing in good volume; shoe production in October was the highest ever reported for that month; paper concerns note some improvement; railway and electrical equipment factories are busy and paint manufacturers have enjoyed a good year. Motor

accessory and machine tool plants are running on reduced schedules. Reports indicate that early November operations generally have shown no marked changes, other than seasonal, from a year ago.

FINANCIAL

The past month has witnessed a further improvement in the general situation. Interest rates have declined during recent weeks to the lowest level in more than a year and the bond market has shown improvement.

Money Rates. The discount rate on bankers' acceptances (90-day, asked) declined from 5½ per cent in mid-October to 3¾ per cent on November 25 and compared with 4½ per cent in November, 1928. Open market rates on prime commercial paper were 5¼-5½ per cent on November 25, which compared with 6¼ in October. Stock exchange money has been in good supply, the call rate (renewal) being 6 per cent for most of the month, but it was 4½ per cent on November 22. Time money was quoted at 5-5¼ per cent, a two per cent decline in a month.

In this District, rates charged by large commercial banks have softened slightly, November being the first month for some time in which a lower rate than for the preceding month has been quoted on the various classes of loans.

Member Bank Credit. The decline in security prices which took place in latter October and early November was accompanied by a temporary increase in the security loans of reporting member banks, both in this District and for the entire country. Banks generally were called upon to temporarily supply funds to take the place of non-bank loans which were suddenly withdrawn from the market and loans on securities locally increased from \$724,000,000 on October 16 to \$768,000,000 on November 6, but had declined to \$748,000,000 on November 20. "All other" loans have increased slightly during the month and are \$17,000,000 higher than they were a year ago. Investments, which have been declining for over a year, increased temporarily on October 30, but have since resumed their downward trend. Accompanying the increase in loans, deposits increased \$35,000,000 on October 30, but they have since declined and are less than they were in 1928.

Reserve Bank Credit. Unusually heavy demands made on the member banks during the past month found the reserve banks both in this District and throughout the country in position to lend support to the situation during the period of financial disturbance. In the Fourth District, bills discounted increased from \$84,638,000 on October 16 to \$131,615,000 on November 13 and were \$118,241,000 on November 20. Acceptances were seasonally high and government securities held, which have declined during the past two weeks, on November 6 were only slightly less than they were a year ago. On that date total credit extended amounted to \$201,141,000, when it was higher than it has been since January, 1921. In the two weeks ending November 20, there had been a decline of \$26,000,000 in this item. Gold reserves have increased during the four weeks ending November 20, but they are \$39,000,000 less than they were last year at this time. Note circulation has been steady but is about \$25,000,000 less than it was in 1928. Reserve deposits declined during the month.

Debits, Savings, Failures. The volume of check payments at 13 large centers in the Fourth District amounted to \$3,346,238,000 in October, \$2,860,492,000 in September and \$3,065,085,000 in October, 1928. This was an increase from a year ago of 9.2 per cent.

Savings deposits of 63 banks on November 1 in Ohio and Western Pennsylvania totaled \$1,044,005,231, a decline from the preceding month of 0.5 per cent and an increase from last year of only 0.1 per cent. For the past several months, savings deposits have failed to show the usual growth and the increase over the preceding year has diminished until it is now negligible.

Commercial failures in this District, according to R. G. Dun and Company, numbered 132 in October, as compared with 150 in September and 162 in October, 1928. Liabilities of these defaulting concerns were \$1,605,830, as against \$2,359,380 in October a year ago. In the United States there were 1,822 failures in October this year and 2,023 last year.

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

BANKING OPERATIONS

	Federal Reserve Banks			Federal Reserve System		
	Federal Reserve Bank of Cleveland			Federal Reserve System		
	(In Millions)			(In Millions)		
	Nov. 20 1929	Nov. 21 1928	Oct. 23 1929	Nov. 20 1929	Nov. 21 1928	Oct. 23 1929
Gold Reserves	201	239	223	3,042	2,667	3,085
Discounts	118	80	91	900	800	796
Acceptances	39	52	42	284	484	379
U. S. Securities	16	34	28	827	226	136
Total bills and securities	174	166	162	1,530	1,515	1,397
Federal Reserve notes in circulation	175	205	176	1,925	1,717	1,857
Total deposits	178	186	186	2,663	2,378	2,422

REPORTING MEMBER BANKS

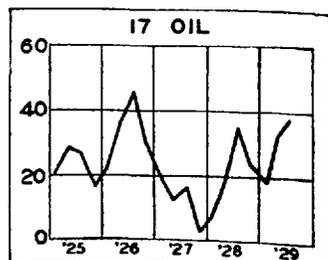
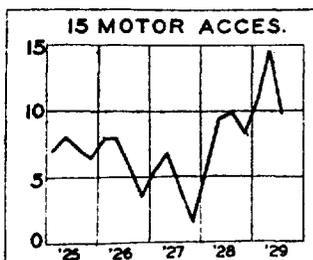
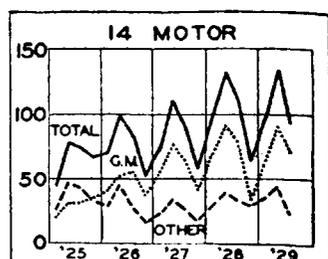
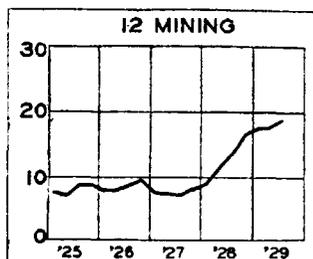
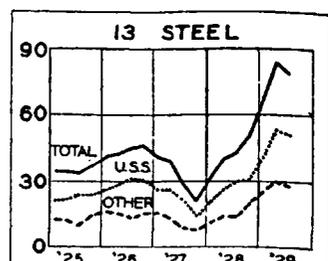
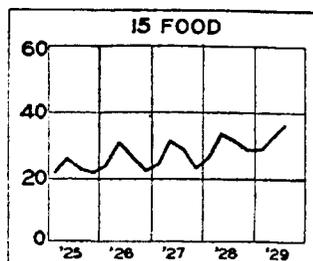
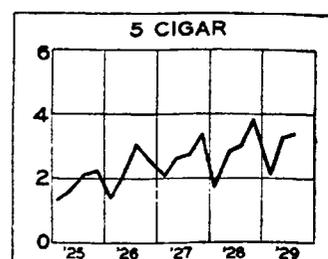
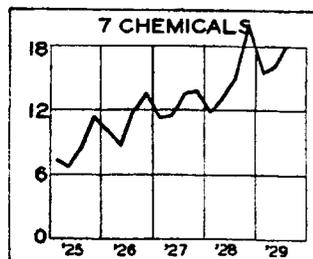
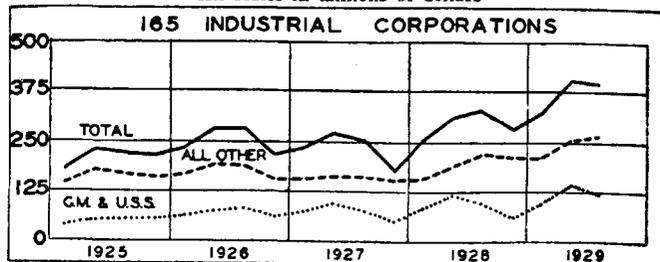
	Fourth District			United States		
	(In Millions)			(In Millions)		
	Nov. 20 1929	Nov. 21 1928	Oct. 23 1929	Nov. 20 1929	Nov. 21 1928	Oct. 23 1929
Loans on securities	748	666	729	7,991	7,104	7,920
All others	843	817	832	9,871	8,993	9,580
Total loans	1,591	1,483	1,561	17,862	16,097	17,500
Investments	608	705	618	5,650	5,876	5,395
Demand deposits	1,027	1,041	1,021	14,227	13,896	13,314
Time deposits	927	957	986	6,722	6,849	6,883

Quarterly Earnings

Net earnings of 165 industrial corporations in the United States (the decrease from the 170 previously used in our computations being due to consolidations) whose quarterly earnings figures are available back to 1925, were slightly less in the third quarter of 1929 than in the second, when a record figure was reported. The table below shows comparable figures for several important lines, while the charts show the progress of earnings since 1925.

Operations of all major groups, except motor and motor

(Quarterly net earnings of 165 identical industrials in the United States)
All scales in millions of dollars



accessories, were more profitable this year than in the third quarter of 1928, the increase in earnings being 17.5 per cent. The automobile group which, however, does not include one large producer, showed a decline of 16 per cent from last year. The chemical, cigar, food, mining, oil and miscellaneous groups showed larger earnings in the third quarter than in the second.

In the Fourth District, earnings of 25 industrial corporations in the third quarter were 46 per cent greater than they were in the same quarter of 1928, but were 22 per cent less than in the second quarter of this year. The latter decline is due partly to the falling-off in operations of local steel and motor accessory plants in the third quarter.

NET EARNINGS BY QUARTERS

(In thousands of dollars)

	1929 3rd	1929 2nd	1928 3rd	1927 3rd	1926 3rd	1925 3rd
7 Chemical	18,407	16,115	15,260	18,505	11,756	8,359
5 Cigar	3,888	3,280	3,009	2,748	3,125	2,086
15 Food	87,474	88,622	81,225	29,297	26,976	22,787
12 Mining	19,499	17,854	18,587	6,788	8,404	7,990
14 Motor	94,446	134,626	112,572	92,138	82,842	73,752
15 Motor Accessories	9,788	14,629	9,971	8,492	6,162	7,271
17 Oil	88,088	88,046	84,196	17,811	41,701	24,013
18 Steel	79,398	84,200	48,438	29,304	45,177	33,029
67 Miscellaneous	88,227	66,768	71,789	56,997	55,840	45,980
165 Total	388,710	404,090	335,048	251,628	281,973	225,222

MANUFACTURING, MINING

Iron and Steel

Producers in the Cleveland and Youngstown districts, heavily dependent upon automotive demand, have borne the brunt of the recession due to lower requirements from that source. At Pittsburgh, and to an even greater degree at Chicago, continued brisk buying by the railroads has tempered the wide-spread policy of caution which has adversely affected the iron and steel industry.

Automotive production, declining moderately from the alltime peak of May, suffered a drastic curtailment in mid-October. As expected in the trade, the period October 15-November 15 was the low point of the year in automotive steel buying, but the resumption of automotive production scheduled for mid-November did not materialize to any extent and steel requirements remain commensurately low.

Bar, sheet and strip mills in the Cleveland and Youngstown district, and to a slightly lesser degree at Pittsburgh, have chiefly felt this automotive retrenchment. By November 15, output of steel in the Fourth District was at the lowest level since the early summer of 1928. October was the first month of 1929 not to produce more steel than the comparable month of 1928. November, 1928, developed a decline from this peak, but the slowing down of the industry in November was faster than a year ago.

For 1929 to November 1, the railroads have ordered 90,034 freight cars, against 33,824 in the like period of 1928 and 44,763 in all 1928. A good proportion of the 19,506 cars placed in October, (the best car buying month in five years), will be assembled in the first quarter of 1930. The 20,000 freight cars now pending, promise further steel requirements in that period. Rail and track fastening business to date, chiefly for first of 1930 rolling, equals 1928.

Tin plate mills are holding to seasonal levels. Pipe mills

are gradually exhausting backlogs, but are expecting that the release of funds for financing deferred lines will be of ultimate benefit. Building is less active in the Fourth District than in the east. Wire, strip, sheet and bar mills in the District were not operating at over 65 per cent of capacity, on the average, as of November 15.

Excepting the automotive foundries, melters of merchant pig iron have been taking in all their contract iron. November shipments were at a rate slightly below October. Producers were preparing to blow out blast furnaces if slackened demand warranted, reflecting, as in steel, the desire of producers to keep production in line with consumption. A factor considered favorable in the trade is that neither producers nor consumers are reported to have accumulated any stocks of either iron and steel. Steel prices have been under pressure, with some concessions in sheets, but pig iron quotations have been firm.

October production of pig iron was at the daily rate of 115,747 tons, a reduction from the 115,648 tons of September but a record for October. The October total was 3,588,146 tons, making the 10-month figure 36,250,846 tons, also a record. The daily steel ingot rate for October was 167,098 tons and the month's output 4,511,650 tons. For 10 months ingot production has totaled 47,755,054 tons. A new annual record in the production of pig iron and steel ingots is quite certain even though output should decline during the last two months of this year.

The Iron Trade Review index of 14 leading iron and steel products still shows a declining condition of prices. The average for October was \$36.23, compared with \$36.50 for September. By mid-November this index was down to \$36.09.

Coal

The seasonal increase in the production of bituminous coal was not so large as in former years but October output in this District totaled 20,280,000 tons and exceeded the same month of 1928 by 5.9 per cent. Household demand in October was not so great as usual due to warm weather but cold weather in late November stimulated buying from that source. From the production standpoint the year-to-date has been a successful one. Coal mined in the first ten months of 1929 amounted to 173,542,000 tons, an increase of 14 per cent from the same period of 1928. Prices have increased seasonally, the Coal Age average for October being \$1.89 which compares with \$1.82 in September and \$1.88 in October, 1928.

Dealers throughout the District state that business compares favorably with last year excluding the lighter demand for coal used for heating purposes. Orders have been in good volume for other types and show no changes other than those of a seasonal nature. Collections have been rather slow, according to the Bureau of Coal Statistics the ratio of collections in October to accounts receivable on September 30 being 44.08 per cent, the lowest for any month this year except April.

Production of coal in the United States declined slightly in the second week in November and was less than in the same week of 1928. The year-to-date output, however, is 6.9 per cent greater than in 1928. Commercial inventories are not large, amounting to 37,500,000 tons on October 1, the lowest figure reported for that date since

1922. Consumption during the third quarter was 8,713,000 tons per week, an increase from 1928 of 5.7 per cent.

Automobiles A further decline in automobile production occurred in October, which was the first month this year to show a decline from the corresponding month of 1928. The number of passenger cars produced in the United States during the month amounted to 320,327, as compared with 364,786 in September and 339,487 in October, 1928. This was a decline of 12.2 per cent from September, which is not large when compared with the seasonal decline shown for the years 1923 to 1928, excluding 1925. The average decline for that period was 12.8 per cent.

Output for the year-to-date (October) has amounted to 4,325,504 units, an increase of 27.2 per cent from the same period of 1928 and exceeded passenger car production for all of last year by nearly 500,000 cars. Absorption of output, however, has been good, based on export and new registration figures. For the first nine months of this year new registrations and exports of passenger cars exceeded the same period of 1928 by 28.6 per cent, only slightly less than the 30.9 per cent increase in production during the same period. Inventories have admittedly been somewhat larger than in preceding years and have been given as one of the reasons for the decline in production.

Truck production in October totaled 58,747 units which compared with 50,046 in September and 57,138 in October, 1928. Conditions which are affecting the production of passenger cars have no particular bearing on the truck situation. For the first ten months of this year output has exceeded the same period of 1928 by 46.4 per cent. Manufacturers in the Fourth District report November orders slightly ahead of the same month last year, with conditions in the industry fairly satisfactory.

No figures on November activity are available but it is reported that schedules have been reduced more sharply than in former years. Manufacturers are somewhat hesitant about future orders of materials and are thus affecting the many parts and accessory plants throughout the Fourth District.

The following table shows the registrations of new passenger cars in October in some of the larger cities in this District as compiled by the Ohio State Bureau of Business Research. Cleveland and Youngstown were the only two cities showing an increase from 1928, all other cities experiencing rather sizable declines.

NEW PASSENGER CAR REGISTRATION

	Per cent		Jan.-Oct. 1929	Jan.-Oct. 1928	Per cent	
	October 1929	change from 1928			change from 1928	1928
Akron	747	-15.1	14,932	10,875	+37.3	
Canton	498	-14.3	9,226	6,795	+35.8	
Cincinnati	1,349	-6.3	19,015	15,397	+23.5	
Cleveland	2,970	+14.6	47,524	34,461	+37.9	
Columbus	569	-15.7	14,316	11,023	+29.9	
Dayton	873	-4.0	10,524	7,976	+31.9	
Toledo	631	-25.1	13,116	11,161	+17.5	
Youngstown	623	+4.5	8,366	6,352	+31.7	
Total	8,460	-3.7	137,019	103,940	+31.3	

Rubber Production of tires in October in the United States showed an increase from the preceding month, which was contrary to the seasonal trend but which was not so large as the abnormal gain reported in 1928. In spite of this

increase, however, production is about 33 per cent lower than it was in October, 1928, but for the first ten months of this year, output has been only 0.7 per cent less than in the same period of last year.

Curtailling of production started in June, and since July each succeeding month's output has been less than in the corresponding month of 1928. This paring down of operations was in response to large inventories which have, however, been declining for four months and are now only slightly larger than they were a year ago. Shipments for the first nine months of this year have been 21 per cent less than in the same period of last year but stocks of tires in hands of dealers are 3.1 per cent larger than they were a year ago, indicating that retail consumption has fallen behind 1928.

Spring-dated orders for tires are being placed but manufacturers in the District report a smaller volume than in 1928. The individual orders are also for smaller quantities than usual. This condition does not prevail in other branches of the rubber industry. Sales of mechanical goods, footwear and sundries are about normal for this time of year.

Imports of crude rubber during October amounted to 43,725 tons compared with 42,515 tons in October, 1928, and 32,515 tons in September. Imports for ten months totaled 477,291 tons, against 364,861 tons last year. Consumption during the month was somewhat less than imports, amounting to 34,800 tons. So far this year, 418,614 tons of rubber have been consumed, compared with 372,646 tons in the same period of 1928.

The price of crude rubber showed a fractional decline in October, averaging 19.41 cents a pound, the lowest price for any month this year.

Shoes Production of shoes in October in the Fourth District showed an increase from a year ago of 1.0 per cent and was the largest figure for that month ever reported. The increase from September was 10 per cent, not so large as the abnormal increase last year, but prior to 1928 shoe production had declined from September to October. For the entire country, the increase from a month ago was 8 per cent.

November operations at manufacturing plants in the southern part of this District have shown a seasonal decline but are still on a par with previous years. The volume of orders is about the same as in 1928 and does not seem to have been affected by general conditions during the past month.

The wholesale shoe business is still in a very depressed state with no immediate signs of improvement. Sales in October were 24 per cent less than they were in 1928 and 9 per cent less than in September. For the first ten months of this year, sales have been 17 per cent less than in the corresponding period of 1928. Stocks have shown a decline and accounts outstanding show the same percentage decline, as compared with a year ago as is shown by sales, but they show an increase from last month of 2 per cent, in spite of the decline in sales.

Retail sales of shoes of 31 department stores throughout the District, show the following increases, as com-

pared with a year ago: women's shoes, 0.9 children's shoes, 4.2; and men's and boys' shoes, 0.9 per cent.

Clothing Manufacturers of men's and women's clothing in various parts of the District report little change in the industry during the past 60 days. Sales, though retarded by unseasonably warm weather, have been on a par with the same period of 1928. Orders for spring delivery are coming in, but buyers seem to be more hesitant about commitments than they have formerly been. There are no indications of increasing stocks, the hand-to-mouth policy being still in vogue.

Knitters have been operating irregularly, some reporting gains in orders while others speak of a smaller volume than in 1928. Textile weavers have been busy.

Retail sales of clothing, based on reports from 15 large apparel stores, were 1.3 per cent larger in October than they were in 1928. So far this year, however, sales have been 1.1 per cent less than a year ago. In the department stores, all clothing and apparel departments, except women's coats, millinery and furs, showed gains from last year, these declines being 1.4, 0.9 and 16.7 per cent, respectively. The gains for the more important departments were as follows: scarfs, 5.1; handkerchiefs, 8.2; gloves, 24.5; hosiery, 5.3; silk and muslin underwear, 8.1; infant's wear, 7.1; women's dresses, 4.8; misses' clothing, 9.2; men's clothing, 7.7; men's furnishings, 6.7; and boys' wear 9.8 per cent.

Other Manufacturing Manufacturing activity in the Fourth District seems to be somewhat more irregular than it has been for many months. Seasonal declines were reported by some concerns, while expansion in anticipation of holiday demands was reported by others. Third quarter earnings reports were large but, in most cases, were lower than in the second quarter of this year.

Agricultural Implements. October and early November business compares very favorably with the same periods of 1928, with no change other than seasonal being noticed.

Clay Products. Shipments are in slightly better volume than a year ago. Prices remain unsettled and are lower than in 1928.

Cork. Deliveries in October and the first half of November were in better volume than last year, but orders have shown a decline greater than seasonal and collections are slow.

Electrical Supply. Many concerns are reporting earnings which compare favorably with both the second quarter and with the third quarter of 1928. Radio plants are fairly active in anticipation of holiday demand. Copper prices remain steady, while most other metals have declined.

Glass. Demand for plate glass has declined more than seasonally. Window glass sales have shown a moderate increase but are still below average for November. Molded glass has not shown the seasonal increase in demand that is usually expected.

Machinery, Tools. Various lines of machinery production are operating at about the same levels as a year ago, with a slight falling off in orders in early November

being noticed. Tool demand locally has declined due to curtailment in the automotive field.

Metal Containers. Producers of metal containers have experienced a good volume of business so far this year, with October and early November holding up well.

Motor Accessories. Curtailment in production has been much larger than in former years. Factories are operating only part time or have closed entirely. Third quarter earnings showed a decline from the high figure reported in the second quarter, but were larger than in 1928.

Paint. Paint manufacturers in this District have enjoyed a very favorable year, so far, with sales of all grades exceeding those of any other period. Sales of building paint have been well maintained in spite of the decline in new projects. Automobile orders have shown a marked decline during October and early November and there has been a slight falling-off in sales to furniture manufacturers. Profits, however, have been unusually good.

Paper. October and November paper sales compare favorably with 1928. Orders for future business are showing a slight decline. Boxboard production so far this year, exceeds the same period of 1928 by over ten per cent. Low prices and competition still are much in evidence, however.

Railway Equipment. Orders for cars and equipment placed in October were the largest for any month in the past five years. Concerns in the Pittsburgh area have orders which will keep them busy until the first part of 1930.

Stoves. Demand for stoves continues with little change from a year ago. Kitchen equipment sales are satisfactory.

Watches, Jewelry. Seasonal increases in the demand for jewelry have been shown. Very few cancellations in orders are reported. Inventories of wholesalers, however, are less than they were a year ago.

AGRICULTURE

Crop prospects for the entire country increased during the past month, due to favorable growing conditions for the late maturing crops. All crops combined, averaged 1.5 per cent better than they were on October 1, but the yields are still 5.8 per cent below those of 1928, due chiefly to the summer drought.

In the Fourth District little change worthy of comment has occurred. As the crop season draws to a close, it becomes increasingly evident that from a volume standpoint, the situation is little different from what it was a year ago. Due partly to a shift in the acreage, increases in the yields of wheat, hay and tobacco have been more than counterbalanced by declines in oats, corn, potatoes and fruit.

The digging of potatoes was practically completed by November 1, and more definite information in regard to yields is now available. In the District, the November 1 estimate was 21,140,000 bushels, an increase from a month ago, but considerably less than the 23,511,000 bushels produced in 1928. The quality of the crop is just about average this season, but is lower than in 1928. For the United States, as a whole, production is estimated at 353,977,000

bushels, 23.8 per cent below the average of the past five years and is the lowest output since 1925.

Prices of farm products have declined each succeeding month since July, the decline being somewhat more pronounced than that shown in non-agricultural commodities. In October, the index of the Bureau of Labor Statistics stood at 103.9, as compared with 106.6 in September and 107.6 in July, the high point of the year, and 103.5 in October, 1928. Prices of all major crops, with the exception of cotton and barley, are substantially above those of a year ago. Prices of all livestock and livestock products, except eggs, are lower than they were in 1928.

Tobacco Interest in the burley tobacco section of this District is now centered on the selling season which will be inaugurated early in December. No price figures are yet available, but on a basis of the United States Department of Agriculture's report on surplus stocks and current production it is expected in the trade that prices will run about the same as last year.

Farmers are stripping tobacco rapidly now in preparation for the market. Curing progressed fairly satisfactorily, but because of the unfavorable weather prior to harvest in some sections, there is a wider variation in quality than is usually shown. There is some very high quality tobacco on hand and some very low grade, with an unusually large amount of mediocre quality, for which, however, there is usually a good demand. Because of this wide variation in quality, the range of prices is expected to be wider than usual.

As an indication of price trend, conditions in the Virginia and Carolina markets are interesting. Sales on all markets have been unusually large, with prices higher than for any year since 1919, demand by large manufacturers, both foreign and domestic, who are anxious to replenish stocks accounting for part of the increase in price.

BUILDING

Building contracts awarded in the Fourth District in October, according to the F. W. Dodge Corporation, totaled \$74,307,000, an increase from October, 1928, of 30 per cent. This month's figure is somewhat distorted by two large contracts recently awarded, one for a \$20,000,000 steel plant in Western Pennsylvania and the other for a \$6,000,000 hospital in Pittsburgh. These two projects swelled this year's cumulative total so that an increase of 0.3 per cent is now shown as compared with the first ten months of 1928. Residential contracts continue to lag behind, the decline for October being 30.3 per cent and for the year-to-date 23.9 per cent, compared with corresponding periods of 1928.

Construction contracts awarded in October for 37 eastern states amounted to \$445,642,300, a slight increase from September, but a decline of 25 per cent from October, 1928. Non-residential building increased 7 per cent, but contracts for residential and public building decreased 43 per cent, as compared with a year ago.

The following table shows the value of building permits issued in 27 cities in this District. The increases for the month in the 11 cities are all large and represent, in most cases, special projects which have recently been undertaken.

Building Operations

(Value of Permits)

	Oct. 1929	% change from 1928	Jan.-Oct. 1929	Jan.-Oct. 1928	% change from 1928
Akron.....	\$1,159,451	-52.3	\$16,221,788	\$17,337,002	-6.4
Ashtabula.....	43,690	+241.4	571,677	384,222	+48.8
Barberton.....	43,925	-48.7	933,102	800,873	+16.5
Canton.....	259,163	-20.2	3,266,980	3,315,596	-1.5
Cincinnati.....	4,552,405	+33.1	32,940,945	30,889,355	+6.6
Cleveland.....	5,645,125	+51.9	35,045,600	44,715,325	-21.6
Cleve. suburbs:					
Cleve. Hghts...	143,045	-33.6	2,267,140	3,699,860	-38.7
East Cleve...	159,367	+348.4	1,803,900	691,270	+161.0
Euclid.....	162,815	+19.3	2,185,347	1,957,241	+11.7
Garfield Hghts...	77,500	-34.6	1,108,850	1,454,150	-23.7
Lakewood.....	72,510	-43.5	1,379,507	4,518,151	-69.5
Parma.....	178,981	+28.1	2,196,162	2,221,584	-1.1
Rocky River...	29,665	-7.6	1,381,378	1,015,213	+36.1
Shaker Hghts...	577,700	-1.3	5,648,850	6,691,915	-15.6
Columbus.....	1,316,250	+39.8	9,866,550	14,743,350	-33.1
Covington, Ky...	186,250	+106.4	1,247,225	1,398,300	-10.8
Dayton.....	1,006,620	+15.2	5,869,220	9,847,443	-40.4
Eric, Pa.....	300,505	-78.1	5,848,661	4,411,759	+32.6
Hamilton.....	582,128	+239.9	1,948,870	1,871,963	+4.1
Lexington, Ky...	141,920	-8.8	1,962,882	1,394,403	+40.8
Lima.....	20,150	-73.6	390,665	430,644	-9.3
Newark.....	49,050	-56.9	627,480	1,317,284	-52.4
Pittsburgh, Pa...	2,047,677	+22.0	26,354,279	35,002,424	-24.7
Springfield...	34,980	-80.0	1,693,191	1,330,502	+27.3
Toledo.....	915,642	-2.6	12,765,123	14,977,010	-14.8
Wheeling, W. Va...	171,389	-70.1	1,381,986	1,742,658	-20.7
Youngstown...	371,025	-3.0	4,405,683	7,050,555	-37.5
Total.....	20,198,928	+11.2	181,313,041	215,210,052	-15.8

TRADE

Retail Trade The volume of retail distribution throughout the Fourth District was "good" during October. Sales of 60 department stores showed an increase from 1928 of 5.4 per cent. The largest gains were reported in Pittsburgh, Akron, Cleveland and Toledo; Wheeling was the only city to report a smaller volume than a year ago.

For the first ten months, sales were 3.4 per cent larger than they were last year and here again, Wheeling is the only city showing a decline. Stocks of goods are generally lower this year. Accounts receivable for all stores were 11 per cent larger than they were a year ago, but collections have also shown a gain of 6.4 per cent. The percentage of credit sales to total sales during October was 65.0 this year, compared with 62.5 in 1928.

Chain grocery sales on a unit basis, were 7.6 per cent larger than last year. Chain drug sales, however, were 0.5 per cent less than in October, 1928.

Wholesale Trade All reporting wholesale lines, except shoes, experienced an increase in sales in October as compared with 1928. Wholesale groceries gained, 6.4; drugs, 3.1; hardware, 1.9 and dry goods 0.6 per cent while shoes declined 24 per cent. Sales of all groups but shoes were larger than in September and also for the first ten months of this year as compared with 1928.

Stocks were generally lower than they were last year and the accounts receivable were lower in October, as compared with 1928 for all lines but hardware which showed an increase of 1.5 per cent. Larger collections were reported by grocery and dry goods firms but declines were experienced by shoes, hardware and drugs. The percentage of collections during October to accounts receivable on September 30 for the various lines were as follows (1928 figures in parenthesis); Dry goods, 41.7 (39.9); drugs, 79.3 (72.2); groceries, 76.7 (83.3); hardware, 43.5 (39.2); and shoes, 34.5 (36.4), which shows that collections on outstanding accounts were better than they were a year ago for hardware, dry goods and drugs.

Fourth District Business Statistics

(All figures for Fourth District unless otherwise specified)

	Oct. 1929	Oct. 1928	% change from 1929	Jan.-Oct. 1929	Jan.-Oct. 1928	% change from 1928	
Bank Debts (24 cities)	Millions of dollars	4,019	3,684	+ 9.1	36,134	33,082	+ 9.2
Savings Deposits (end of month)	Thousands of dollars	770,346	769,704	+ 0.1	774,950 ¹	749,706 ¹	+ 3.4
Ohio (38 banks)	" " "	273,660	273,704	- 0.01	276,846 ¹	273,871 ¹	+ 1.1
Western Pennsylvania (25 banks)	" " "	1,044,006	1,043,409	+ 0.1	1,051,796 ¹	1,023,578 ¹	+ 2.8
Commercial Failures—Number	Actual Number	132	162	-18.5	1,665	1,665	- 3.5
—Liabilities	Thousands of dollars	3,603	2,360	+52.7	30,010	44,992	-33.3
Postal Receipts—9 cities	" " "	3,562	3,352	+ 6.3	31,245	30,435	+ 2.7
Sales—Life Insurance—Ohio and Pa.	" " "	112,427	108,530	+ 3.6	1,137,950	1,036,226	+ 9.8
—Dept. Stores (60 firms)	" " "	29,705	28,196	+ 5.4	248,284	240,023	+ 3.4
—Wearing Apparel (15 firms)	" " "	1,966	1,940	+ 1.3	15,828	16,003	- 1.1
—Furniture (45 firms)	" " "	1,130	1,284	-12.0	10,691	10,749	- 0.5
—Wholesale Grocery (40 firms)	" " "	7,326	6,881	+ 6.5	60,747	59,185	+ 2.6
—Dry Goods (12 firms)	" " "	2,641	2,627	+ 0.5	21,186	20,750	+ 2.1
—Hardware (17 firms)	" " "	2,528	2,482	+ 1.9	21,900	21,525	+ 1.7
—Drugs (13 firms)	" " "	1,845	1,788	+ 3.2	17,873	17,011	+ 5.1
Building Permits, Valuation—27 cities	" " "	20,199	18,169	+11.2	181,313	215,210	-15.8
Contracts—Total, 4th District	" " "	74,307	57,118	+30.1	567,829	566,044	+ 0.3
—Residential, 4th District	" " "	12,173	17,464	-30.3	144,474	189,818	-23.9
Production—Pig Iron, U. S.	Thousands of tons	3,588	3,374	+ 6.3	36,237	31,118	+16.5
—Steel Ingots, U. S.	" " "	4,512	4,648	- 2.9	47,752	41,579	+14.9
—Automobiles, U. S.	Actual Number	320,327	339,487	- 5.6	4,325,504	3,399,425	+27.2
—Passenger Cars	" " "	58,747	57,138	+ 2.8	677,842	463,101	+46.4
—Trucks	" " "	20,280	19,156	+ 5.9	173,542	152,142	+14.1
—Bituminous Coal, 4th District	Thousands of tons	1,731	2,120	-18.3	14,208	15,678	- 9.4
—Cement: Ohio, W. Va., Wn. Pa.	Millions of k.w. hrs.	1,312 ²	1,134 ²	+15.7	11,221 ²	9,890 ²	+13.5
—Electric Power: Ohio, Pa., Ky.	Thousands of barrels	2,222 ³	1,931 ³	+15.1	19,089 ³	18,153 ³	+ 5.2
—Petroleum: Ohio, Pa., Ky.	" " pairs	4	4	+ 1.0	4	4	+ 0.2
—Shoes, 4th District	" " casings	3,733 ⁴	5,542	-32.6	49,905	50,248	- 0.7
—Tires	" " tons	4,930	4,649	+ 6.0	34,713	30,152	+15.1
Bituminous Coal Shipments (from Lake Erie Ports)	" " "	6,052	6,002	+ 0.8	42,628	33,344	+27.8
Iron Ore Receipts (not Lake Erie Ports)	" " "						

¹ 10 months' average
² September
³ January-September
⁴ Figures Confidential
⁵ Preliminary

Fourth District Business Indexes

(1923-1925=100)

	Oct. 1929	Oct. 1928	Oct. 1927	Oct. 1926	Oct. 1925
Bank Debts (24 cities)	148	136	119	116	117
Commercial Failures (Number)	90	111	120	114	114
(Liabilities)	82	54	159	58	72
Postal Receipts (9 cities)	137	129	124	129	124
Sales—Life Insurance (Ohio and Pa.)	134	130	108	108	98
—Department Stores (59 firms)	118	112	113	121	124
—Wholesale Drugs (13 firms)	118	114	111	111	112
—Dry Goods (12 firms)	109	108	99	112	127
—Groceries (40 firms)	113	109	102	110	119
—Hardware (15 firms)	118	103	108	112	118
—All (83 firms)*	114	109	104	112	120
—Chain Drugs (3 firms)**	89	90	96	104	107
Building Contracts (Total)	156	120	103	113	146
(Residential)	71	102	101	93	107
Production—Coal (O., Wn. Pa., E. Ky.)	112	106	87	118	114
—Cement (O., Wn. Pa., W. Va.)	144	176	145	149	141
—Elec. Power (O., Pa., Ky.)*	156	135	121	125	104
—Petroleum (O., Pa., Ky.)*	120	105	110	104	102
—Shoes	121	120	114	112	106

*September
**Per individual unit operated
†includes 3 shoe firms

Retail and Wholesale Trade

(1929 compared with 1928)

	Percentage Increase or Decrease		
	SALES Oct.-Oct.	SALES First 10 mos.	STOCKS Oct.-Oct.
DEPARTMENT STORES (60)			
Akron	+ 7.8	+ 6.3	- 5.4
Cincinnati	+ 0.8	+ 2.3	+ 4.9
Cleveland	+ 6.0	+ 4.4	+ 0.2
Columbus	+ 2.8	+ 0.2	- 6.4
Dayton	+ 3.7	+ 0.8	- 8.1
Pittsburgh	+ 8.4	+ 2.9	- 3.0
Toledo	+ 5.8	+ 8.5	- 1.8
Wheeling	- 7.7	- 3.9	- 6.9
Other Cities	+ 2.2	+ 4.7	- 4.0
District	+ 5.4	+ 3.4	- 2.1
WEARING APPAREL (18)			
Cincinnati	- 2.1	- 5.0	+10.9
Cleveland	+ 7.0	+ 4.4	- 7.8
Other Cities	- 0.7	- 2.7	- 4.0
District	+ 1.3	- 1.1	- 1.4
FURNITURE (45)			
Cincinnati	+ 4.0	+ 1.0	
Cleveland	-15.7	+ 1.9	
Columbus	+ 1.2	+ 3.2	
Dayton	-18.0	-10.1	
Toledo	-23.5	- 0.6	
Other Cities	- 2.7	+ 3.6	
District	-12.0	- 0.5	
CHAIN STORES*			
Drugs—District (3)	- 0.5	- 3.1	
Groceries—District (3)	+ 7.6	+ 4.4	
WHOLESALE GROCERIES (40)			
Akron	+ 5.5	+ 2.8	
Cincinnati	+20.2	+ 5.2	
Cleveland	+ 7.4	+ 0.1	
Erie	- 7.8	- 6.7	
Pittsburgh	+ 6.7	+ 6.0	
Toledo	+ 3.4	+ 2.2	
Other Cities	+ 5.4	+ 5.5	
District	+ 6.4	+ 2.6	- 0.5
WHOLESALE DRY GOODS (12)	+ 0.6	+ 2.1	- 8.6
WHOLESALE DRUGS (13)	+ 3.1	+ 5.1	
WHOLESALE HARDWARE (17)	+ 1.9	+ 1.7	+ 7.1
WHOLESALE SHOES (5)	-24.0	-17.3	-26.4

*Sales per individual unit operated.

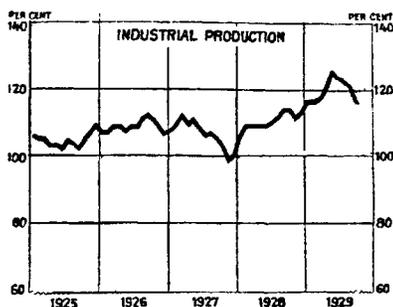
Debts To Individual Accounts

(Thousands of Dollars)

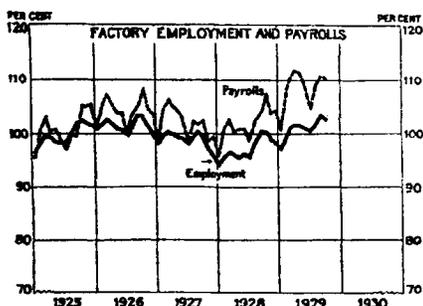
	4 weeks ending Nov. 20, 1929	% change from 1928	1929 to		% change from 1928
			1929 to Nov. 20)	1928 to Nov. 21)	
Akron	109,167	+ 5.8	1,341,469	1,225,310	+ 9.5
Butler	14,554	+19.3	146,891	127,441	+15.3
Canton	49,178	+10.0	619,731	546,761	+13.3
Cincinnati	490,781	+25.0	5,103,921	4,901,446	+4.1
Cleveland	999,375	+28.6	10,653,420	9,288,856	+14.7
Columbus	185,280	+17.5	2,148,760	1,863,664	+15.3
Connellsville	3,781	- 5.5	43,213	1,863,664	- 9.0
Dayton	100,030	+22.6	1,213,299	1,068,073	+13.6
Erie	42,439	+16.4	460,461	413,638	+11.3
Franklin	6,239	+16.9	68,327	59,951	+14.0
Greensburg	19,453	+ 3.1	238,238	229,593	+ 3.8
Homestead	5,826	+36.3	56,686	48,914	+15.9
Lexington	23,100	+13.8	317,970	265,904	+19.6
Lima	13,757	- 1.5	179,921	174,701	+ 3.0
Lorain	5,937	+ 3.4	72,517	70,606	+ 2.7
Middletown	12,711	- 1.1	146,894	143,220	+ 2.6
Oil City	19,573	+10.4	219,812	191,801	+14.6
Pittsburgh	1,228,036	+27.3	12,559,667	11,026,617	+13.9
Springfield	22,519	- 1.8	278,673	254,491	+ 9.5
Steubenville	11,342	+ 5.7	141,641	130,359	+ 8.7
Toledo	231,164	-20.6	2,615,532	3,068,199	-14.8
Warren	13,377	+ 3.7	172,097	154,522	+11.4
Wheeling	52,015	- 2.7	583,677	560,257	+ 4.2
Youngstown	81,508	+18.0	920,393	813,185	+13.2
Zanesville	12,629	- 0.6	147,194	148,203	- 0.7
Total	3,753,811	+19.3	40,450,404	36,823,196	+ 9.9

Summary of National Business Conditions

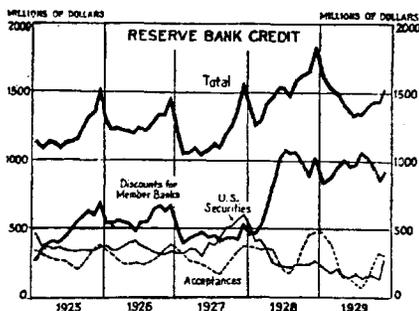
By the Federal Reserve Board



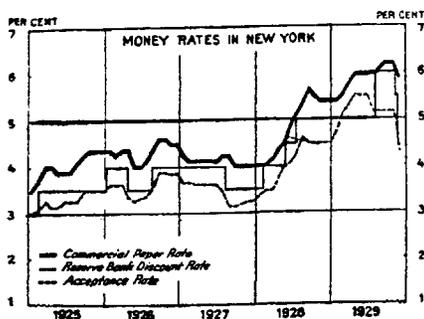
Index number of production of manufacturers and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure—October, 117



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average=100). Latest figures—October, employment 102.1, payrolls 110.0



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of the first 21 days in November



Monthly rates in the open market in New York: commercial paper rate on 4 to 5 month paper and acceptance rate on 90 day bankers' acceptances. Latest figures are average of first 20 days in November

Industrial production declined further in October and there was also a decrease in factory employment. As compared with a year ago, industrial activity continued to be at a higher level and distribution of commodities to the consumer was sustained.

Bank credit outstanding increased rapidly in the latter part of October, when security prices declined abruptly and there was a large liquidation of brokers' loans by non-banking lenders. In the first three weeks of November, further liquidation of brokers' loans was reflected in a reduction of security loans of member banks. Money rates declined throughout the period.

Production

Production in basic industries, which had declined for several months from the high level reached in mid-summer, showed a further reduction in October. The Board's index of industrial production decreased from 121 in September to 117 in October, a level to be compared with 114 in October of last year. The decline in production reflected chiefly, further decreases in output of steel and automobiles. Daily average output of shoes, leather and flour also declined, while production of cotton and wool textiles increased. Preliminary reports for the first half of November indicate further reduction in output of steel and automobiles and a decrease in cotton textiles.

Total output of minerals showed little change. Production of coal increased and copper output was somewhat larger, while daily output of crude petroleum declined slightly for the month of October and was further curtailed in November.

Volume of construction, as measured by building contracts awarded, changed little between September and October and declined in the early part of November.

Distribution

Shipments of freight by rail decreased slightly in October and the first two weeks in November, on an average daily basis. Department store sales continued, as in other recent months, to be approximately 3 per cent larger than a year ago.

Prices

The general level of wholesale prices showed little change during the first three weeks of October, but in the last week of the month declined considerably. The decline reflected chiefly price reductions of commodities with organized exchanges, which were influenced by the course of security prices. During the first three weeks of November, prices for most of these commodities recovered from their lowest levels. Certain prices, particularly those of petroleum, iron and steel and coal, showed little change during the period.

Bank Credit

Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30, when loans to brokers by out-of-town banks and non-banking lenders were withdrawn in even larger volume, there was a liquidation of these loans accompanying the decline in brokers' loans during the first three weeks of November. "All other" loans increased and there was also a growth in the banks' investments.

Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20, discounts for member banks were about \$100,000,000 larger than four weeks earlier and holdings of United States securities were \$190,000,000 larger, while the banks portfolio of acceptances declined by \$100,000,000.

Money rates in New York declined rapidly during October and the first three weeks in November. Open market rates on prime commercial paper declined from 6¼ per cent on October 22 to 5½-5¾ per cent on November 20. During the same period, rates on 90-day bankers' acceptances declined from 5½ per cent to 3½ per cent. Rates on call loans were 6 per cent during most of this period, but declined to 5 per cent in the third week of November. Rates on time loans also declined.

The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1 and to 4½ per cent effective November 15. The discount rates of the Federal Reserve Banks of Boston and Chicago were lowered from 5 to 4½ per cent, effective November 21 and November 23.