



MONTHLY BUSINESS REVIEW

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in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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Few changes other than seasonal occurred in Fourth District business or credit conditions in April or early May. Money rates are low, but banks report little commercial demand and industry and trade generally might be termed "quiet."

The chart below presents graphically some of the more important indicators of business in this District in April and the first four months of 1930, compared with the same period of 1929. Excluding the number of commercial failures (which showed a decrease of six per cent so far this year from 1929), declines of varying amounts are shown. With the exception of department store sales (abnormal in April because of Easter), the declines of the month very closely approximate those of the January-to-April period.

If, however, the abnormal records of 1929 are excluded, it is found that activity in the District has compared rather favorably with other recent years, particularly 1928, which from the standpoint of industrial earnings at least, was the second best year in history. Bank debits so far this year were only two per cent below the same period of 1928. This is less than the decline in the general price level. Pig iron output has slightly outdistanced 1928, but steel ingot production fell short of that period by three per cent. Automobile production, new passenger car registrations, and coal output were all larger than two years ago. Building compared less favorably with 1928 (or any recent period, for that matter) than any other item and was twelve per cent under the first four months of 1928.

Individual lines showed some varying changes during the past month. Small, miscellaneous manufacturing concerns, especially in the central part of the District, have been operating at rather satisfactory levels, particularly for a period of general recession. Iron and steel operations have declined seasonally, the second general falling-off reported this year. A curtailment of steel buying in preparation for new automobile models, and price readjustments caused by freight rate revisions, were two disquieting elements. Despite the unfavorable factors experienced this year, earnings of the larger steel companies in the first quarter were only 15 per cent below 1929 and were 70 per cent ahead of the same period of 1928.

Employment is still generally unsatisfactory. The seasonal increase in outside work has been offset by seasonal declines in the demand for industrial labor. The shoe industry is depressed. Warm weather has increased travelling with a consequent greater demand for replacement tires. Coal shipments at Lake ports have aided mine operations slightly.

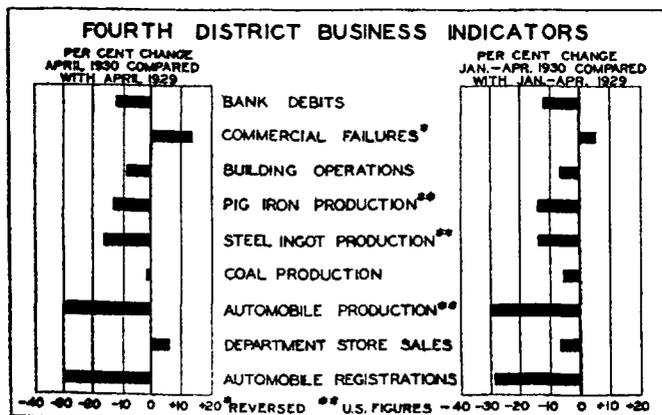
Collections are reported favorable by many concerns, but the majority state that it is more difficult to obtain payments on bills than a year ago.

Recent general rains have benefited agricultural communities and although work is somewhat more advanced than at this time last year, the condition of the crops is not as good as a year ago. Fruit prospects are generally poor.

FINANCIAL

The credit situation continues relatively easy in the Fourth District; total loans and investments of reporting member banks in leading cities, however, in the third week of May were substantially the same as one year ago and \$67,000,000 above the low point of late March. Need for accommodation at the reserve bank has steadily declined, notwithstanding, and in May was the lowest since 1924.

The changes in the various classes of loans were quite marked from last year and reflected in part the difference in general conditions. "All other" loans have fluctuated within narrow limits since the first of the year, with a declining tendency. This was in contrast with the experience of former years when such loans have expanded coincident with the increase in activity of spring,



which is usually the busiest season in this District. On May 21 these loans of reporting member banks in leading cities totaled \$786,000,000, compared with \$823,000,000 last year, a drop of \$47,000,000. Loans on securities, on the other hand, although showing an increase of \$12,000,000 in the week ended May 21, were still \$15,000,000 under the peak so far this year reached in March. These collateral loans were \$50,000,000 higher than last year at this time, but the experience of the past eight years shows that the average year-to-year growth in this type of loan has amounted to about \$46,000,000, so that the expansion in these loans in the past year has been only slightly above the average for that period.

In addition to reducing their borrowings and strengthening their reserve position, reporting member banks have added to their investment portfolios, an increase of \$9,000,000 occurring in the first three weeks of May. Despite the expansion of \$54,000,000 since the beginning of the year, security holdings were still below the level at this time in 1928 or 1929.

The increase in collateral loans has been nearly counterbalanced by the change in investments and "all other" loans so that total credit extended by reporting member banks was but \$7,000,000 above May, 1929.

Demand deposits increased during the past four weeks and were more than \$70,000,000 above the low point this year (in February) and nearly \$50,000,000 higher than at this time in 1929. Time deposits have remained quite steady recently, but were slightly larger than last year and \$43,000,000 above the amount reported in January.

Total bills and securities of this bank on May 21 were \$81,000,000, of which \$50,000,000 or 62 per cent represented holdings of government securities, \$13,000,000 or 16 per cent, acceptances purchased and \$18,000,000 or 22 per cent, bills discounted for member banks. In May, 1929, total bills and securities at \$130,000,000, were nearly \$50,000,000 higher than at present. Twenty-two per cent of this was government securities, nine per cent, bankers' acceptances and 69 per cent, bills discounted for member banks.

Increases in the gold holdings of this bank of \$18,000,000 occurred in the past month, chiefly the result of check settlements favorable to the banks in this District. This, together with a further slight reduction in the volume of Federal reserve notes in circulation, (which on May 21 was about \$25,000,000 less than in 1929 and which, among other things, reflected smaller payrolls and a reduction in wholesale and retail prices) was an additional cause of the decline in the reserve-bank credit extended. Bills discounted on May 21 were the lowest since October, 1924. Borrowings of banks in principal cities have fallen to \$4,000,000, the bulk of accommodation being extended to banks in smaller centers. Borrowing of the smaller banks is largely seasonal, however, caused by the demand from agricultural sources.

Lower interest rates were reported by banks in Reserve bank and branch cities, the greatest reductions being shown at Cincinnati where interest charges had been somewhat higher than at Pittsburgh and Cleveland. Money rates in financial centers on all classes of paper were also lower than a month ago.

Savings deposits at large banks increased again in April, the growth for the month being 0.5 per cent.

This is about the average monthly increase of recent years, but which, previous to the last two months, had not been recorded for some time.

BANKING OPERATIONS

Federal Reserve Banks						
Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)			
May 21, 1930	May 22, 1929	April 23, 1930	May 21, 1930	May 22, 1929	April 23, 1930	
Gold Reserves	814	279	296	3,076	2,842	3,049
Discounts	18	90	23	210	904	212
Acceptances	18	12	20	187	188	357
U. S. Securities	50	28	50	528	153	527
Total bills and securities	81	130	93	932	1,204	1,005
Federal Reserve notes in circulation	179	204	181	1,453	1,640	1,518
Total deposits	199	189	190	2,439	2,325	2,422

Reporting Member Banks						
Fourth District (In Millions)			United States (In Millions)			
May 21, 1930	May 22, 1929	April 23, 1930	May 21, 1930	May 22, 1929	April 23, 1930	
Loans on securities	743	694	740	8,322	7,144	8,326
All other	786	823	789	8,484	9,043	8,629
Total loans	1,529	1,517	1,529	16,806	16,187	16,955
Investments	655	660	648	5,855	5,818	5,791
Demand deposits	1,070	1,027	1,042	13,382	12,810	13,455
Time deposits	962	951	965	7,132	6,789	7,034

MANUFACTURING, MINING

Iron and Steel Iron and steel markets of the Fourth District continued unsettled in price and wavering in production in the month ended May 20. In the early part of the period there was no marked trend, but at the end prices were sinking into a distinctly weaker area and production appeared to be declining into the midsummer lull.

All year the price situation has been the weakest spot in the entire industry and a general lack of effort to support the market has been conspicuous. In early May, producers were showing little desire to keep prices up, being anxious to liquidate the remaining weakness as a contribution to stability which must come before buying improves to any extent.

Heavy finished steel bars, plates and shapes were reduced \$1.00 per ton in mid-May, following a similar cut a month previous. Since the first of the year there has been a reduction of \$4.00 per ton in plates and shapes and \$3.00 in bars. Prices on plates and shapes, at 1.70 cents, Pittsburgh, were at the lowest point since 1915.

While prices on other important products were not formally reduced, large concessions have been reported in the past month. Semi-finished material and wire products were reported shaded \$1.00 to \$3.00 per ton on transactions originating in the Mahoning valley. Beehive coke, stationary since December, was reduced ten cents a ton. Pig iron at Cleveland was off 50 cents a ton, with Pittsburgh and Valley prices threatened. Iron and steel scrap prices continued to decline.

In general, the weak price situation reflected competition for business. The support of the automotive industry was less distinct in late May than in mid-April, though a few hot-rolled strip mills were able to accumulate moderate back-logs. Producers of car materials were shipping in moderate amounts, but were not replacing their business. Manufacturers were scaling down orders in anticipation of model changes in mid-summer. Sheet demand, other than automotive, was shrinking decidedly.

Tin plate mills, operating near capacity in the first part of this year, began to curtail production seasonally

in early May, though operations still averaged over 80 per cent. Occasional orders for steel pipe kept production unchanged near the 70 per cent level. Structural steel and concrete bar business was falling below not only 1929, but also the more normal 1928.

The mixed trend is discernible in the production statistics. Daily average pig iron output rose in April for the fifth consecutive month, the increase from March to April being just about the usual seasonal amount. The daily average production has climbed from 91,513 tons in December to 106,418 tons in April, which compared with 122,100 tons in April, 1929, but which was larger than the 106,200 tons produced daily in April, 1928. At the beginning of May, however, only 182 furnaces were in blast, two less than on April 1, which indicated a seasonal decline in May. In the first four months of 1930, 12,130,048 gross tons of pig iron were produced, compared with 14,024,089 in the same period of 1929 and 12,135,333 tons in 1928.

The trend of steel ingot production has been irregular. Output rose from a daily average rate of 115,851 tons in December to 169,499 tons in February, but declined slightly in March and in April dropped to 159,358 tons a day. The decline from March to April was less than seasonal, however.

Despite the fact that operations are now at only about 75 per cent of capacity and have been below average for the first part of the year, and that prices have been declining and are now at the lowest level generally since 1922, the iron and steel industry has made quite a favorable showing for a period of general business reaction. Earnings of the larger steel companies in the first quarter this year were only 15 per cent below the same period of 1929, and were 70 per cent larger than the initial period of 1928.

Coal Soft coal output in April in the Fourth District amounted to 15,325,000 tons, a decline of about one per cent from a year ago, less than the drop of 4.4 per cent reported for the entire country in April compared with the same month last year. Part of the decrease in this section was seasonal and part was caused by smaller lake shipments, which in April, were 33 per cent less than in April, 1929.

The latest stock report of the Bureau of Mines indicates that soft coal in hands of industrial concerns and dealers has declined steadily since the first of the year despite the slowing down of business, and on April 1 was at a level only once equaled since 1922. There was an increase of 16 per cent from last year in industrial (other than steel and coke) and dealer stocks in Western Pennsylvania, but a decrease of ten and fourteen per cent respectively in industrial and dealer stocks in Ohio.

Prices continued to sag and the market was sluggish, notwithstanding the drop in production and the contraction of stocks. Dealers reported a falling-off in collections and little change in the demand for industrial coal.

Automobiles Automobile production in the United States amounted to 442,630 cars and trucks in April as compared with 621,910 last year, the record for all time. Output for

the month exceeded April, 1928, by nearly 33,000 cars or eight per cent and was larger than any corresponding month on record, excluding 1929. Production in the first four months, 1,466,590 cars, was exceeded in only two similar periods, 1929 when output totaled 2,075,000 units and 1926 when it amounted to 1,545,000 vehicles.

Although production has expanded three and one-half times from the December low point, the improvement has by no means been shared equally by all manufacturers. The builders of two low-priced cars have accounted for over 60 per cent of this year's output; the majority of manufacturers have been operating at only very moderate schedules since the first of the year.

Truck manufacturers and parts makers reported an improvement during the past month. Operations are still well below capacity, however, in most cases.

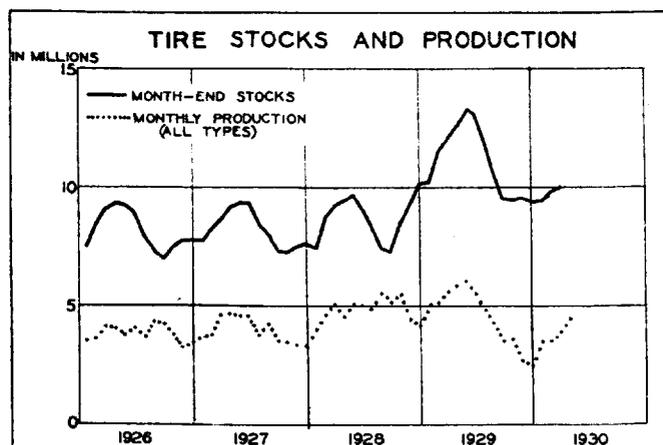
New passenger car registrations in nine principal counties in April exceeded the same month of 1927 and 1928 by a good margin, but were in about the same relation to 1929 as earlier months of this year have been, the decline being about 30 per cent. Improved weather in May stimulated sales somewhat.

New Passenger Car Registrations

Nine Principal Counties

	April, 1930	April, 1929	% change from 1929	Jan.-Apr. 1930	Jan.-Apr. 1929	% change from 1929
Akron (Summit).....	1,518	2,591	-41.4	3,477	5,894	-41.0
Canton (Stark).....	961	1,532	-37.3	2,206	3,623	-39.1
Cincinnati (Hamilton).....	2,126	2,904	-26.8	5,799	7,358	-21.2
Cleveland (Cuyahoga).....	5,574	7,206	-22.6	13,753	18,985	-27.6
Columbus (Franklin).....	1,440	2,335	-38.3	3,817	5,792	-34.1
Dayton (Montgomery).....	1,016	1,434	-29.1	2,916	4,288	-32.0
Pittsburgh, Pa., (Allegheny).....	4,441	5,332	-16.7	11,477	12,874	-10.9
Toledo (Lucas).....	1,078	2,105	-48.8	2,886	5,656	-49.0
Youngstown (Mahoning).....	723	1,364	-47.0	1,905	3,161	-39.7
Total.....	18,887	26,803	-29.6	48,236	67,631	-28.7

Rubber and Tires The adverse conditions which have been confronting the rubber and tire industry for nearly a year have gradually improved and to a degree have been corrected. Large stocks, both of dealers and manufacturers, have been reduced. Final dealers' stock figures as of April 1 were somewhat larger than the preliminary figure reported last month, but are still twelve per cent below one year ago. Manufacturers' stocks, though having increased slightly since the first of the year, are 18.4 per cent below last season. They still slightly exceed those of any other year, however.



Rubber Mfgs. Association

Improvement in the automobile industry has aided producers, but original equipment orders have been from 25 to 30 per cent below last year. Replacement demand was also down materially, though with dealers' stocks now reduced and warm weather coming on, the situation is much improved. Early May orders were decidedly larger than those of April.

Preliminary production figures for April showed that output was 16 per cent larger than in March, 24 per cent below April, 1929, but only 2.5 per cent under April, 1928. Production so far this year has more nearly approximated 1926 than any recent period. It is observed on the chart that, though production has been slightly in excess of shipments, resulting in an increase of tire stocks, there has not been the piling up in anticipation of summer demand shown in other spring seasons.

Crude rubber imports in April were 49,927 tons, compared with 54,171 tons last year. In the first four months imports were 186,447 tons, a drop of 38,361 tons from the same period of 1929. The May tapping cessation project on plantations has been supported by nearly all British and Dutch growers, but has had no particular effect on the market. Prices declined to 14 cents in May, after continuing at or slightly above 15 cents in the first four months of this year.

Shoes The shoe business is in a rather depressed state, local conditions being somewhat worse than in other parts of the country. April production of factories in the southern part of the District declined 13 per cent from March, while 800 establishments throughout the country reported an increase of 1.6 per cent. Local April output was 25 per cent below the same month last year and production in the first four months was 18 per cent under the corresponding period of 1929.

Manufacturers and jobbers reported a falling-off in sales following Easter, with volume so far this year considerably below the first part of 1929. Complaints in regard to collections are heard at many points, with buyers asking for more or extended credit.

Clothing Manufacturers are making preparations for the fall season, production getting under way about two weeks later than in 1928 or 1929, partly because of the late Easter. With the exception of a spurt in April in replacement orders, business so far this year has been considerably below the last two years. The retail establishments have pursued a very hesitant buying attitude and are operating with reduced stocks generally. A few increases are reported in orders for fall delivery, but cautious buying is still quite prevalent. Warm weather in May brought a few favorable orders for seasonal merchandise. Textile demand is less than in the early months of the year and knit-wear business has slowed down somewhat. Little complaint is made regarding collections.

Textile and raw material prices have been fluctuating in narrow levels during the past month with a slightly downward movement noticed in mid-May when they averaged 15 per cent lower than last year. Wool (Fairchild average) stood at \$.65 a pound on May 17 as

against \$.91 one year ago. Cotton yarn (Fairchild) was quoted \$.302 a pound, compared with \$.345 in May, 1929. Silk was \$4.20 a pound, while one year ago it brought \$5.10. Falling prices have been another deterring factor to the clothing industry for some time.

Other Manufacturing General manufacturing concerns in May reported operations about the same as a month earlier. A few reported increases, a few declines, but the majority stated that business is unchanged. Employment continues below last year and there is considerable complaint about collections. Small manufacturing concerns in the central part of the District are operating at fairly satisfactory levels.

Agricultural Implements. Business has slowed down. Collections are poor.

Automobile Accessories. Parts and accessory factories have increased operations in keeping with the improvement in the automobile industry. Sales have been below 1929, but compare quite favorably with other years.

Brick and Ceramics. Brick and tile plants have not resumed production at the rate of former years, because of large stocks carried over from 1929. Employment increased two per cent in April. Prices are low, in some cases below production costs. Employment at china and pottery plants declined less than the average of the last five years from March to April, but was still eleven per cent below 1929.

Electrical Supplies. Employment at 20 concerns in April was on a par with April, 1929, an improvement being shown from March. Collections are good. Lower copper prices have stimulated buying to some extent and May operations were at high levels.

Glass. Activity declined more than seasonally in April and little change was reported in early May. Industry affected by the depressed building situation and lower automobile production, in addition to other factors.

Hardware, Machinery. Conditions are little changed from one month ago. Collections compare favorably with 1929. Production and demand has been much below the last two years.

Paint. Sales of household paint have been about the same as in 1929. Lack of rain and warm weather has favored outdoor redecorating work. Industrial demand still at low levels, particularly from the automobile and furniture manufacturers. Collections are reported better than in 1929 and quite satisfactory.

Stoves, Ranges. No particular change during the past month. Employment still below last two years and collections are not as good as one year ago.

TRADE

Installment Sales Periods of business inactivity revive discussion of the trend and effect of installment selling. While the total volume of such sales has no doubt increased in the past few years, data furnished by stores in this District indicate that the ratio of installment to total sales, in the department store for which such data are available at least, has actually declined. Purchases of goods on the

deferred payment plan at the department stores are limited to, among other less important things, furniture, including musical instruments and household appliances, clothing and jewelry and do not include the automobile which probably represents the bulk of installment buying. There has also been an increase in the number of concerns who do most of their business on deferred payment plan which might account in part for the falling-off in such sales at department stores, but about which no definite information is available.

The figures of department stores, while not all-inclusive, furnish evidence of one branch of installment buying in relation to all purchases. The accompanying chart shows a downward trend in the ratio of installment to total sales in about 20 large stores from the middle of 1926 to date. This is in direct contrast to the course of regular 30-day accounts. A chart showing the rather rapid increase in the ratio of all charge (including installment and 30-day accounts) to total sales was published in the January issue. In the last nine months of 1926 this ratio averaged 57.8 per cent; in 1927 it was 59.5 and in 1928 and 1929 it had increased to 61.2 and 63.3 per cent respectively. If regular 30-day accounts alone are used, the increase in the last four years has been somewhat sharper than the increase in total credit sales. Installment sales alone, on the other hand, in 1927 were 7.1 per cent of total sales, in 1928, 5.7 and in 1929, 6.2 per cent.

The downward trend, however, appears to have been reversed in the last six months. Beginning with November, 1929, in each month the ratio of installment to total sales has exceeded the corresponding month of the previous year. The abnormal increase in the March ratio was caused by special sales of goods sold on the installment plan at Cleveland.

That there is a very definite seasonal swing in installment sales is clearly evident. February and August are the months of largest sales, brought about by the special sales of furniture, furs and clothing which occur in these two months. The lowest month of the year is December.

While there has been a slight increase in the ratio of installment to total sales in the past few months, the series is not long enough to permit any conclusions as to the trend of installment buying in periods of low business activity.

The experience of department stores in regard to collections on installment accounts is also quite interesting

and is shown on the second chart at the bottom of the page. Here again there is a decided contrast between collections on installment accounts and regular 30-day accounts. In 1926 the ratio of collections on regular accounts outstanding at the end of the preceding month averaged 44.6 per cent. By 1929 this had declined to 41.8 per cent.

Collections on installment accounts in 1926 averaged 17.3 per cent, declined to 17.1 and 16.9 per cent in 1927 and 1928, but increased to 17.6 per cent in 1929. As noticed on the chart, there was a slight falling-off in collections in late 1927 and early 1928, which rather closely coincided with the drop in business, but improvement occurred in late 1928 and the first part of 1929. In the last half of 1929, installment collections were about at the same level as earlier in the year and did not show the continued falling-off that was experienced in collections on regular accounts receivable.

Retail Trade

Department store sales in the Fourth District were 6.4 per cent greater in

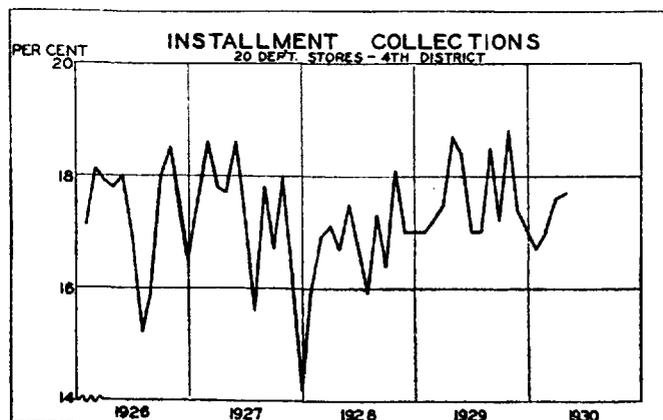
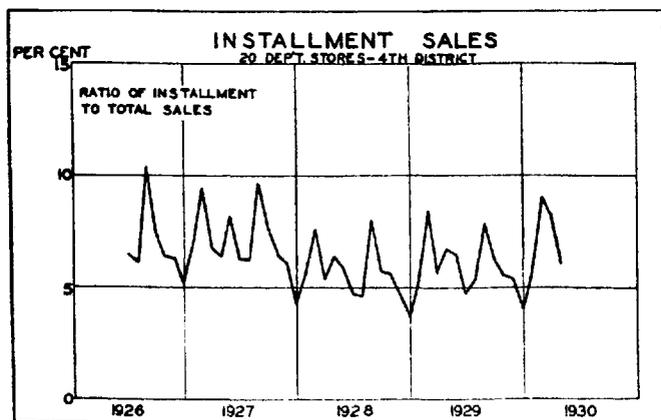
April than in the same month of last year, all large cities except Akron and Toledo reporting gains. How much of the improvement was caused by the late Easter buying cannot be ascertained. Sales in the first four months of this year were about six per cent below the corresponding period of 1929. Declines ranged from slightly over two per cent at Columbus and Cincinnati to 14 and 15 per cent at Toledo and Akron respectively, where conditions in the automobile and rubber industry have had a depressing effect on retail buying.

Smaller retail trade this year has been experienced in all reserve districts except Boston and New York. While trade in the Fourth District is slightly below the average for the entire country, the agricultural districts have generally reported larger declines, some running as high as eleven per cent.

Contracting inventories are still much in evidence throughout this territory, stocks on hand on April 30 being 8.3 per cent below one year ago. Stock turnover so far this year has been about the same as in 1929. Credit sales have increased slightly and collections are not up to last year.

Wholesale Trade

Wholesale trade in the Fourth District, as shown by reports from 83 firms comprising five general lines, was about five per cent below April, 1929, but was at approxi-



mately the level of the same month in 1928. Grocery, hardware and shoe concerns reported increases from March, although all lines so far this year were under last year's level.

Grocery sales were reported in about the same dollar volume in April as last year, notwithstanding the general decline in commodity prices which has occurred. Stocks and accounts receivable were larger than a year ago, but collections were slightly off.

The two groups showing the largest decline from 1929 were hardware and shoes which reported losses of 18 and 19 per cent respectively in April. The decreases for the first four months were 15 and 26 per cent.

Dry goods firms reported a falling-off of 13 per cent in April and the first four months of this year. Stocks are slightly lower and accounts receivable and collections decidedly below April, 1929.

April wholesale drug sales were six per cent below last year. Accounts receivable were twelve per cent greater, but collections were off two per cent.

BUILDING

The rather sharp decline in building activity in April after the more than seasonal increase in March seemed to indicate that the long-anticipated improvement had not materialized to any extent. Building contracts awarded in the Fourth District in April amounted to \$46,918,000, according to the F. W. Dodge Corporation. This was a decrease of 22 per cent from March, contrasting with the increase shown from March to April in former years.

The falling-off was in non-residential building, for a more than seasonal gain of 37 per cent was shown in home construction. Despite the improvement, this type of building lags far behind the level of recent years and was 33 per cent below April, 1929, which was not a good building month.

In the first four months of 1930, total building was six per cent under the same period of 1929 and the lowest since 1924. Residential construction was 35 per cent below last year.

Building activity in the first half of May evidenced a further slight increase from April, but the daily average was still 11 per cent below the daily average for the entire month of May last year.

Irregularities in the various types of construction are reflected in the reports from building supply and lum-

ber dealers. Cement production in the District in the first four months of this year was five per cent ahead of 1929, a result of the greater percentage of public utility and road, and commercial building reported this year.

The lumber business on the other hand is in a depressed state, with no signs of improvement until residential building expands. Prices are the lowest in years. Collections are unsatisfactory in most cases, more extensions and renewals on due accounts being reported.

AGRICULTURE

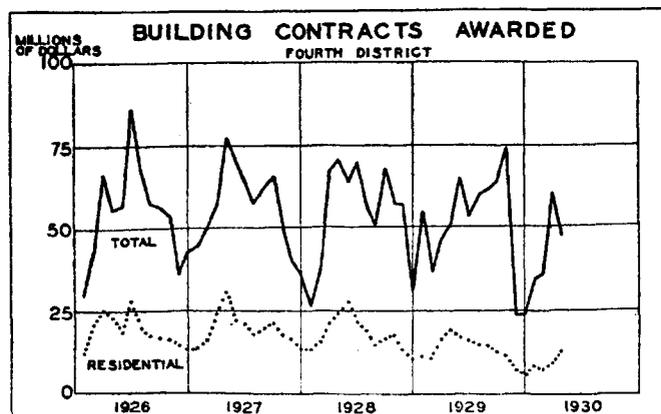
Recent general rains and the warm weather in early May have benefited crops in most parts of the Fourth District and though growth of winter grains and pasture was retarded by the dry, cool weather in April, both spring plowing and sowing are more advanced than a year ago. The supply of farm labor has decreased slightly, but is still much in excess of demand.

Prices of farm products in general increased slightly in April, the first improvement reported in eight months, all groups except livestock showing advances. The general level, however, was still over eight per cent below one year ago and the lowest since 1927.

Winter wheat production in Ohio promises to be considerably below last year and slightly under the five-year average. The crop is estimated by the Department of Agriculture at 26,816,000 bushels, compared with 33,696,000 bushels harvested in 1929. The Pennsylvania crop is irregular, about the same acreage remaining for harvest as last year, but the average condition is several points above the 10-year average. Kentucky and West Virginia conditions are about the same.

Unless an unusually good crop year is experienced, this year's harvest, according to the figures of the Department of Agriculture, will probably be smaller than in 1929. Planting of wheat in 15 foreign countries amounted to 89,052,000 acres, as compared with 90,397,000 acres harvested in 1929, a decline of 1.5 per cent. In the United States, May 1 condition figures indicated a crop of 525,000,000 bushels, a drop of 9.2 per cent from last year.

Fruit prospects in the District are quite varied. Considerable damage was done to early fruits last winter and the severe freeze in late April was very harmful to the peach and cherry crop especially.



Tobacco

The severe drought during April and early May caused considerable damage to tobacco plant beds and interfered with the final preparation of many tobacco fields. Recent general rains will correct these difficulties to a large extent and there will probably be an abundance of plants to set out a good-sized crop, possibly as large as was intended earlier in the year. The fact that many growers carefully watered plant beds during the dry weather and that others were negligent in this matter has resulted in a greater variation in the size and condition of plants. This has a direct effect on the date of setting. Some fields have been planted already, while others will not be able to be set before the middle of June, judging by the present size of the plants.

Fourth District Business Statistics

(000 omitted)

Fourth District Unless Otherwise Specified	April, 1930	% change from 1929	Jan.-Apr., 1930	% change from 1929
Bank Debits—24 cities.....\$	3,309,000	-12.2	12,655,000	-11.6
Savings Deposits—end of month:				
Ohio—36 banks.....\$	772,045	+ 1.5	768,776 ¹	- 2.3
Western Pa.—25 banks.....\$	277,624	+ 0.5	274,616 ¹	- 0.3
Total—61 banks.....\$	1,049,668	+ 1.0	1,043,392 ¹	- 1.8
Postal Receipts—9 cities.....\$	3,354	+ 5.2	12,971	+ 2.8
Life Insurance Sales:				
Ohio and Pa.....\$	129,998	+ 7.1	512,977	+ 8.4
Retail Sales:				
Department stores—58 firms..\$	28,114	+ 6.4	89,553	- 6.3
Wearing Apparel stores—16 firms.....\$	2,017	+14.3	5,901	- 7.8
Furniture—45 firms.....\$				
Wholesale Sales:				
Dry Goods—11 firms.....\$	1,770	-12.6	6,593	-13.3
Drugs—13 firms.....\$	1,656	- 5.8	6,634	- 9.3
Grocery—41 firms.....\$	5,873	+ 0.1	22,918	- 0.4
Hardware—17 firms.....\$	1,928	-17.6	7,057	-14.5
Building Permits—27 cities.....\$	15,754	-15.2	54,238	-15.8
Building Contracts—Residential..\$	12,651	-33.3	37,169	-34.9
Total, all classes..\$	46,918	- 8.8	177,783	- 6.2
Commercial Failures—Number..	136 ²	-13.9	670 ³	- 6.2
Liabilities..\$	2,573	+ 1.3	16,960	+19.4
Production:				
Pig Iron, U. S.....Tons	3,182	-13.1	12,130	-13.5
Steel Ingots, U. S.....Tons	4,143	-16.1	16,287	-13.4
Automobiles—Pass. Cars, U. S...\$	374,606 ⁴	-30.1	1,243,269 ⁵	-30.8
Trucks, U. S.....\$	67,459 ⁴	-20.0	219,773 ⁵	-18.5
Bituminous Coal.....Tons	15,325	- 1.2	63,744	- 5.1
Cement—O., Wn. Pa., W. Va. Bbls.	1,458	+ 4.1	4,152	+ 5.0
Electric Power—O., Pa., Ky. k.w. hrs.	1,237 ⁶	+ 2.9	3,849 ⁶	+ 3.5
Petroleum—O., Pa., Ky. Bbls.	2,385 ⁶	+18.0	7,023 ⁶	+21.3
Shoes.....Pairs	8	-25.4	8	-18.3
Tires, U. S.....Casings	4,515 ⁶	-24.1	15,676	-28.2
Iron Ore Receipts—Lake Erie Ports.....Tons	10	.....	10	.....
Bituminous Coal Shipments—Lake Erie Ports.....Tons	1,881	-33.0	1,938	-31.6

¹ Monthly average
² Actual number
³ March

⁴ January-March
⁵ Confidential
⁶ Preliminary

Retail and Wholesale Trade

(1930 compared with 1929)

	Percentage Increase or Decrease		
	SALES Apr.-Apr.	SALES First 4 mos.	STOCKS Apr.
DEPARTMENT STORES (58)			
Akron.....	+ 2.9	-15.6	-27.7
Cincinnati.....	+ 8.6	- 2.6	- 6.7
Cleveland.....	+ 5.1	- 5.6	- 8.9
Columbus.....	+ 7.9	- 2.5	-10.4
Dayton.....	+ 0.1	- 8.0	-12.0
Pittsburgh.....	+12.3	- 4.4	- 4.8
Toledo.....	- 0.6	-14.4	- 3.7
Wheeling.....	+ 6.4	-10.7	- 8.0
Other Cities.....	- 4.8	-11.8	- 4.8
District.....	+ 6.4	- 6.3	- 8.3
WEARING APPAREL (16)			
Cincinnati.....	+13.2	- 7.2	-10.0
Cleveland.....	+16.5	-10.4	- 7.3
Other Cities.....	+13.1	- 6.0	- 1.9
District.....	+14.2	- 7.8	- 6.2
FURNITURE (45)			
Cincinnati.....	-27.3	-21.4	.....
Cleveland.....	-16.2	-15.4	.....
Columbus.....	-28.7	-20.4	.....
Dayton.....	-26.9	-18.3	.....
Toledo.....	-37.2	-37.5	.....
Other Cities.....	-31.3	-27.2	.....
District.....	-27.0	-22.6	.....
CHAIN STORE* Drugs—District (3).....	+ 5.4	+ 1.9	.....
Groceries—District (6).....	+ 2.1	- 1.3	.....
WHOLESALE GROCERIES (41)			
Akron.....	-16.4	-14.1	.....
Cincinnati.....	- 0.9	+ 3.0	.....
Cleveland.....	- 4.5	- 3.4	.....
Eric.....	+ 0.7	- 3.6	.....
Pittsburgh.....	- 1.7	- 3.9	.....
Toledo.....	+ 0.5	- 1.4	.....
Other Cities.....	+ 7.9	+ 5.7	.....
District.....	+ 0.1	- 0.4	+ 2.4
WHOLESALE DRY GOODS (11).....	-12.6	-13.3	- 1.2
WHOLESALE DRUGS (13).....	- 5.8	- 4.2	.....
WHOLESALE HARDWARE (17).....	-17.6	-14.5	+ 0.6
WHOLESALE SHOES (5).....	-18.8	-26.0	-10.9

*Sales per individual unit operated.

Debits to Individual Accounts

(Thousands of Dollars)

	4 weeks ending May 21, 1930	% change from 1929	Year to date, 1930 (Dec. 31-May 21)	Year to date, 1929 (Jan. 2-May 22)	% change from 1929
Akron.....	94,228	-16.1	483,181	562,380	-14.1
Butler.....	12,960	+ 8.0	57,231	55,979	+ 2.2
Canton.....	44,637	- 7.6	236,491	262,233	- 9.8
Cincinnati.....	355,086	-10.3	1,845,920	2,161,415	-14.6
Cleveland.....	773,189	- 7.9	4,008,858	4,286,959	- 6.5
Columbus.....	174,833	+ 3.1	874,553	885,362	- 1.2
Connellsville.....	3,426	+ 1.1	16,168	17,111	- 5.5
Dayton.....	83,020	-11.6	455,612	507,594	-10.2
Eric.....	42,119	+ 9.9	190,757	181,863	+ 4.9
Franklin.....	4,993	-13.1	25,344	26,524	- 4.4
Greensburg.....	18,253	- 3.7	89,136	93,909	- 5.1
Hamilton.....	14,028	-17.0	74,344	80,383	- 7.5
Homestead.....	4,787	+ 4.3	21,019	22,151	- 5.1
Lexington.....	20,576	-13.3	141,975	157,207	- 9.7
Lima.....	11,753	- 7.8	63,040	74,595	-15.5
Lorain.....	5,093	- 6.7	26,869	28,422	- 5.5
Middletown.....	10,715	- 8.9	55,790	60,014	- 7.0
Oil City.....	15,644	-15.9	77,809	85,977	- 9.5
Pittsburgh.....	918,992	-10.5	4,519,311	5,153,641	-12.3
Springfield.....	21,818	+ 2.7	113,061	117,668	- 3.9
Steubenville.....	9,879	-16.5	49,598	57,874	-14.3
Toledo.....	170,110	-17.2	888,677	1,107,544	-19.8
Warren.....	10,349	-25.2	59,809	69,508	-14.0
Wheeling.....	42,753	- 5.4	212,451	243,901	-12.9
Youngstown.....	66,597	- 3.0	335,570	360,516	- 6.9
Zanesville.....	9,816	-19.5	48,468	62,017	-21.8
Total.....	2,939,654	- 9.2	14,971,042	16,722,747	-10.5

Fourth District Business Indexes

(1923-1925=100)

	Apr. 1930	Apr. 1929	Apr. 1928	Apr. 1927	Apr. 1926
Bank Debits (24 cities).....	122	139	124	129	114
Commercial Failures (Number).....	93	108	86	103	137
Commercial Failures (Liabilities).....	58	56	160	137	75
Postal Receipts (9 cities).....	129	123	119	125	122
Sales—Life Insurance (Ohio and Pa.).....	155	145	127	129	122
—Department Stores (55 firms).....	112	105	101	116	103
—Wholesale Drugs (13 firms).....	106	112	109	109	111
—Dry Goods (11 firms).....	77	88	77	78	87
—Groceries (41 firms).....	89	89	85	87	91
—Hardware (15 firms).....	82	100	86	99	96
—All (83 firms)*.....	87	93	87	91	94
—Chain Drugs (3 firms)**.....	86	82	88	96	100
Building Contracts (Total).....	98	108	147	162	117
—Residential.....	74	110	142	179	135
Production—Coal (O., Wn. Pa., E. Ky.).....	85	86	74	80	88
—Cement (O., Wn. Pa., W. Va.).....	121	117	110	117	104
—Petroleum (O., Pa., Ky.)*.....	129	109	112	113	102
—Elec. Power (O., Pa., Ky.)*.....	147	143	135	141	131
—Shoes.....	68	91	73	108	62

*March
**Per individual unit operated
†Includes 3 shoe firms

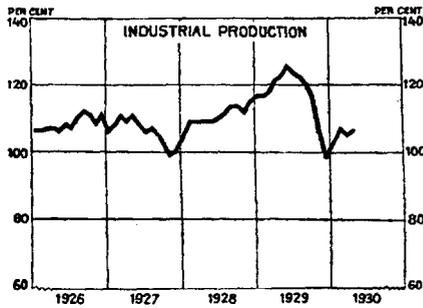
Building Operations

(Value of Permits)

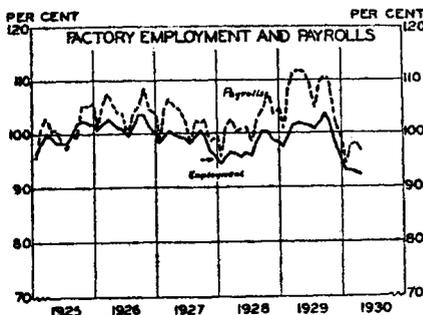
	April 1930	Per cent change from 1929	Jan.-Apr. 1930	Jan.-Apr. 1929	Per cent change from 1929
Akron.....	634,152	-59.6	2,542,233	6,444,455	-60.6
Ashtabula.....	100,600	+574.5	146,371	34,744	+321.3
Barberton.....	20,938	-80.1	90,230	269,838	-66.6
Canton.....	185,020	-52.2	854,385	928,295	- 8.0
Cincinnati.....	4,914,689	+45.9	17,629,127	10,055,790	+75.3
Cleveland.....	2,868,975	-24.3	9,704,750	11,910,100	-18.5
Cleve. Suburbs:					
Cleve. Heights.....	174,260	- 1.0	842,220	817,970	+ 3.0
East Cleve.....	22,576	-70.3	276,526	1,234,009	-77.6
Euclid.....	205,345	+36.6	659,225	862,227	-23.5
Garfield Hghts.....	57,800	-56.9	256,600	389,000	-34.0
Lakewood.....	248,260	+ 1.3	662,326	530,506	+24.8
Parma.....	227,507	+ 0.4	546,317	689,104	-20.7
Rocky River.....	105,490	-24.7	316,005	620,980	-49.1
Shaker Hghts.....	464,475	-23.2	1,460,225	1,941,120	-24.8
Columbus.....	445,100	-65.5	1,722,800	3,924,300	-56.1
Covington, Ky.....	148,900	+54.4	319,700	509,575	-37.3
Dayton.....	351,909	-23.0	2,729,307	2,717,430	+ 0.4
Eric, Pa.....	979,071	+42.6	1,306,735	3,778,134	-65.4
Hamilton.....	186,502	-29.4	455,560	632,843	-28.0
Lexington, Ky.....	205,868	-50.4	406,893	887,665	-54.2
Lima.....	74,030	+304.2	362,990	196,000	+85.2
Newark.....	24,175	-45.1	81,075	109,070	-25.7
Pittsburgh, Pa.....	1,330,201	-26.9	5,207,666	8,254,399	-36.9
Springfield.....	133,510	- 0.7	288,040	451,340	-36.2
Toledo.....	906,106	-30.3	4,190,708	4,040,397	+ 3.7
Wheeling, W. Va.....	122,600	-52.7	269,352	519,170	-48.1
Youngstown.....	616,129	-24.1	910,284	1,634,665	-44.3
Total.....	15,754,188	-15.2	54,237,650	64,383,126	-15.8

Summary of National Business Conditions

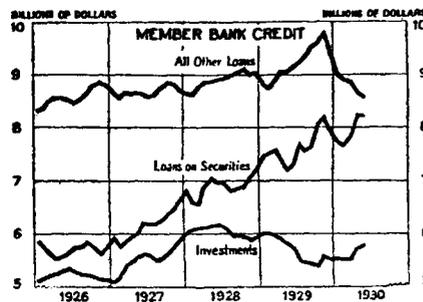
By the Federal Reserve Board



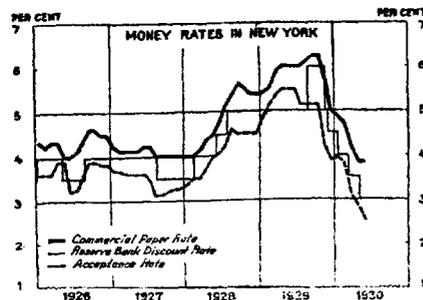
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure—April, 106.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average = 100). Latest figures, April, employment 92.1, payrolls 96.7.



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in May.



Monthly rates in the open market in New York: commercial paper rate on 4-6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in May.

Industrial activity increased slightly in April from the rate prevailing in March. Factory employment declined by the usual seasonal amount, while factory payrolls showed a smaller reduction than usual. Wholesale prices continued to decline in April and the first half of May. There was a further easing of open market money rates.

Production

Production in basic industries in April was slightly larger than in March and the Board's index, which makes allowance for the usual seasonal changes, shows an increase of about two per cent, offsetting a large part of the decrease in March.

Output of automobiles showed the usual seasonal expansion. Steel output declined seasonally in April and the early part of May. The output of silk textiles was considerably reduced and woolen mills curtailed operations, though less than seasonally. Cotton mills were more active in April and there was some increase in stocks. In the first half of May, however, a program of curtailment was instituted in the industry.

In comparison with the first four months of 1929, a year of exceptionally active business, production was smaller in almost all major branches of industry, with the exception of tobacco. In comparison with 1928, however, output was larger in the automobile, petroleum and silk industries, slightly smaller in steel and coal and considerably smaller in cotton and wool textiles, flour, meat packing, automobile tires and lumber. Building contracts awarded during April, according to the F. W. Dodge Corporation, were six per cent larger than in March, reflecting further expansion in awards for public works and utilities and some increase in residential construction, largely seasonal in character. In the first two weeks in May, there was a further increase in building activity. In comparison with 1929, awards in the first four months of the year were 17 per cent smaller, reflecting chiefly the continued small volume of residential building which more than offset increases in public works and in utility construction.

Employment and Payrolls

Factory employment, which had been decreasing since last September, declined by about one per cent in April, which represents the usual development for that month, while the reduction in factory payrolls from March to April was smaller than usual.

Distribution

Department store sales increased during the month by an amount estimated to be slightly larger than is accounted for by the late Easter holiday.

The value of foreign trade decreased further in April and for the first four months of the year, exports were about 20 per cent smaller than a year ago when trade was exceptionally active. In part, this decline reflected the lower level of wholesale prices.

Wholesale Prices

An increase in wholesale prices in the first week in April was followed by a substantial decline which continued into May and brought the level of prices to the lowest point in a number of years. Prices of important raw materials, such as wheat, cotton and silk, declined during most of the period, but steadied somewhat around the middle of May, while prices of silver, hides and coffee were comparatively stable. There were fairly continuous price declines in steel, sugar, raw wool and the textiles. Copper prices were reduced further early in May, but recovered somewhat following large purchases for domestic and foreign consumption.

Bank Credit

Loans and investments of member banks increased by about \$160,000,000 in the latter half of April, but declined \$140,000,000 in the first two weeks in May, both movements reflecting chiefly fluctuations in loans on securities. Investments increased further, while "all other" loans continued to decline and on May 14, at \$3,560,000,000, were the smallest in more than two years.

The volume of Reserve bank credit declined further by \$125,000,000 between the weeks ending April 19 and May 17, largely as a result of the addition of about \$65,000,000 to the stock of monetary gold and of a further substantial reduction in the volume of money in circulation which reflected chiefly smaller volume of payrolls and declines in retail prices. The system's holdings of bills declined, while United States securities and discounts for member banks showed little change.

Money rates on all classes of paper declined further in May. The discount rate of the Federal Reserve Bank of New York was reduced from 3½ to 3 per cent on May 2 and that at the Federal Reserve Bank of Boston from 4 to 3½ per cent on May 8.