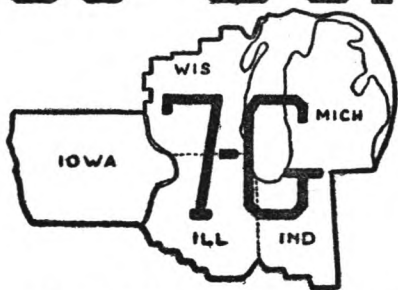


BUSINESS CONDITIONS

SEVENTH
FEDERAL



RESERVE
DISTRICT

Volume 13, No. 12

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FEDERAL RESERVE BANK OF CHICAGO

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General Summary

THE statistical record of business and industry in the Seventh Federal Reserve district gave little evidence of increased activity during October, with the exception of a few lines reporting gains over the preceding month, some of these upswings being for the most part seasonal in character. Department store trade, for example, gained over September by a small margin for the district as a whole, but in some cities the increase was comparatively large. Production at meat packing establishments gained seasonally, and sales also moved upward in volume. Some other lines reporting to this bank which exhibited a gain in October over September were: various groups of wholesale trade, furniture shipments, production at malleable foundries, production and shipments of stove manufacturers, and production of coal in Illinois. Chain store trade also registered an increase over September.

None of the major phases of industry from which this bank receives current statistical information showed gains over the corresponding month of 1929, although a few indicate a lesser percentage of decline than shown in some of the earlier months of the year, probably reflecting in the main the economic developments taking place in the autumn of last year.

A further decrease in employment took place in October, an outgrowth not only of seasonal changes in some industries but of greatly restricted activity in others of considerable magnitude in the district.

Fall crops were reported better than estimates made a month earlier, and grain is entering the winter in good condition. Downward price trends at home and abroad tended to check movement of grains from farms in October.

FEDERAL RESERVE BANK OF CHICAGO, SELECTED ITEMS OF CONDITION

(Amounts in millions of dollars)

	Nov. 12 1930	CHANGE FROM OCT. 15 1930		Nov. 13 1929
Total Bills and Securities.....	\$118.4	+\$3.7	\$-126.2	
Bills Discounted.....	15.9	+2.3	-143.2	
Bills Bought.....	21.4	+1.4	-24.6	
U. S. Government Securities.....	81.1	0	+43.7	
Total Reserves.....	425.1	-14.2	-31.7	
Total Deposits.....	354.6	-6.6	-5.2	
Federal Reserve Notes in Circulation.....	143.7	-8.9	-160.5	
Ratio of Total Reserves to Deposit and Federal Reserve Note Liabilities Combined.....	85.3%	-0.1*	+16.6*	

*Number of Points.

Money continued easy with negligible rate changes. Borrowing of member banks at the Reserve bank gained slightly from the middle of October to November 12. Total loans and investments of reporting member banks at mid-November were less than a month previous or at the same time a year ago.

Credit Conditions and Money Rates

A loss of funds amounting to approximately 18 million dollars through inter-district settlements for commercial and financial transactions during the period October 15 to November 12, an increase of nearly 9 millions in demand for currency, and a drop of 7 millions in reserve bank float were the outstanding changes in factors tending to make for increased borrowing of member banks at the Reserve bank, as shown in the accompanying analysis.

Treasury expenditures in the district exceeded receipts by more than 26 millions in the period, and member bank reserve balances decreased 6½ millions. These latter changes which make for lessened borrowing were insufficient to offset the aggregate of those making for increased borrowing, with the result that discounts for member banks between October 15 and November 12 rose by slightly more than 2 million dollars.

FACTORS IN MEMBER BANK BORROWING AT THE FEDERAL RESERVE BANK OF CHICAGO

Changes between October 15 and November 12, 1930
(In millions of dollars)

Changes making for increase in member bank borrowing:	
1. Funds lost through inter-district settlements for commercial and financial transactions.....	17.80
2. Increase in demand for currency.....	8.87
3. Decrease in reserve bank float.....	6.65
4. Decrease in holdings of acceptances (local transactions)...	1.62
5. Increase in unexpended capital funds.....	0.08
6. Sales of gold to industry.....	0.08
Total.....	35.10
Changes making for decrease in member bank borrowing:	
1. Excess of local Treasury expenditures over receipts.....	26.13
2. Decrease in member bank reserve balances.....	6.59
3. Decrease in non-member clearing balances.....	0.06
Total.....	32.78

Excess of changes making for increase in member bank borrowing:	2.32
Absorption of this excess: Increase in member bank borrowings (discounts for member banks).....	2.32

MEMBER BANK CREDIT

Reporting member banks in the district showed a small decrease in total loans and investments on November 12 as compared with October 15, and the volume was 62 million dollars less than on November 13, 1929. These

Compiled November 26, 1930

changes lay for the most part in lessened loans on securities as well as "all other" (commercial) loans; investments, while larger in both comparisons, did not increase sufficiently to offset the decreased loan volume, a reflection of the relatively low level of business and industry. Deposit trends as shown by the reporting member bank data were mixed during the period under consideration; net demand deposits moved upward about 16 million dollars, and time deposits decreased by about 24. As against the corresponding figures for 1929, net demand deposits on November 12 were slightly down, while time deposits showed a gain of nearly 100 million dollars.

Rate changes between mid-October and November 15 were negligible; $3\frac{1}{2}$ to $5\frac{1}{2}$ per cent was quoted by six large banks in the down-town area of Chicago as the rate prevailing during the week ended November 15 on prime commercial loans, unchanged from October 15, and ten smaller banks, predominantly "outlying" institutions, indicated the same range of 3 to 6 per cent as on October 15. The average rate earned on loans and discounts by six large Chicago banks during the calendar month of October was 4.63 per cent, a drop of 5 points from the 4.68 shown for the month of September; in October 1929 this item was 6.37 per cent. In Detroit, the prevailing rate on commercial loans during the week of November 15 was $4\frac{1}{2}$ to 6 per cent, or the same as for October 15. The average rate earned on loans and discounts during October in that city was slightly below the September figure, 5.64 as against 5.68; in October 1929 an average rate of 6.25 was reported.

Dealers' sales of commercial paper in the Middle West showed a further recession of $16\frac{1}{2}$ per cent in October, and for the first time in 1930 were less than for the corresponding month of 1929, with the volume remaining considerably below the customary level at this season of the year. The limited supply of paper contributed to most of the decline, as demand averaged between moderate and good. October selling rates ranged from $2\frac{3}{4}$ and 3 per cent for low to $3\frac{1}{4}$ and $3\frac{3}{4}$ per cent for high, with the customary charge 3 to $3\frac{1}{4}$ per cent. Commercial paper outstandings of reporting dealers in the Middle West totaled slightly higher on October 31 than at the end of any of the preceding four months, but the 15 per cent increase over last year was the smallest gain evidenced in this comparison since January. In the first half of November sales aggregated one-fifth less than from October 1 to 15, owing to reduced financing by means of commercial paper; demand, however, remained fair to good. Quotations on November 15 closed at $3\frac{1}{4}$ and $3\frac{1}{2}$ per cent for high and $2\frac{3}{4}$ per cent for low, most business being transacted within the range of 3 to $3\frac{1}{4}$ per cent.

Operations in the Chicago bill market averaged moderate in volume during the four weeks ended November 12. The supply of local acceptances was lighter than for

any corresponding period since May 17 to June 13, 1928, but there was a liberal movement of bills into the city from the East. Demand from local banks remained limited during the first two weeks of the period but was good at the close; purchases on the part of out-of-town banks continued light. Aggregate sales for the period, however, considerably exceeded the limited volume of September 11 to October 15, but were much less than a year ago. Selling rates remained steady at $1\frac{1}{8}$ per cent for 30-, 60-, and 90-day offerings and at 2 per cent for those of 120 days; quotations for the 150- and 180-day bills declined $\frac{1}{8}$ per cent, closing on November 12 at $2\frac{1}{8}$ per cent.

AVERAGE WEEKLY TRANSACTIONS OF REPORTING DEALERS IN THE CHICAGO BILL MARKET

October 16 to November 12, 1930

	PER CENT CHANGE IN COMPARISON WITH PERIOD FROM	
	SEPT. 11 TO OCT. 15	OCT. 17 TO NOV. 13
	1930	1929
Bills purchased.....	-46.6	-61.8
Bills sold.....	+290.4	-37.6
Holdings*.....	-46.2	-64.4

*At end of period.

Accepting banks in the Seventh Federal Reserve district reported an expansion in their bill transactions during October, with the value of bills accepted near the high point of the current year. Purchases of other banks' bills totaled unusually heavy during the period and the discounting of their own acceptances continued in substantial volume, reflecting an effort to keep surplus funds employed at a higher rate than currently obtainable in the call money market. October 31 acceptance holdings were larger than for any corresponding date on record (January 1923), inasmuch as sales for the month totaled only slightly larger than in September. The liability of these banks for outstanding acceptances continued to increase and by the end of October was within 4 per cent of the peak reached last January. Bills accepted during the first half of November totaled about one-third less in value than during the corresponding weeks of October, with financing by means of acceptances showing a reduction for grain, sugar, iron and steel, and machinery and an increase for tobacco, coal, fertilizer, earthenware, and copper.

TRANSACTIONS IN BANKERS' ACCEPTANCES AS REPORTED BY A SELECTED LIST OF ACCEPTING BANKS IN THE SEVENTH DISTRICT

	PER CENT CHANGE IN OCTOBER 1930 FROM	
	SEPTEMBER 1930	OCTOBER 1929
Total value of bills accepted.....	+17.8	+28.0
Purchases.....	+54.8	+45.9
Sales.....	+8.2	+43.8
Holdings*.....	+129.1	+155.2
Liability for outstandings*.....	+7.4	+12.0

*At end of month.

SECURITY MARKETS

Bond prices during October and the early part of November experienced rather unusual fluctuations, due largely to the erratic course of the stock market and continued poor earnings reports. Recent declines have differed somewhat from previous ones in that prices dropped not only on the lower grades but also on the very high class issues.

CONDITION OF REPORTING MEMBER BANKS, SEVENTH DISTRICT

(Amounts in millions of dollars)

	NOV. 12 1930	CHANGE FROM	
		OCT. 15 1930	NOV. 13 1929
Total Loans and Investments.....	\$3,384	\$ -4	\$ -62
Loans on Securities.....	1,251	-30	-105
All Other Loans.....	1,299	-11	-135
Investments.....	834	+37	+178
Net Demand Deposits.....	1,937	+16	-7
Time Deposits.....	1,318	-24	+98
Borrowings from Federal Reserve Bank.....	3	0	-121

VOLUME OF PAYMENT BY CHECK, SEVENTH DISTRICT

(Amounts in millions of dollars)

	OCT. 1930	PER CENT OF INCREASE OR DECREASE FROM	
		SEPT. 1930	OCT. 1929
Chicago.....	\$3,968	+8.2	-34.0
Detroit, Milwaukee, and Indianapolis	1,333	+0.1	-30.2
Total four larger cities.....	\$5,301	+6.0	-33.1
34 smaller centers.....	937	+6.8	-20.5
Total 38 centers.....	\$6,238	+6.1	-31.4

General averages declined over the period, canceling the gains recorded during the two preceding months. New offerings during October continued light, approximating in volume those in September, though totaling higher than in October 1929. The municipal and Canadian groups comprised the major new issues, together with public utilities and industrials. There has been little change in the type of buying in recent weeks, and the private investor is still an unimportant factor in distribution. Prices on the Chicago Stock Exchange have continued the downward trend evident the greater part of this year. The average price of twenty leading stocks (*) touched a new low point for the year on November 10 at \$80.01, which was less than half the year's high on April 23 when \$161.20 was reached. On November 19 the average was \$88.52.

* Chicago Journal of Commerce.

Agricultural Products

Autumn crops in the Seventh district turned out slightly better than expected a month previous, according to Government estimates for November 1. Mid-November found the harvesting of fall crops and other farm work well advanced because of the favorable weather which prevailed. Grain seeded this autumn is entering the winter in good condition; the wheat acreage in the five states including the Seventh Federal Reserve district is indicated as being approximately 4 per cent under last year.

GRAIN MARKETING

The movement of all grains at primary markets during October declined more than usual from September, both receipts and shipments of wheat, corn, and oats totaling less than for a year ago and the five-year average for October. Influence of declining markets both at home and abroad was operative in reducing farm marketing. Weakness of foreign markets, in which pressure of Canadian and Russian selling and prospects of favorable crops in the southern hemisphere were factors, reduced the domestic export movement of wheat and wheat flour, the October volume of each commodity being considerably less than in 1929, although the total from July 1 to October 31 remained above the corresponding period of last year. Open commitments in wheat on the Chicago Board of Trade have been in continuous increase since July and prices have declined since the middle of August in response to selling pressure; quotations steadied after reaching a low point in the second week of November, on the strength of adequate support buying which offset the influence of sharp declines abroad. Cash prices followed the downward movement in futures, early in November reaching the lowest point in twenty-three years.

Corn future transactions at Chicago involved a 75 per cent greater volume than in October 1929, and the amount of open contracts increased throughout October. Cash

prices declined sharply through October and into November, losing the margin recently maintained over wheat. Oats prices also moved lower.

MOVEMENT OF LIVE STOCK

Cattle receipts increased by less than the usual amount in October, following a decided expansion in September, so that the decline in volume from a year ago and the 1925-29 average for the month was almost as great as that evidenced through July and August. Hog marketings equaled the customary level for October, though remaining less than last year. October marked the smallest gain in lamb receipts over the five-year average that had been shown since last December, and was the first month in 1930 in which the number fell below the corresponding period of 1929—largely a reflection of the heavy marketings earlier in the season.

Cattle and lamb reshipments from sixty-five markets to feed lots continued during October to total considerably under last year and were below the normal level for the month, but gained markedly over September.

MEAT PACKING

A seasonal expansion of 12 per cent was recorded in the United States production of packing-house products during October compared with September, although the volume totaled 7 per cent less than in the corresponding month of 1929, principally because the marketing of live hogs remained under a year ago. Slaughtering establishment payrolls at the close of October showed an increase of 2 per cent in number of employees, 4 per cent in hours worked, and of 3 per cent in wage payments over a month earlier. Domestic demand for lard improved over September as was also the case for forequarters of beef and smoked picnics, while that for beef hindquarters decreased; trade was slow for veal, moderate for hams and fresh pork, and good for bacon, dry salt meats, and lamb. Sales billed to domestic and foreign customers aggregated 4 per cent greater in October than in the preceding month but remained 18 per cent less than a year ago. Lessened

CROP PRODUCTION

Estimated by the United States Bureau of Agricultural Economics as of November 1
(In thousands of bushels unless otherwise specified)

	SEVENTH DISTRICT		UNITED STATES		5-Yr. Av. 1924-28
	PRELIMINARY 1930	FINAL 1929	PRELIMINARY 1930	FINAL 1929	
Corn.....	731,750	880,741	2,094,481	2,614,307	2,699,809
Oats.....	568,452	501,169	1,410,761	1,233,574	1,371,786
All Wheat.....	69,054	62,550	839,612	805,790	833,164
Barley.....	61,033(a)	58,481(a)	328,020	303,552	240,742
Rye.....	8,960(a)	8,618(a)	46,655	40,533	50,851
Buckwheat.....	880(a)	1,098(a)	9,409	11,520	13,786
Flaxseed.....	352(b)	214(b)	24,168	16,844	23,816
Potatoes(white)	38,742	44,914	368,444	359,796	392,605
Potatoes(sweet)	1,440(c)	1,585(c)	72,576	84,661	74,141
Sugar Beets*...	604(d)	356(d)	8,951	7,318	7,389
Apples					
(total crop)...	13,595(a)	16,784(a)	162,016	142,078	180,262
Peaches.....	678(e)	5,197(e)	49,255	45,789	56,821
Pears.....	1,289(e)	1,440(e)	25,229	21,563	21,484
Grapes*.....	91(a)	86(a)	2,368	2,098	2,339
Cucumber					
Pickles.....	3,654(a)	1,459(a)	6,390	3,377	3,877
Soy Beans					
(picked or					
threshed)....	6,808(a)	5,969(a)	12,106	11,414	6,560
Cow Peas					
(picked or					
threshed)....	214(h)	300(h)	4,773	4,269	4,362
Cranberries***	40(f)	42(f)	570	547	511
Dry Beans.....	4,975(d)	5,767(d)	20,975	19,693	17,323
Broom Corn**...	7(g)	5½(g)	48	47	51
Tobacco**.....	48,820	46,360	1,518,781	1,519,081	1,302,463
All Tame Hay*	16,722	23,333	84,071	101,786	93,630

*In thousands of tons. **In thousands of pounds. ***In thousands of barrels. (a) Five states including Seventh Federal Reserve district. (b) Wisconsin and Iowa. (c) Indiana, Illinois, and Iowa. (d) Wisconsin and Michigan. (e) Indiana, Illinois, Michigan, and Iowa. (f) Wisconsin. (g) Illinois. (h) Indiana and Illinois.

SAVINGS DEPOSITS—SEVENTH FEDERAL RESERVE DISTRICT

As Reported on November 1, 1930, by a Selected List of Banks

	NUMBER OF BANKS REPORTING	Number of Accounts		Volume of Savings	
		PER CENT CHANGE		PER CENT CHANGE	
		FROM OCT. 1 1930	FROM NOV. 1 1929	FROM OCT. 1 1930	FROM NOV. 1 1929
Illinois.....	48	+0.6	+0.6	+1.4	+8.5
Indiana.....	34	+1.5	-3.5	+1.5	+2.8
Iowa.....	36	+0.1	-1.5	-0.3	-0.5
Michigan.....	24	-0.6	-7.0	-0.3	-6.1
Wisconsin.....	49	-0.5	-1.1	+0.5	-5.9
Seventh District...	191	+0.1	-2.6	+0.5	+0.4

urban and rural income in the United States, limited export business, the reduced supply of packing-house products, and a lower level of prices were mainly responsible for the decline from 1929. Quotations of most commodities from slaughtering establishments averaged less in October than in September; prices of beef remained barely steady, while those of barreled pork and dry salt meats advanced. November 1 inventories of packing-house products in the United States totaled less than for any other month in five years. Larger stocks of beef and lamb, however, were reported than on October 1 and holdings of beef, lamb, and miscellaneous meats exceeded the 1924-29 average for the month. Domestic business was fair at the beginning of November.

Shipments for export continued at a relatively low level during October and were confined principally to actual sales, inasmuch as domestic consumption in the United States was in sufficient volume to absorb current production, and prices abroad were not conducive to extensive shipments on consignment terms. British demand for lard improved over September, but the trade in meats remained moderate; Continental trade in both commodities continued dull during the entire period. Foreign customers, thus far this autumn, have failed to show a disposition to make purchases in advance of immediate consumption requirements. European inventories of packing-house products from the United States (including stocks in transit) had been reduced to a very low level by the beginning of November. Lard prices in the United Kingdom were nearer the Chicago basis during October than a month earlier, but meats were at a discount; quotations on the Continent remained considerably below United States parity.

DAIRY PRODUCTS

A further seasonal recession of 3 per cent in butter manufacturing was recorded during October in the Seventh Federal Reserve district; the volume equaled the customary level for the month, though totaling 4 per cent below the corresponding period of 1929. The tonnage sold to customers increased $1\frac{1}{2}$ per cent over September and exceeded that of a year ago by 2 per cent. United States production of the commodity also fell off in October and continued to show a slight decline from last year. November 1 stocks of creamery butter in the United States were lower than at the end of the preceding three months, and remained less than in 1929 and somewhat below the five-year average. Prices held fairly steady.

Receipts of American cheese at Wisconsin primary markets, indicative of production within the state, were at a

low level during the four weeks ended November 1, with the recession of 19 per cent in volume from a year ago larger than evidenced in any earlier period of 1930. Redistribution of the commodity from these centers exceeded current production by $3\frac{1}{2}$ million pounds but aggregated 7 per cent less than from September 7 to October 4 and 16 per cent under the corresponding weeks of 1929. Prices eased. Cheese inventories in the United States remained at a relatively high level on November 1, although they were reduced 12 million pounds from the August 1, 1930 peak.

Coal

October production of bituminous coal in Illinois mines totaled 5,233,946 tons, an increase of 31 per cent over the September tonnage and 9 per cent under that of October 1929. Three more mines were operated than in the preceding month, which brought the total to 155 working an average of 18 days, as compared with 13.7 days in September, and using 1,800 more men. Prices remained fairly steady at levels established a month previous, with the exception of screenings which weakened slightly with the increased production of domestic coals, demand by industrials for steam coal remaining at a low ebb.

United States production of 44,337,000 tons was 15 per cent above the September output, and as much below that of a year ago. The decline in the latter comparison was in response to curtailed consumption which the United States Bureau of Mines estimates was off 15 per cent in the third quarter of this year from the same quarter of 1929. Cumulative figures from the first of the year through October show production in Illinois mines 11 per cent under the 1929 volume for the same period, and in the United States as a whole 13 per cent lower.

Industrial Employment Conditions

Declines from a month previous in number of employees, ranging from 10 per cent to less than 1 per cent, were reported for October in nine manufacturing and two non-manufacturing groups of this district, and corresponding declines in payroll amounts, though in general slightly smaller, occurred in all except two of these groups. The large decline in the vehicles group is accounted for by reduced employment in railroad car and repair shops, and

EMPLOYMENT AND EARNINGS—SEVENTH FEDERAL RESERVE DISTRICT

LIVE STOCK SLAUGHTER (In thousands)				
	CATTLE	HOGS	LAMBS AND SHEEP	CALVES
Yards in Seventh District, October 1930.....	239	749	446	103
Federally Inspected Slaughter, United States October 1930.....	836	3,492	1,727	438
September 1930.....	760	2,773	1,591	374
October 1929.....	839	3,857	1,365	398

AVERAGE PRICES OF LIVE STOCK (Per hundred pounds at Chicago)				
	WEEK ENDED Nov. 15 1930	OCT. 1930	SEPT. 1930	OCT. 1929
Native Beef Steers (average).....	\$10.25	\$10.75	\$10.90	\$13.40
Fat Cows and Heifers.....	7.65	8.10	7.80	9.00
Calves.....	9.00	10.90	11.90	13.90
Hogs (bulk of sales).....	8.75	9.35	10.00	9.50
Yearling Sheep.....	6.50	6.10	6.25	9.25
Lambs.....	7.45	7.70	8.00	12.60

INDUSTRIAL GROUP	WEEK OF OCTOBER 15, 1930			CHANGES FROM SEPTEMBER 15	
	REPORT- ING FIRMS No.	WAGE EARNERS No.	EARNINGS (000 OMITTED) \$	WAGE EARN- ERS %	EARN- INGS %
Metals and Products ¹	540	163,918	4,378	-1.2	-0.2
Vehicles.....	73	27,841	734	-10.1	-4.4
Textiles and Products.....	134	26,719	527	-2.6	-8.1
Food and Products.....	332	47,806	1,218	-8.1	-9.2
Stone, Clay, and Glass.....	115	12,339	332	-2.1	-1.4
Lumber and Products.....	239	24,741	525	-0.6	+2.5
Chemical Products.....	226	10,434	273	-0.1	+5.7
Leather Products.....	69	16,192	309	-1.4	-1.5
Rubber Products ²	255	3,380	54	+4.2	+4.0
Paper and Printing.....	255	33,019	989	-1.3	-1.5
Total Mfg., 10 Groups....	1,991	366,389	9,339	-2.9	-2.2
Merchandising ³	171	30,835	799	+1.9	+1.2
Public Utilities.....	79	94,551	3,166	-1.6	-1.5
Coal Mining.....	36	9,291	251	+7.1	+16.3
Construction.....	197	13,937	413	-4.8	-8.9
Total Non-Mfg., 4 Groups.	483	148,614	4,629	-0.7	-0.9
Total, 14 Groups.....	2,319	515,003	13,968	-2.3	-1.8

¹Other than Vehicles. ²Wisconsin only. ³Illinois and Wisconsin.

by a continuance of the restricted rate of operations in the automobile industry. Employment in most of the important food industries declined, including canning in which the season of greatest activity is past, and also ice cream, manufactured ice, beverages, and dairy products. The textile group in Wisconsin recorded an increase over September, but this was more than offset by declines at Illinois clothing factories. Seasonal contraction took place in the stone, clay, and glass products group. Smaller employment was shown for boot and shoe manufacturing and for the leather products group as a whole. The total for reporting lines of manufacturing employment in October represented less than 80 per cent of the figures for October 1929, in which month the subsequently continuous decline began, while payroll amounts were approximately 70 per cent of the figures for a year previous. Non-manufacturing groups continued the trend shown in September, further increases occurring in coal mining and merchandising, while construction and the utilities recorded declines. The ratios of applicants to jobs available, as recorded at free employment offices in Illinois and Indiana, were higher in October than in any previous month this year; in Iowa the ratio was only slightly below the high point of last February; in Wisconsin the highest 1930 ratio was in September. In Illinois, of the fifteen cities included, Chicago and seven others showed increased ratios, while in Wisconsin six cities indicated a reduced labor surplus, although Milwaukee and three other cities showed a greater excess of supply over demand than in September.

REGISTRATIONS PER 100 POSITIONS AVAILABLE AT FREE EMPLOYMENT OFFICES

MONTH	ILLINOIS	INDIANA	IOWA	WISCONSIN
1930 October	278	202	331	178
September	230	154	312	188
1929 October	147	107	216	128
September	136	107	209	117

Manufacturing

AUTOMOBILE PRODUCTION AND DISTRIBUTION

October production of passenger automobiles in the United States totaled the lowest for that month in any year on our records (since 1921). The aggregate of 112,209 declined 38 per cent from September and compared with 318,462 produced in the same month last year. Truck output totaled 37,244 in October, showing a recession of 11 per cent from the preceding month and a decline of 39 per cent from October 1929.

Midwest distribution of automobiles at wholesale during October increased slightly in the aggregate over Sep-

MIDWEST DISTRIBUTION OF AUTOMOBILES Changes in October 1930 from Previous Months

	PER CENT CHANGE FROM		COMPANIES INCLUDED	
	SEPTEMBER 1930	OCTOBER 1929	SEPTEMBER 1930	OCTOBER 1929
New cars				
Wholesale—				
Number sold	+0.6	-54.1	24	23
Value	+5.9	-54.0	24	23
Retail—				
Number sold	-9.2	-45.9	51	50
Value	-11.9	-44.7	51	50
On hand Oct. 31—				
Number	-2.9	-46.2	52	51
Value	+0.3	-39.3	52	51
Used cars				
Number sold	-12.3	-29.9	52	51
Salable on hand—				
Number	+0.8	-22.8	52	51
Value	+1.2	-34.5	52	51

tember, in contrast to a decline shown for the same period last year, but the gain was entirely due to sales to dealers of new models in one or two makes of cars. The recession from the preceding month in retail sales averaged about the same as during the same period last year. No improvement was indicated in the comparisons with the corresponding month of 1929. Stocks of new cars in dealers' hands continued to be reduced in number and those held at the end of October represented only a little more than half the volume of the same date a year ago. Sales of used cars declined in October from September and stocks increased very slightly. About 50 per cent of the new cars sold by thirty retail dealers in October were sold on the deferred payment plan, which is about the same average as for September and compares with 52 per cent for last October.

IRON AND STEEL PRODUCTS

Steel ingot production in the Chicago district had dropped from an average of about 59 per cent of capacity the first of October to 50 per cent by the end of the month, and in the early part of November operations were further reduced to 45 per cent. The average for October 1929 was approximately 80 per cent of capacity. Reports vary as to sales during the month, a considerable increase over September being experienced in some instances and the month proving less satisfactory in others. Increased inquiry for freight cars has been noted recently. Pig iron production during October in the Illinois and Indiana district was at the lowest level for that month since 1924 and the smallest for any month since November of that year. Prices of finished steel and of pig iron continued to be fairly steady during October. Scrap iron and steel prices, on the other hand, have shown sharp reductions in recent weeks.

Orders booked by steel casting foundries of the Seventh district gained in October over September but were only about one-fourth the volume of those booked in the corresponding month last year. Shipments and production fell off somewhat from the preceding month; the former totaled about 50 per cent less than a year ago and the latter more than 60 per cent smaller. Malleable casting foundries reported a moderate decline in orders booked and in shipments from September, while production gained about 5 per cent. Orders booked were almost 70 per cent smaller than in October 1929, and shipments and production declined around 60 per cent. Stove and furnace manufacturers in the district had noticeably larger shipments and new orders in October than a month previous, and increased production slightly; as compared with last October, however, all of these items were considerably smaller.

WHOLESALE AND RETAIL LUMBER TRADE

CLASS OF TRADE	OCT. 1930: PER CENT CHANGE FROM		NUMBER OF FIRMS OR YARDS
	SEPT. 1930	OCT. 1929	
Wholesale trade:			
Sales in dollars	-4.6	-42.2	18
Sales in board feet	-0.9	-31.9	13
Accounts outstanding ¹	-1.7	-32.4	14
Retail Trade:			
Sales in dollars	+3.6	-26.1	190
Accounts outstanding ¹	+2.2	-3.0	184
Ratio of accounts outstanding ¹ to dollar sales during month			
	OCT. 1930	SEPT. 1930	OCT. 1929
Wholesale trade	158.1	158.6	144.3
Retail trade	304.2	309.6	235.1

¹End of month.

FURNITURE

Production by furniture manufacturers in the Seventh district again slowed down, though only slightly, during the month of October as new orders fell off more than 20 per cent from the preceding month, comparing with declines of 4 and 9 per cent, respectively, over the same period of 1929 and the 1927-1928-1929 average. Aggregate shipments were a little higher than those of September, following the comparatively heavy ordering of that month, but the increase was not of seasonal proportions. They were, however, one-third higher than new orders so that unfilled orders declined sharply to a low point at the close of October, standing at only 50 per cent of orders booked during the month. As compared with last year, both new orders and shipments were little more than half the October 1929 aggregates, although production was maintained at about two-thirds the year ago rate of 89 per cent of capacity. From the first of the year to date, cumulative shipments now total 62 per cent of the 1929 volume for the same ten months.

Building Material, Construction Work

The third consecutive monthly increase in sales of retail lumber yards was recorded in October, the value of sales being above any previous month in 1930 except May. The increase over September was only 4 per cent, however, as compared with an average increase of 10 per cent during the corresponding period of the past six years. Against the same month of last year, October showed a decline of 26 per cent, or about equal to that in the same comparison for September, though smaller than the average loss shown in the midsummer months. Yard stocks continued the declines recorded monthly since last February, and were considerably smaller than last year. Aggregate sales of reporting wholesalers were 5 per cent lower in value than in September and 42 per cent under the same month of a year previous. Thirteen firms reporting sales in board feet showed 32 per cent less than in October 1929, while their dollar sales declined 40 per cent in the same comparison. The smaller decline in volume than in value is largely due to differences in price levels as between 1929 and 1930.

October shipments of cement from midwestern mills declined 22 per cent from the September volume, while production was reduced only 10 per cent. Stocks, though lowered 3 per cent during October, were at the end of the month more than double the volume of a year previous. Demand for cement, which during recent months has been largely for road work, has fallen off noticeably with the approach of winter. Distribution of cement in the five states including this district totaled 21 per cent less in September than in the same month of 1929, and 14 per cent under the August 1930 volume. Clay products manufacturers are also entering the winter with very large stocks, after a summer and fall of low demand for both

brick and tile, despite the drastic curtailment program which has been in effect.

A further slight decline in the level of building materials prices at wholesale occurred during October. Recessions likewise predominated among the changes in retail quotations of lumber and other materials in three of six cities in this district for which reports are received by the Department of Commerce, no change being shown in the other three cities.

BUILDING CONSTRUCTION

Total building contracts awarded in the Seventh district during October again declined, following expansion in the two preceding months, although the drop from September was not so great as during the same period last year. The volume continued to be well under a year ago. Residential contracts for the period displayed a similar trend.

BUILDING CONTRACTS AWARDED* SEVENTH FEDERAL RESERVE DISTRICT

PERIOD	TOTAL CONTRACTS	RESIDENTIAL CONTRACTS
October 1930.....	\$52,621,588	\$12,215,262
Change from September 1930.....	-13%	-6%
Change from October 1929.....	-37%	-53%
First ten months of 1930.....	\$639,127,149	\$139,790,514
Change from same period 1929.....	-38%	-61%

*Data furnished by F. W. Dodge Corporation.

Permits issued in the Seventh district during October were considerably below both the month and year ago figures. In 99 cities reporting to this bank the number of permits issued totaled 3 per cent less than in September and 27 per cent smaller than for October 1929; in estimated cost of proposed work declines of 49 and 61 per cent were registered. In the comparison with a month previous Chicago, Indianapolis, and Detroit showed heavy declines in estimated cost, while Des Moines gained 89 per cent and Milwaukee a somewhat smaller amount. Des Moines was the only one of these five large cities to register a gain over a year ago. Totals for Illinois and Michigan cities (omitting Chicago and Detroit) recorded an increase over September in estimated cost; all five states of the district, excluding the largest city in each, showed heavy declines from last October.

Merchandising

Sales in reporting lines of wholesale trade again expanded in October over the preceding month. Except in groceries and electrical supplies, the gains were larger than usual for the period, and in dry goods and shoes were contrary to the seasonal trend. Declines from the corresponding month a year ago in hardware, dry goods, drug, and shoe sales were less pronounced than in several months. In the ten months of 1930, grocery sales declined

WHOLESALE TRADE IN OCTOBER 1930

COMMODITY	PER CENT CHANGE FROM SAME MONTH LAST YEAR				RATIO OF ACCTS. OUTSTANDING TO NET SALES
	NET SALES	STOCKS	ACCTS. OUTSTANDING	COLLECTIONS	
Groceries.....	-6.5	-4.7	-9.3	-6.2	88.7
Hardware.....	-20.6	-17.7	-19.0	-22.8	203.3
Dry Goods.....	-26.3	-26.2	-26.0	-31.1	318.1
Drugs.....	-10.1	-10.9	-3.0	-13.5	152.1
Shoes.....	-15.2	-16.8	-10.9	-19.6	334.7
Electrical Supplies.....	-42.6	-31.0	-33.3	-31.9	152.6

DEPARTMENT STORE TRADE IN OCTOBER 1930

LOCALITY	PER CENT CHANGE OCTOBER 1930 FROM OCTOBER 1929		PER CENT CHANGE FIRST TEN MONTHS 1930 FROM FIRST TEN MONTHS 1929		RATIO OF OCT. COL- LECTIONS TO ACCOUNTS OUTSTANDING SEPT. 30	
	NET SALES	STOCKS END OF MONTH	NET SALES		1930	1929
Chicago.....	-13.4	-12.0	-11.2		33.9	34.2
Detroit.....	-21.6	-19.0	-19.8		38.0	43.3
Indianapolis.....	-13.1	-12.6	-9.8		41.7	40.6
Milwaukee.....	-11.2	-4.3	-7.3	
Other Cities.....	-7.5	-13.2	-8.9		36.1	38.1
7th District.....	-14.1	-12.9	-12.4		37.7	40.2

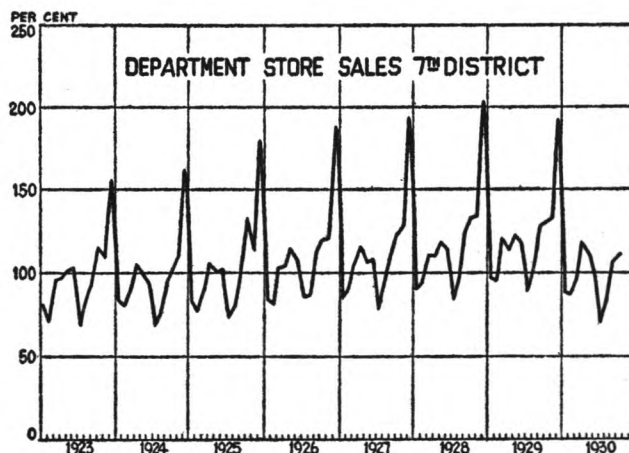
3 per cent from the same period of 1929, hardware 23 per cent, dry goods 29 per cent, drugs 11 per cent, shoes 29 per cent, and electrical supplies 25 per cent. Ratios of accounts outstanding to net sales were lower at the end of October than a month previous in hardware, shoes, and electrical supplies; except in groceries, the ratios averaged higher than a year ago. Prices continued low, but a greater tendency toward firmness was apparent during October in certain lines.

Department store sales increased in October for the third successive month. The gain over September—5 per cent—was somewhat modified by declines of 22 and 14 per cent shown in this comparison by the cities of Detroit and Indianapolis, as sales in Chicago expanded 18 per cent, in Milwaukee 8 per cent, and the total for stores in other cities was 20 per cent larger. The decline for the district from a year ago of 14 per cent compared with 16 per cent in September. Stocks again increased seasonally during the month but remained below last year's level, while the rate of turnover averaged about the same as for last October; for the year through October, the rate was 2.89 times compared with 3.17 for the same period of 1929.

A decline of 17 per cent from the preceding month took place during October in sales of shoes by retail dealers and department stores. Contrary to the situation in recent months, most dealers showed gains in the comparison, while department stores effected the decline recorded. As compared with last October, sales totaled 13 per cent smaller and for the ten months of 1930 were 10 per cent below the same period of 1929. Following expansion in August and September, sales of furniture and house furnishings declined as is usual in October. The total for re-

porting dealers and department stores fell off 14 per cent and was 27 per cent below a year ago; installment sales by dealers showed practically no change in the monthly comparison and were 24 per cent under last October.

Chain store trade, as reflected in reports from twenty-two chains operating 3,028 stores in October, expanded 10½ per cent over September, with most lines sharing in the gain. Aggregate sales were 4½ per cent smaller than in October a year ago, the total for drug chains alone being larger. Other groups covered in our survey include five-and-ten-cent stores, groceries, musical instruments, furniture, shoes, cigars, and men's and women's clothing.



Index of sales by 95 department stores in the Seventh district, without adjustment for seasonal variations (1923-25 monthly average = 100).

MONTHLY BUSINESS INDICES COMPUTED BY FEDERAL RESERVE BANK OF CHICAGO

(Index numbers express a comparison of unit or dollar volume for the month indicated, using the monthly average for 1923-1924-1925 as a base, unless otherwise indicated. Where figures for latest month shown are partly estimated on basis of returns received to date, revisions will be given the following month. Data refer to the Seventh Federal Reserve District unless otherwise noted.)

	No. of Firms	Oct. 1930	Sept. 1930	Aug. 1930	July 1930	June 1930	May 1930	Oct. 1929	Sept. 1929	Aug. 1929	July 1929	June 1929	May 1929
Meat Packing—(U. S.)—													
Sales (in dollars).....	64	106	102	98	97	103	106	129	126	119	121	120	119
Casting Foundries—													
Shipments:													
Steel—In Dollars.....	15	41	46	57	61	68	81	87	85	94	101	101	109
In Tons.....	15	42	48	62	65	71	85	92	88	100	111	109	119
Malleable—In Dollars.....	23	31	33	32	35	50	63	73	78	89	84	92	98
In Tons.....	23	44	48	46	49	71	90	99	105	124	120	128	138
Stoves and Furnaces—													
Shipments (in dollars).....	11	180	134	102	82	81	93	232	191	137	108	98	112
Furniture—													
Orders (in dollars).....	26	56	70	56	69	43	64	112	117	104	126	92	113
Shipments (in dollars).....	26	74	73	60	48	50	63	149	133	119	91	95	99
Flour—													
Production (in bbls.).....	27	117	121	116	105	96	103	122	106	113	92	91	94
Output of Butter by Creameries—													
Production.....	72	94	97	115	131	155	157	96	106	133	162	178	163
Sales.....	74	96	95	111	120	135	129	92	98	119	139	147	129
Wholesale Trade—													
Net Sales (in dollars):													
Groceries.....	31	105	103	99	99	95	99	113	107	104	104	103	101
Hardware.....	14	88	75	66	70	74	89	112	106	102	103	104	107
Dry Goods.....	9	71	71	58	46	61	73	97	115	96	76	85	85
Drugs.....	14	101	95	88	89	92	99	113	108	112	103	97	107
Shoes.....	8	83	78	77	48	61	70	98	112	118	72	93	101
Retail Trade (Dept. Stores)—													
Net Sales (in dollars):													
Chicago.....	30	110	94	79	67	95	102	129	113	94	80	115	114
Detroit.....	4	127	165	104	87	124	149	163	211	136	120	162	176
Indianapolis.....	5	98	114	74	70	87	101	113	131	88	83	101	109
Milwaukee.....	5	116	107	80	75	95	116	131	120	94	88	114	120
Other Cities.....	51	103	86	82	69	88	101	108	98	94	79	97	104
Seventh District.....	95	112	108	84	72	98	111	130	130	101	88	119	123
Automobile Production (U. S.)—													
Passenger Cars.....		38	62	64	76	99	124	109	124	151	145	154	176
Trucks.....		99	111	95	105	122	144	161	137	151	199	247	235
Building Construction—													
Contracts Awarded (in dollars):													
Residential.....		42	44	37	42	45	67	89	104	105	125	201	148
Total.....		77	88	86	80	147	116	122	150	147	155	197	207
Iron and Steel—													
Pig Iron Production*													
Illinois and Indiana.....		79	82	91	95	119	134	132	135	144	144	148	148
United States.....		71	77	83	87	100	106	118	119	123	124	126	128
Steel Ingot Production—(U. S.)*.....		76	83	89	85	103	112	126	136	137	140	147	147
Unfilled Orders U. S. Steel Corp.....		73	72	75	84	83	85	86	82	77	86	89	90

*Average daily production.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

(By the Federal Reserve Board)

VOLUME of industrial production and factory employment declined in October, and there was a further downward movement of commodity prices. Volume of sales by department stores increased by more than the usual seasonal amount. There was a considerable inflow of gold from South America and the Orient, and a further slight easing of money rates.

PRODUCTION AND EMPLOYMENT

Industrial production, including both factories and mines, decreased by about 3 per cent in October, according to the Federal Reserve Board's index, which makes allowance for usual seasonal changes. This decline reflected chiefly a further decrease in output of steel ingots, contrary to the usual seasonal movement, and a larger-than-seasonal decline in the output of automobiles. Output in the shoe industry was also curtailed. Consumption of cotton by domestic mills showed a further increase of slightly more than the usual seasonal amount, and stocks of cotton cloth were further reduced; increased activity was also reported for the silk industry. Output of coal was in substantially larger volume than in September, while production of copper and petroleum declined.

Number of workers employed showed a decrease for the month in foundries and in the automobile, machine tool, woolen, and shoe industries, while increases were reported in number of persons employed in the production of silk goods, hosiery, and radios. Employment at coal mines increased considerably, partly in response to seasonal influences.

Value of contracts for residential building, as reported by the F. W. Dodge Corporation, which had shown a growth in September, increased further in October, but by an amount smaller than is usual for that month. Contracts for public works and utilities also increased somewhat, reflecting a larger volume of awards for pipe lines. Owing to a substantial decrease in contracts for industrial building, however, there was little change in the total value of building contracts awarded.

DISTRIBUTION

Volume of distribution of commodities by rail showed a decline from September to October. Retail trade, however, as indicated by sales of department stores, increased by considerably more than the seasonal amount, according to preliminary reports to the Federal Reserve System.

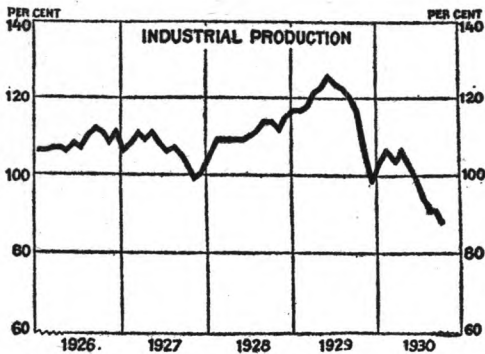
WHOLESALE PRICES

The general level of wholesale prices, as measured by the Bureau of Labor Statistics index, declined in October, and the decline continued in the first half of November. Further decreases in the prices of many agricultural products, including grains, live stock, and meats, were accompanied by reduction in the prices of hides, tin, petroleum, and gasoline, while sugar and copper advanced. The price of cotton rose considerably at the end of October from the low level prevailing early in the month.

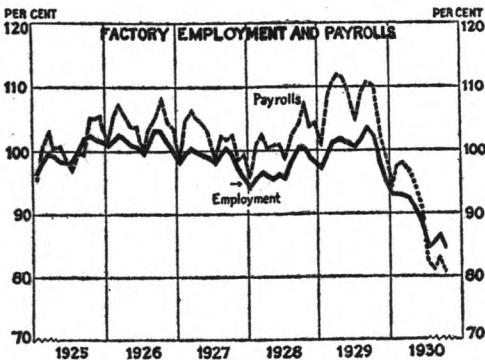
BANK CREDIT

Total volume of credit at reporting member banks in leading cities showed relatively little change for the four-week period ending November 12. Loans on securities declined further by \$350,000,000, reflecting reductions in loans to brokers and dealers in securities, while all other loans increased by \$150,000,000, partly on account of purchases of acceptances by the member banks. The banks also increased their holdings of investments. The volume of reserve bank credit in use showed little change between the middle of October and the middle of November. There was a further addition of \$30,000,000 to the stock of monetary gold and a decline of \$20,000,000 in money in circulation, while member bank reserve balances increased. No material change in the composition of the reserve bank portfolio was shown for the month.

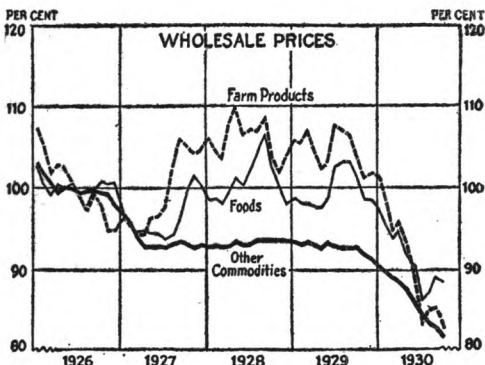
Money rates in the open market have eased slightly since the middle of October. The rate on prime commercial paper declined from 3 per cent to a range from $2\frac{3}{4}$ to 3 per cent, and there was a reduction in the rate on bankers' acceptances of the longer maturities. Long-time money rates, as measured by yields on United States Government securities, declined slightly.



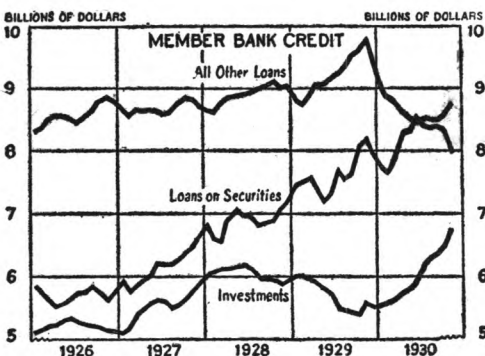
Index of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100).



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



Indexes of U. S. Bureau of Labor Statistics (1926 = 100).



Monthly averages of weekly figures for reporting member banks. Latest figures, averages of first two weeks in November 1930.