



# MONTHLY BUSINESS REVIEW

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in the

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General business in the Fourth District has not undergone the slowing up which usually accompanies the advent of the summer season. Activity as shown by a number of indicators is higher for this season of the year than has been experienced for some time past.

Consumption of electric power was about 3 per cent larger in May than a year ago. Operations at iron and steel mills continue high. May steel ingot production established a record for all time, partly at the expense of back logs, since the unfilled orders of the United States Steel Corporation showed a decline as of May 31, after showing a gain for five consecutive months. Automobile output has shown some decline, but this is no more than seasonal.

Tire manufacturers have had a record six months, employment being at peak levels and prices rather steady. Paint makers are doing well. Shoe production has increased. Conditions in the coal industry are favorable, shipments from Lake Erie ports being the largest in several years. Ore receipts are 178 per cent larger than in 1928, total receipts being 7,944,000 tons for the first five months this year, as against 2,848,000 tons a year ago.

Building continues to lag behind. Contracts awarded in May in this District were larger than a year ago, but June shows a falling-off. Much of the decline is found in residential building. Clothing manufacturers attribute much of their decline to the weather. Agricultural conditions are irregular. Wheat is good, oats only fair, and fruit prospects are poor in this District. The rains of late June should do much to improve farm conditions generally.

## FINANCIAL

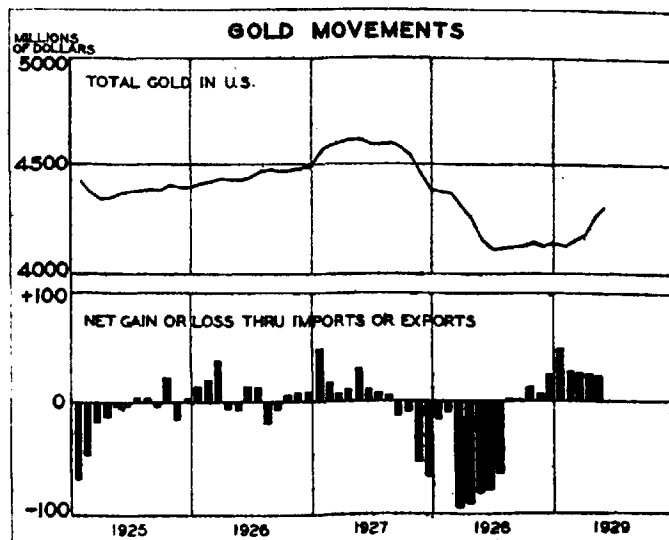
**Treasury Financing.** The June 15 offering of the Treasury Department was an issue of 5½ per cent certificates of indebtedness maturing in nine months. The total subscription was \$1,118,862,000 of which only \$404,212,000 or 36 per cent was allotted. This high rate of interest, prompted partly by the small subscription of the previous issue was the highest rate paid since September, 1921. At the same time about \$500,000,000 Treasury certificates were retired and payment of nearly \$100,000,000 interest on the public debt was made. Foreign governments paid \$80,109,886 on account of their indebtedness to this country, and income tax receipts

were unusually heavy, being over \$130,000,000 larger than during June of 1928. This large turnover of funds amounting to almost \$1,500,000,000 was accomplished without any appreciable effect upon the New York money market.

**Gold.** Shipments of gold to the United States continued in large volume during May and June. Total imports during May were \$24,097,000. Of this amount \$15,692,000 came from Germany, \$4,000,000 from Argentina, and nearly \$3,000,000 from Canada. Exports during the month were negligible and a net import balance has been maintained for ten consecutive months. Gold imports since the first of January amounted to \$144,244,000, excluding releases from earmarked gold, and the total gold in the country, as shown on the accompanying chart, has increased \$191,611,000 since July 1, 1928, the lowest point in the past five years. Most of this apparently has been used by the New York banks to reduce their obligations at the Federal Reserve Bank, and little has been used as a basis for credit expansion, reserve bank credit outstanding being \$269,000,000 less than it was a year ago.

Imports in early June were not so large as in preceding months, amounting to about \$8,700,000 for the three weeks ending June 19.

Reserve Bank Credit. Further strengthening of the



position of the Reserve banks occurred in June. Total reserves increased 77 millions from May 29 to June 19. Coincident with this increase, total bills and securities decreased 60 millions and the reserve ratio was 75.8 on June 19. Acceptance holdings continued to decline and on June 19 were only \$87,032,000 as compared with \$137,986,000 on May 22 and \$223,882,000 on June 20, 1928. Acceptances held are lower than at any time since September, 1924. Government securities owned also declined during the month amounting to \$139,458,000 on June 19, \$153,287,000 on May 22, and \$222,868,000 on June 20 last year. No particular change has occurred in the volume of discounts, which are about the same as a year ago.

At the Cleveland bank bills discounted declined from \$95,644,000 on May 29 to \$82,539,000 on June 19 and were about on a level with a year ago. Acceptances on June 19 were only \$6,783,000, the lowest in several years and compared with \$11,722,000 on May 22 and \$23,787,000 in June of last year. Holdings of government securities have varied little in the past two months, but total credit extended was only \$117,288,000, lower than for any week since January, 1928.

**Member Bank Credit.** Security loans, after showing a decline in May, increased 280 millions from May 29 to June 19 and were 471 millions higher than a year ago. Investments declined but "all other" loans increased slightly so that total loans and investments of all reporting member banks were \$293,000,000 higher than a month ago and \$249,000,000 greater than on June 20, 1928. Government deposits increased \$214,000,000 in the week ending June 19 and were 49 millions larger than a year ago. This large increase came just at the time when demand for temporary funds was heavy.

Collateral loans of Fourth District member banks on June 19 were \$696,000,000, a slight increase from the previous month and \$17,000,000 higher than a year ago. "All other" loans showed a slight decline during the month, but investments increased.

Loans to brokers as reported by New York banks, after declining \$281,000,000 from May 15 to June 12, increased \$136,000,000 during the week ending June 19.

**Money Rates.** Money rates at New York eased perceptibly during the month. Time money (90-day) was quoted at 9-9¼ per cent during the last week in May. Early June witnessed a decline which continued during the month and by June 25 the rate had reached 7½ per cent, the lowest since March 15. Call money was quite stable. The renewal rate was 6 per cent the last week in May, 7 per cent until June 10, 8 per cent from the 11th to the 13th, and then was 7 per cent until June 25, at which time it rose to 10 per cent. Commercial paper and bankers' acceptances have remained steady, rates being 6 and 5½ per cent respectively.

**Stock Prices.** The past month saw one of the most persistent rises in stock prices that has occurred this year. The Dow-Jones average of 30 industrial stocks on May 27 was 293.42, the low for the year. From this point, a gradual but steady rise, with few setbacks, took place until on June 25 the average had reached 326.16, less than one point below the record high for all time, reached on May 4.

**Debits, Savings, Failures.** Debits to individual accounts at 13 large centers in this District amounted to \$2,861,458,000 in May as against \$2,705,272,000 in May, 1928. This was an increase for the year of 1.9 per cent but was a decline from April of 6.6 per cent.

Savings deposits in May as shown by 66 banks in this District were \$1,057,452,000, an increase of 0.5 per cent from April and 3.3 per cent from May, 1928.

Commercial failures in this District numbered 148 in May, 158 in April, and 157 in May, 1928. Liabilities were \$3,227,000 in May as against \$2,378,000 a year ago, an increase of 35.7 per cent.

#### BANKING OPERATIONS

	Federal Reserve Banks			Federal Reserve System		
	Bank of Cleveland (In Millions)			(In Millions)		
	June 19, 1929	June 20, 1929	May 22, 1929	June 19, 1929	June 20, 1929	May 22, 1929
Gold reserves .....	282	252	279	2,880	2,581	2,842
Discounts .....	83	79	90	959	991	904
Acceptances .....	7	24	12	87	224	185
U. S. Securities .....	28	34	28	139	223	155
Total bills and securities	117	136	130	1,199	1,458	1,304
Federal Reserve notes in circulation .....	199	190	204	1,649	1,599	1,640
Total deposits .....	188	188	189	2,369	2,366	2,323

#### REPORTING MEMBER BANKS

	Fourth District (In Millions)			United States (In Millions)		
	June 19, 1929	June 20, 1929	May 22, 1929	June 19, 1929	June 20, 1929	May 22, 1929
Loans on securities .....	696	679	694	7,382	6,911	7,144
All others .....	820	788	828	9,161	8,922	9,043
Total loans .....	1,516	1,463	1,517	16,543	15,834	16,187
Investments .....	668	730	660	5,755	5,215	5,318
Demand deposits .....	1,002	1,048	1,027	12,938	13,290	12,810
Time deposits .....	954	958	951	6,727	6,916	6,789

**Iron and Steel** Steelmaking appears to have been only gaining its second wind and not to have been turning down definitely for the summer lull when in April it developed a mild recession from the record ingot rate of March. For in May, with most steel plants at or exceeding practical capacity, the daily ingot rate mounted to 195,302 gross tons, surpassing even the record 194,548 tons of March.

This alltime record, however, was not accompanied by a spurt in buying. As the decline of 123,596 tons in the unfilled orders of the United States Steel Corporation as of May 31 indicates, following five consecutive rises, May production was partially at the expense of backlogs. The mills were under continued pressure for material already on order, but most consumers were not replacing their shipments with fresh commitments.

These backlogs, representing in large part requirements of the automotive and railroad equipment industries, are expected to maintain steelmaking operations well into the summer at an unusual height. With the two leading makers of low-priced automobiles holding substantially at their spring peak rates, automotive needs for steel are seasonally high. The car and locomotive industry now have orders assuring 85 per cent operations into autumn.

For the Pittsburgh, Youngstown, and Cleveland districts, maintained strength of automotive requirements insured unusual production through June, especially of sheets, bars, and strip. Revival of pipe buying for the south and southwest accelerated pipemaking at Pittsburgh, Youngstown, and Lorain. Wire mills in the Cleveland district are in a slightly easier position, but are finding an outlet for their semifinished material by water shipments to Chicago.

Steel prices are generally strong, and if the seasonal

summer recession develops the industry expects no advances. On most lines current prices have been extended into the third quarter, removing the stimulus for contracting.

For pig iron May also was a record month, the 125,754-ton daily rate exceeding the previous peak of 124,790 tons, attained in May, 1923. Three more stacks went in blast than were dropped in May, making 219 active as of May 31. In five months pig iron production has totaled 17,922,550 tons and steel ingots 24,085,804 tons—both being records. Pig iron prices in the East and South have been softer, a condition not reflected in the Middle west.

This easiness in pig iron prices arrested the steady upswing of the Iron Trade Review composite of fourteen leading products. Late in May the highest point was reached when this index rose to \$37.13. For the month the average was \$37.10, against \$36.81 for April and \$35.54 for May one year ago. By mid-June the index was down to \$37.07 and still falling.

**Coal** The coal industry is showing more activity than is usual at this time of year. Total production of bituminous coal during May was 40,172,000 tons as against 36,624,000 in May, 1928. This large total was unique in that it surpassed both March and April production. Bituminous coal output in early June continued at a high rate, production during the week ending June 15 being about 148,000 tons ahead of the previous week and almost 1,000,000 tons more than in the corresponding week of 1928. Total production for the first part of the year (ending June 15) was 8.8 per cent larger than for the corresponding period of 1928.

Conditions in the Fourth District are better than they have been for some time. Much of the coal mined here during the spring and summer is shipped by rail to Lake Erie docks and is then transferred to boats for delivery at upper lake ports. So far this year, shipments have been unusually large, surpassing those of 1928 by over 50 per cent. Part of this large increase is due to the earlier opening of the season but for the month of May shipments totaled 5,244,000 tons, a gain from May, 1928, of 20.7 per cent. The increased depth of the lakes have made heavier loading of boats possible. Then too, coal usually takes the place of ore cargoes brought from the head of the Lakes and accompanying the increase of ore receipts, there has been an increase in demand for return cargoes.

Coal production in the Fourth District in May was 16,850,000 tons, an increase of 14.2 per cent from last year. Reports from operators are varied but all agree that for the first six months, conditions were better than at any time during the past several years. Prices are still very low, the Coal Age average for May being \$1.67½ f.o.b., mine, but labor troubles have been rectified and with stock piles at the lowest point in several years, the outlook for both miners and operators is more favorable than for some time past.

**Rubber and Tires** With automobile production and registrations maintaining their relatively high levels throughout the country, the demand for tires both as original equipment and for replacement orders has been on a level above that of last

year. Rubber manufacturers in this District have been operating at capacity with second quarter business exceeding the first quarter of this year at a rate which is larger than seasonal. The employment index rose to 146 in May, 3 points above the April figure and the average for the year to date was 9 per cent higher than for the first five months of 1928.

Consumption of crude rubber in the United States during May rose to 49,233 tons and was considerably higher than the amount estimated earlier in the month. This increase brought the total consumption for the first five months of this year to about 226,500 tons as compared with 173,898 tons for the corresponding period of 1928 and 168,259 tons in 1927. The greater demand for tires accounts for much of this increase but the trend toward larger and heavier tires having a greater rubber content is another important factor.

Imports of rubber to the United States during May were 49,180 tons as compared with 32,883 tons a year ago. For the five months ended May 31 total importations were 274,018 tons as against 186,705 tons.

Tire production for the first four months of 1929 was about 21,800,000 units (including solids) an increase of 16 per cent from the 18,800,000 units produced in the corresponding period of 1928.

The rubber market has been rather active but prices have declined somewhat, first latex spot being quoted around 21 cents at the middle of June.

**Automobile** Automobile production in May, according to the United States Department of Commerce, totaled 603,969 cars (including trucks and taxicabs) as compared with 621,331 in April, and 425,783 in May of last year. The May figure, while showing a decline from April was a record for that month, the previous high being in 1928. Figures emanating from the same source show production for the first five months of 1929 as 2,677,781 units against 1,804,725 for the corresponding period of 1928, an increase of over 44 per cent.

As May showed a slight decline from April, so June continues the tapering process but the seasonal decline is not any more pronounced than usual. Manufacturers are curtailing production so that dealers can make preparation for the new models which are regularly introduced in mid-summer.

Sales of cars as shown by new passenger car registrations in Ohio declined somewhat in May but were still well in advance of 1928. The table below gives registrations for eight counties whose principal cities are shown. The decline from April was 14.2 per cent but the cumulative total is still almost 50 per cent ahead of 1928. Sales of both new and used cars throughout the District were perceptibly lower in May than in April, partly explained by the rain and cold weather experienced during much of the month. Stocks of used cars are reported as being quite large.

NEW PASSENGER CAR REGISTRATION

	May, 1929	Per cent change from 1928	Jan.-May, 1929	Jan.-May, 1928	Per cent change from 1928
Akron .....	2,349	+46.7	8,243	5,009	+64.6
Canton .....	1,294	+21.5	4,917	3,162	+55.5
Cincinnati .....	2,557	+29.5	9,915	7,265	+36.5
Columbus .....	1,888	+36.9	7,675	4,985	+54.0
Dayton .....	1,229	+44.9	5,517	3,699	+49.1
Toledo .....	1,891	+8.3	7,547	5,367	+40.6
Youngstown .....	1,125	+21.0	4,236	2,960	+44.8
Cleveland .....	6,097	+25.2	25,032	16,530	+51.7
Total .....	18,425	+27.9	78,182	48,977	+49.4

**Shoes** Shoe manufacturers, most of whom are located in southern Ohio, report conditions somewhat improved from the last two or three months. Salesmen are out meeting the trade with fall samples and orders are being placed in a volume which exceeds those secured at this time last year. Spring business was very poor and the increase in activity is encouraging.

Further substantiation of this fact is found in the report of the Bureau of Census which shows shoe production in this District in May 36.2 per cent larger than in 1928. So far this year production has been only 13 per cent ahead of a year ago.

Wholesalers of footwear have not as yet experienced this increase in business. Sales of reporting shoe firms in May were 23.6 per cent less than in 1928, and the first five months were 16 per cent less. Collections seem to be good.

The price of hides continues to rise. March averaged 14.50 cents a pound and marked the low point of the decline started in January, 1928. May averaged 14.88 and the price was 15.50 and 17.00 cents on June 8 and June 15 respectively.

Retail sales of women's and children's shoes as shown in 48 department stores in this District were 5.5 per cent larger than in May, 1928, and men's and boys' shoes increased 5.0 per cent.

**Clothing** Reports coming from clothing wholesalers in this District are varied. Everyone is complaining about the effect of the unseasonal weather on sales, but some firms are experiencing slight gains, particularly in women's wear. Accompanying the warm weather, sales of all lines showed an increase, particularly in summer wear, but this, of course, is seasonal. Orders continue to be slow, and little advance ordering is being done.

Knitting mills in the Fourth District have experienced an increase in business during the second quarter as compared with the first quarter of the year. Sales for the past two years have been rather small, and for immediate delivery. Beginning in May, orders began coming in in larger volume than is usual but the hand-to-mouth policy seems to be followed again this year.

Retail sales of clothing by department stores during May, 1929, compared with the corresponding month last year were irregular, the following changes being shown: Women's coats, -26.2; Women's dresses, +0.5; Misses' coats and suits, -16.4; Misses' dresses, +11.2; Men's clothing, +4.8; and Men's furnishings, -1.8 per cent.

**Other Manufacturing** General manufacturing activity has come into the second quarter at a relatively higher rate than is normal. Since the first of June a slight falling-off is noticed in some lines, but this is peculiar only because it is occurring later than ordinary.

**Agricultural Implements.** Business has increased over 15 per cent from the first quarter but this largely seasonal. Demand for steel by implement manufacturers is showing no decrease.

**Electrical Supplies.** Conditions are irregular, some firms reporting an increase in operations in early June and others reporting a decline. Second quarter shipments

have been below that of the first quarter because of the unusual conditions in the metal market. With the price of copper stabilized at about 18 cents, orders are again being placed in small volume. Orders were heavy in the first quarter because of the desire to buy before the rise in prices took place.

**Glass.** The glass industry seems to be experiencing its usual seasonal decline. Second quarter business was behind that of early 1929 and the first half of June showed no change from this position. There seems to be a spirit of hesitance in buying centers and glass production has followed building conditions rather closely.

**Machinery, Supplies.** Foundry supplies are in large demand with orders for June exceeding those of May. Tool makers have been operating at capacity so far this year and have gone into what is usually the slack period at record levels. Automobile parts manufacturers notice a slight decrease in demand in early June, but expect the second quarter to be equal to that of early 1929. This decline, however, is one usually experienced about two months earlier.

**Paint.** Second quarter business is ordinarily ahead of the first quarter and this year is no exception, but the seasonal increase has been larger than usual. Orders are heavy and though there has been a slackening in automotive demand the total has not been materially affected. Factories are operating at capacity in most instances.

**Paper.** Little change is reported during the past month in the paper industry. Demand remains steady and orders indicate that this is a buyer's market. Based on consumption of electric power, manufacturing activity in this line was less than in April and a year ago. The index of the Electrical World on a 1923-1925 base was 129.9 in May, 136.0 in April, and 136.4 in May, 1928.

**Stoves.** Second quarter business seems to be running ahead of the first quarter of this year. This is partly seasonal and also due to lower activity in the first quarter than is usual. Early June showed some slackening. Collections are only fair.

#### AGRICULTURE

The month of May was wet and cold, heavy rains doing some damage and retarding farm work in general. Planting of oats, corn and potatoes was delayed and the dry weather of early June has retarded growth so that the general condition of agriculture in this district is rather irregular.

#### Winter Wheat

	Condition June 1 (Per cent)		Production (thousands of bushels)			
	1929	1928	10-Year Average	Harvested Subject to revision	1929 forecast	1929 forecast from condition June 1
Ohio .....	90	46	80	38,871	9,831	36,689
Penna. ....	91	71	87	21,795	17,066	20,493
Ky. ....	87	48	83	4,111	920	3,524
W. Va. ....	91	66	84	2,101	1,586	1,979
U. S. ....	79.6	73.6	78.2	549,257	573,964	632,148

The above table shows the condition of the winter wheat crop as of June 1 together with the estimated production of 1928, the five-year average production, 1923-1927, and also the probable production of wheat for 1929 for the states which lie wholly or partly within this District, and for the United States. Winter wheat in this locality has had a very favorable season. Abandonment

was very small and the condition of the crop has continued to improve all through the growing season except in Pennsylvania which showed a slight drop between May and June. The heavy rains of late spring have given the plants good root and top growth, but a dense growth of straw does not always indicate large yields of grain. Wheat in this District, however, has begun to head and the outlook for a large crop is favorable.

Much interest has been shown of late in the surplus crop which will be carried over into the new season. The United States Department of Agriculture estimates the surplus of exporting countries, as of July 1, at about 125,000,000 bushels more than a year ago. Most of this increase was in the United States, particularly in the Great Plains States, from North Dakota and Montana, south to Texas and New Mexico. Here, due to development of the combine harvester and relatively cheap labor, wheat acreage has increased about 8,000,000 acres or 25 per cent since 1916. Other areas of the country have shown little or no increases and some have shown declines.

Reports coming from various important wheat-producing areas of the world show conditions about average, with rather heavy winter-killing damage in some European countries, so that foreign demand for wheat this coming season probably will be on a par with former years.

Although the recent fluctuations in wheat prices have been partly caused by the high level of wheat stocks, according to the United States Department of Agriculture, "the carry-over plays a relatively unimportant part as compared with production in determining the average level of wheat prices for a season". It is too early to estimate yield per acre but conditions generally are not much different from former years.

#### Oats

Oat planting has been retarded in this District due to heavy rains in early May. Planting was by no means complete on June 1 and buckwheat and potatoes were being substituted because the season was so late. The condition of the crop on June 1 was below the average of the past five years in Ohio, Pennsylvania, and Kentucky. The country as a whole had a condition of 82.0 per cent of normal as compared with 78.3 in 1928 and 85.2, the ten-year average. Late seeded oats are showing a thin stand, yellow color, and weedy condition in many sections of the District. After the planting was completed little rain fell so that growth has been hindered perceptibly.

#### Hay and Pasture

In contrast to the poor condition of oats, hay and pasture are better than average in this District. The cool, wet spring has been generally favorable for a heavy and abundant growth and on a basis of condition, the yield of tame hay will exceed the high level of 1928. This relatively high rate of condition is peculiar to the area east of the Mississippi and to the western Corn Belt, other areas of the country showing either no change or a decline from last year.

#### Potatoes

Potato planting has also been retarded so that on June

1 much of the acreage left for the late crop had not been planted. The fields which were planted by June 1 made little progress because of the dearth of rain in early June. Early potatoes were slow and quite irregular. No estimate of acreage by Districts is available but for the country as a whole there was a reduction in intended acreage of almost 20 per cent.

#### Fruits

Fruit prospects are far below the average in the Fourth District, due to freezing temperatures in April and May, severe rains during the period of pollination, and heavy storms in scattered areas. The condition of apples is well below the average of last year and the ten-year average in all states in this locality. Peaches, an important crop in the northern part of the Fourth District suffered severe winter injury and the freezes this spring did further damage. Pears and grapes are both below average in condition. A poor condition in fruit-producing areas is general throughout the entire country and production is expected to be below average for all types.

#### Prices

The Bureau of Labor Statistics' price index of agricultural products declined again in May to 102.2, the lowest point since last November. This compared with 104.9 in April, 107.1 in May and 109.8 in May, 1928, which was the highest point reached last year. In early June the general level of farm prices rose rather sharply, due to increases in grains and animal products.

#### Tobacco

The general conditions in the tobacco districts of Kentucky and southern Ohio are good. The land, on the whole, was well prepared in spite of the wet weather in early May, and the crop was set in most localities one to two weeks earlier than usual. The supply of plants was abundant and most of those set early are doing nicely, having been cultivated at least once. Early cultivation aids the crop materially and the condition is well above average. As usual there are a few communities reporting damage from cutworms, wireworms, etc., but these are quite scattered.

The 1928 crop of Burley tobacco was about average, but was produced on rather a large acreage which made the acre yield small. This year farmers intended to plant 22 per cent more tobacco than was harvested in 1928. If only a part of this intended increase was actually planted, and if the season continues as favorable as it has started, a large crop might be expected, due to larger acre yields.

#### Stocks of Leaf Tobacco Held by Manufacturers and Dealers

Type	(thousands of pounds)		
	April 1, 1929	April 1, 1928	April 1, 5 yr. ave.
Burley .....	465,866	475,039	548,970
Ky. and Tenn. Dark-Fired	140,234	168,012	181,587
Henderson Stemming .....	2,841	8,390	11,717
One Sucker .....	36,737	39,815	57,163
Green River .....	35,968	49,127	62,481

The above table shows stocks of the principal types of Kentucky-grown tobacco as of April 1. It will be noted that stocks are lower, and from this angle the

outlook for the coming market season is somewhat more favorable than it has been during the past five years. It should be remembered, however, in this connection, that stocks of all types of Kentucky tobacco have been heavy in recent years.

### BUILDING

Contracts awarded in that part of the United States east of the Rocky Mountains in May were \$587,765,900 according to the F. W. Dodge Corporation. This represents a decline of 12 per cent from May, 1928, and 9 per cent from April, 1929. The greater part of this decline is found in the New York area, caused partly by the recent labor dispute. If the figures for the New York area are excluded, the decline from April is only two per cent which is less than seasonal.

In the Fourth District contracts awarded in May were \$64,736,000 as compared with \$63,813,000 in May, 1928, and \$51,469,000 in April of this year. This large increase for the month partly wiped out the rather large decline for the first part of 1929 so that for the year-to-date total contracts are only 4.1 per cent lower than in the corresponding period of last year.

Most of this increase in new contracts occurred, however, in non-residential lines. Residential contracts in this District were only \$17,259,000 as compared with \$27,845,000 in May, 1928, and \$18,557,000 in April. For the first five months of 1929, this class of contracts awarded was 26.8 per cent less than in 1928.

The valuation of building permits as recorded in 27 cities in this District is shown in the table below. The 19.2 per cent decline for the month of May as compared with the same month of 1928 was considerably less than the 33 per cent decline in April, which reduced the cumulative loss to 19.2 per cent for the year.

Employment in the Ohio construction industry, according to the Ohio State Bureau of Business Research, was considerably higher in May than in April, the index rising 15 points in the past month. The usual April to May increase, based on reports from 202 concerns, is only 8 points.

**Building Materials** Lumber manufacturers in this District report business during the first two months of the second quarter slightly ahead of the corresponding period of 1928. In early June, however, a slackening seems to have developed and demand for building materials is lighter than in April or May. Production of southern mills for the first week in June was almost 12 per cent less than in 1928.

Output of Portland cement mills in Ohio, Western Pennsylvania, and West Virginia was 1,595,000 barrels in May, a decrease of 11.5 per cent from a year ago.

### Building Operations

(Value of Permits)

	May 1929	% change from 1928	Jan.-May 1929	Jan.-May 1928	% change from 1928
Akron.....	2,775,412	+53.2	9,219,867	7,441,605	+23.9
Ashtabula.....	114,553	+92.6	149,277	180,662	-17.4
Barberton.....	153,929	-16.0	428,941	457,626	-6.3
Canton.....	443,545	+13.7	1,371,840	1,958,458	-30.3
Cincinnati.....	2,962,800	-33.5	13,018,590	14,061,810	-7.4
Cleveland.....	2,970,150	-32.9	14,880,250	19,321,075	-23.0
Cleve. suburbs:					
Cleve. Heights..	154,760	-65.6	972,730	2,222,775	-56.2
East Cleveland.	249,585	+208.3	1,483,594	540,329	+174.6
Euclid.....	195,853	-39.9	1,058,080	1,231,086	-14.1
Garfield Hghts.	153,100	-23.5	542,100	951,650	-43.0
Lakewood.....	222,490	-32.5	752,996	1,732,698	-56.5
Parma.....	230,295	-30.8	919,399	1,186,908	-22.5
Rocky River...	147,435	+76.5	768,415	485,863	+58.2
Shaker Hghts...	806,205	+19.8	2,747,325	3,447,810	-20.3
Columbus.....	1,255,100	-38.6	5,179,400	7,844,000	-34.0
Covington, Ky..	60,550	-65.5	570,125	708,850	-19.6
Dayton.....	278,974	-89.9	2,996,454	6,214,442	-51.6
Erie, Pa.....	342,368	-14.3	4,120,502	1,506,407	+173.5
Hamilton.....	163,313	-41.5	796,156	758,353	+5.0
Lexington, Ky..	142,963	+15.5	1,030,628	665,700	+54.2
Lima.....	94,065	+98.4	290,065	212,074	+36.8
Newark.....	63,675	-79.7	173,345	486,480	-64.4
Pittsburgh, Pa..	4,884,327	+90.8	12,537,064	17,630,409	-28.9
Springfield....	125,885	-2.8	546,040	558,772	-2.3
Toledo.....	999,449	-25.3	5,039,846	8,590,647	-41.3
Wheeling, W. Va.	117,400	-54.1	636,570	858,940	-25.9
Youngtown.....	713,595	-22.4	2,347,362	3,525,334	-33.4
Total.....	20,821,776	-17.2	84,576,961	104,780,763	-19.3

**Retail Trade** Sales of 62 department stores in this District showed a gain of 2.3 per cent in May and an increase for the first five months of 2.6 per cent as compared with corresponding periods of 1928. Stocks are lower, accounts receivable are larger, but collections are above those of a year ago. Increases were shown in 37 of the 52 departments, the largest being, silverware and jewelry, 13.9; handkerchiefs, 11.9; aprons, house dresses, 12.0; furs, 10.4; furniture, 13.3; and lamps and shades, 10.8. The largest and most important declines were shown in neckwear and scarfs, 10.2; women's coats, 26.2; and misses' coats and suits, 16.4 per cent.

Sales of women's wearing apparel as shown by 16 reporting stores were 5.9 per cent less in May than a year ago. May furniture sales showed an increase of 1.1 per cent in the 47 stores in the District and for the five months the increase was 1.8 per cent, compared with 1928.

**Wholesale Trade** Wholesale trade in this District was irregular during May. Wholesale dry goods continued to show a gain, the increase for the month being 3.1 per cent and for the year-to-date 2.8 per cent. Groceries were a trifle better than a year ago and so far this year sales have been 0.9 per cent ahead of the first five months of 1928. Sales of hardware, drugs, and shoes showed losses in May, the declines from last year being, 4.0, 0.5, and 23.6 per cent respectively. Collections seem to be holding up well, the percentage of April accounts collected in May being larger than last year for all lines except shoes and groceries.

**Fourth District Business Statistics**

(All figures are for Fourth District unless otherwise specified)

	May, 1929	May, 1928	% change	Jan.-May 1929	Jan.-May 1928	% change	
Bank Debts (24 cities)	Millions of dollars	3,436	3,276	+ 4.9	17,758	16,223	+ 9.5
Savings Deposits (end of month)							
Ohio (40 banks)	Thousands of dollars	773,554	747,468	+ 3.5	775,895 <sup>1</sup>	743,074 <sup>1</sup>	+ 4.4
Western Pennsylvania (26 banks)	" "	283,898	276,071	+ 2.8	277,337 <sup>1</sup>	274,745 <sup>1</sup>	+ 0.9
Total (66 banks)	" "	1,057,452	1,023,540	+ 3.3	1,055,234 <sup>1</sup>	1,017,818 <sup>1</sup>	+ 3.7
Commercial Failures—Number	Actual Number	148	157	- 5.7	862	920	- 6.3
—Liabilities	Thousands of dollars	3,227	2,378	+35.7	17,434	28,590	-39.0
Postal Receipts—9 cities	" "	3,214	3,128	+ 2.7	15,834	15,764	+ 0.4
Sales—Life Insurance—Ohio and Pa.	" "	121,704	120,240	+ 1.2	594,713	535,869	+11.0
—Dept. Stores—(62 firms)	" "	27,473	26,844	+ 2.3	123,635	120,451	+ 2.6
—Wearing Apparel (16 firms)	" "	1,717	1,826	- 6.0	8,186	8,300	- 1.4
—Furniture (47 firms)	" "	1,347	1,332	+ 1.1	5,388	5,290	+ 1.9
—Wholesale Grocery (41 firms)	" "	6,296	6,287	+ 0.1	29,296	29,032	+ 0.9
—Dry Goods (12 firms)	" "	2,071	2,009	+ 3.1	10,013	9,745	+ 2.8
—Hardware (17 firms)	" "	2,194	2,286	- 4.0	10,443	10,227	+ 2.1
—Drugs (13 firms)	" "	1,758	1,776	- 1.0	9,073	8,565	+ 5.9
Building Permits, Valuation—27 cities	" "	20,822	25,145	-17.2	84,577	104,781	-19.3
Contracts—Total, 4th District	" "	64,736	63,813	+ 1.4	254,323	265,062	- 4.1
—Residential, 4th District	" "	17,259	27,845	-38.0	74,377	101,625	-26.8
Production—Pig Iron, U. S.	" " tons	3,899	3,293	+18.4	17,923	15,429	+16.2
—Steel Ingots, U. S.	" "	5,273	4,203	+25.5	24,070	21,050	+14.3
—Automobiles, U. S.	Actual Number	516,055	375,356	+37.5	2,319,636	1,606,602	+44.4
—Passenger Cars	" "	86,596	49,920	+73.5	348,890	195,367	+78.6
—Trucks	" "	16,850	14,760	+14.2	84,007	72,264	+16.3
—Bituminous Coal, 4th District	Thousands of tons	1,595	1,803	-11.5	5,551	5,708	- 2.8
—Cement: Ohio, W. Va., Wn. Pa.	Millions of k.w. hrs.	1,195 <sup>2</sup>	1,054 <sup>2</sup>	+13.4	4,913 <sup>2</sup>	4,513 <sup>2</sup>	+ 8.9
—Electric Power: Ohio, Pa., Ky.	Thousands of barrels	2,082 <sup>2</sup>	1,990 <sup>2</sup>	+ 4.6	7,871 <sup>2</sup>	7,817 <sup>2</sup>	+ 0.7
—Petroleum: Ohio, Pa., Ky.	" "	4	4	+36.2	4	4	+ 1.3
—Shoes, 4th District	" "	5,116	5,116	.....	23,916	23,916	.....
—Tires, U. S.	" "	5,244	4,343	+20.7	8,076	5,257	+53.6
Bituminous Coal Shipments (from Lake Erie Ports)	" "	6,753	2,848	+137.1	7,944	2,848	+178.9
Iron Ore Receipts (at Lake Erie Ports)	" "						
Monthly average							
<sup>1</sup> April							
<sup>2</sup> January-April							
*Figures confidential							

**Fourth District Business Indexes**

(1923-1925=100)

	May, 1929	May, 1928	May, 1927	May, 1925	May, 1923
Bank Debts (24 cities)	129	121	115	106	103
Commercial Failures (Number)	101	108	101	106	105
(Liabilities)	73	54	73	101	102
Postal Receipts (9 cities)	124	120	113	113	105
Sales—Life Insurance (Ohio and Pa.)	145	144	125	119	116
—Department Stores (59 firms)	108	106	105	106	101
—Wholesale Drugs (13 firms)	112	113	102	104	96
—Dry Goods (12 firms)	85	83	75	81	79
—Groceries (41 firms)	94	95	90	90	92
—Hardware (15 firms)	102	98	98	101	99
—All (85 firms)*	96	96	90	93	91
—Chain Drugs (3 firms)**	88	93	95	106	99
Building Contracts (total)	136	134	149	119	112
(Residential)	100	162	129	106	154
Production—Coal (O., Wn. Pa., E. Ky.)	93	82	79	87	80
—Cement (O., Wn. Pa., W. Va.)	133	150	130	152	128
—Elec. Power (O., Pa., Ky.)*	142	126	129	122	106
—Petroleum (O., Pa., Ky.)*	113	108	107	101	103
—Shoes	98	72	92	80	92

\*April.

\*\*Per individual unit operated.

†Includes 3 shoe firms

**Retail and Wholesale Trade**

(1929 compared with 1928)

	Percentage Increase or Decrease		
	SALES May-May	SALES First 5 moa.	STOCKS May-May
<b>DEPARTMENT STORES (62)</b>			
Akron	+ 9.9	+ 5.4	+ 8.7
Cincinnati	- 0.2	+ 3.8	+ 6.3
Cleveland	+ 1.8	+ 3.0	+ 3.3
Columbus	- 1.3	+ 0.2	+ 4.0
Dayton	- 1.0	- 0.5	+ 1.4
Pittsburgh	+ 4.4	+ 1.4	- 2.5
Toledo	+ 0.4	+10.4	- 5.5
Wheeling	- 4.6	- 1.4	- 6.2
Youngstown	- 1.6	+ 1.4	- 8.2
Other Cities	+ 3.8	+ 4.2	- 3.6
District	+ 2.3	+ 2.6	- 1.1
<b>WEARING APPAREL (18)</b>			
Cincinnati	- 9.8	- 6.8	+ 9.5
Cleveland	- 2.5	+ 5.0	- 7.6
Other Cities	- 5.6	- 1.8	-11.2
District	- 5.9	- 1.4	- 6.3
<b>FURNITURE (47)</b>			
Cincinnati	- 4.6	+ 2.2	.....
Cleveland	+ 8.0	- 0.04	.....
Columbus	- 4.0	+ 1.0	.....
Dayton	- 0.2	- 2.4	.....
Toledo	+ 0.2	+ 9.1	.....
Other Cities	+ 0.8	+ 4.7	.....
District	+ 1.1	+ 1.8	.....
<b>CHAIN STORE*</b>			
Drugs—District (3)	- 5.2	- 5.1	.....
Groceries—District (4)	+ 0.5	+ 3.6	.....
<b>WHOLESALE GROCERIES (41)</b>			
Akron	+ 3.3	+ 2.0	.....
Cincinnati	+ 3.9	+ 2.6	.....
Cleveland	- 5.8	+ 3.7	.....
Eric	- 8.2	- 6.0	.....
Pittsburgh	+ 4.6	+ 3.8	.....
Toledo	- 0.1	+ 3.1	.....
Other Cities	+ 4.5	+ 4.1	.....
District	+ 0.1	+ 0.9	+ 2.2
<b>WHOLESALE DRY GOODS (12)</b>	+ 3.1	+ 2.8	-12.3
<b>WHOLESALE DRUGS (13)</b>	- 1.0	+ 5.9	.....
<b>WHOLESALE HARDWARE (17)</b>	- 4.0	+ 2.1	+ 4.6
<b>WHOLESALE SHOES (5)</b>	-23.6	-16.0	-26.3

\*Sales per individual unit operated.

**Debts to Individual Accounts**

(In thousands of dollars)

	5 weeks ending June 19, 1929	% change from 1928	1929 to date (Dec. 26-June 19)	1928 to date (Dec. 28-June 20)	% change from 1928
Akron	137,829	+11.9	729,752	642,823	+13.5
Butler, Pa.	15,325	+ 9.4	74,303	66,011	+12.6
Canton	64,863	+15.3	341,396	300,623	+13.6
Cincinnati	503,866	- 2.8	2,827,378	2,766,630	+ 2.2
Cleveland	1,038,837	+ 8.9	5,667,425	4,999,568	+13.4
Columbus	217,905	+ 9.0	1,163,337	1,038,890	+12.0
Connellsville	4,485	-10.0	22,604	24,729	- 8.6
Dayton	115,925	+ 3.7	655,549	582,693	+12.5
Eric, Pa.	49,663	+ 8.7	237,556	212,100	+12.0
Franklin, Pa.	7,063	+10.3	34,381	32,277	+ 6.5
Greensburg, Pa.	24,491	- 0.3	123,755	123,668	+0.07
Homestead, Pa.	6,310	+16.1	28,897	25,936	+11.4
Lexington, Ky.	26,722	+ 9.2	195,263	158,763	+23.0
Lima	16,474	+ 0.2	97,950	92,591	+ 5.8
Lorain	7,488	+ 5.6	37,115	35,083	+ 5.8
Middletown	16,367	+11.9	78,587	77,376	+ 1.6
Oil City, Pa.	23,024	- 2.8	112,469	102,215	+10.0
Pittsburgh, Pa.	1,216,641	+ 3.0	6,658,126	5,910,524	+12.6
Springfield	25,843	+ 2.0	152,928	133,732	+14.4
Steubenville	15,157	+ 4.4	75,623	68,696	+10.1
Toledo	252,106	-21.5	1,455,875	1,651,125	-11.8
Warren	17,169	+14.4	89,991	80,907	+11.2
Wheeling, W. Va.	56,961	- 4.5	316,631	296,008	+ 7.0
Youngstown	90,585	+ 6.0	484,869	427,401	+13.4
Zanesville	15,243	- 3.2	80,658	77,456	+ 4.1
<b>Total</b>	<b>3,966,342</b>	<b>+ 2.7</b>	<b>21,742,418</b>	<b>19,895,548</b>	<b>+ 9.3</b>



## Summary of National Business Conditions

By the Federal Reserve Board

### Summary of National Business Conditions

Production and distribution of commodities continued at a high rate in May. Wholesale commodity prices declined further during the month, but more recently showed some advance. Total loans and investments of member banks in leading cities have increased since the latter part of May.

#### Production

Industrial production continued large in May and was accompanied by a further increase in the volume of factory employment and payrolls. Output of the iron and steel industry increased further, and shipments of iron ore during May were the largest for that month of any recent year; production of pig iron, steel ingots, and coke was at record levels; and semifinished and finished steel was produced in large volume. During the first half of June steel operations remained close to capacity, although some decline from the high rate of May was reported. Output of automobiles, which has been in unusually large volume since the beginning of the year, showed a slight reduction in May. Copper production at mines, smelters, and refineries decreased during May but continued large. Combined stocks of refined and blister copper at the end of May were the largest since 1927. Zinc, lead, petroleum, and bituminous coal were produced in larger volume than in April, while the output of anthracite coal declined. Output in the textile industries continued large in May, although there was a decline in activity in silk mills. Meat production, while larger than in April, increased less than is usual at this season.

Value of building contracts awarded declined in May, and was below last year's level, the decrease in comparison with 1928 being chiefly in residential building. During the first two weeks in June, contracts averaged 15 per cent less than in the same period in 1928.

The June 1 crop summary of the Department of Agriculture indicated an increase of 43 million bushels, or more than 7 per cent, in the crop of winter wheat. The condition of spring wheat, barley, and hay was reported to be better than a year ago.

#### Distribution

The volume of freight shipments increased seasonally in May and continued substantially above the total of a year ago. Department store sales increased in May and were 2 per cent larger than in the same month in the preceding year.

#### Prices

Wholesale prices continued in May the downward movement of the previous month, according to the index of the United States Bureau of Labor Statistics. The decline of the general level was chiefly the result of price declines in agricultural products and their manufactures, although prices of other products also declined slightly. Prices of cotton and grains continued sharply downward in May and there were marked declines in the prices of hogs, wool, and lambs. Prices of mineral and forest products and their manufactures averaged lower in May than in April, particularly those of copper, lead, and tin; petroleum and gasoline, and iron and steel advanced in price, while in lumber there was a slight decline.

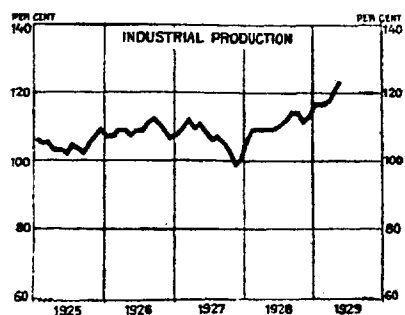
Since the latter part of May prices of cattle and hides have advanced sharply and there have been increases in the prices of grains, hogs, and cotton.

#### Bank Credit

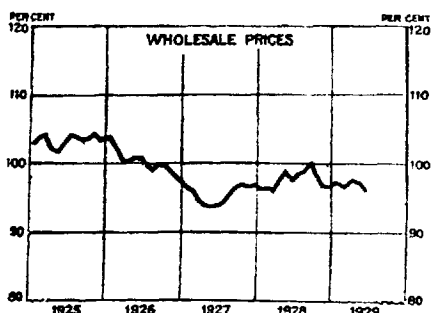
Total loans and investments of member banks in leading cities, which were at a low point for the year in the latter part of May, increased considerably during the subsequent three weeks and on June 19 were about \$250,000,000 larger than a year ago. The recent increase reflected a large growth in the volume of loans on securities, which had declined during the preceding two months, and a further growth in loans chiefly for commercial and agricultural purposes. Investments declined during most of the period and on June 19 were at a level about \$450,000,000 below that of the middle of last year.

Volume of reserve bank credit outstanding, after increasing in the latter part of May, declined in June, and, following the treasury financial operations around the middle of the month, showed a small increase for the four weeks ending June 19. Discounts for member banks increased, while holdings of acceptances and United States securities showed a decline. There were some further additions to the country's stock of monetary gold.

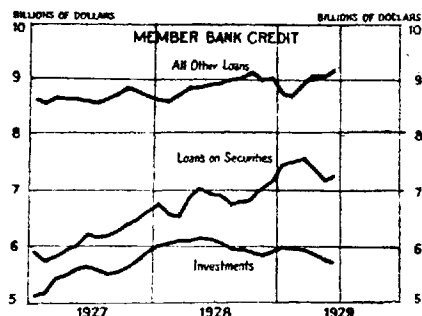
Open market rates on collateral loans declined in June, while rates on prime commercial paper and 90 day bankers' acceptances remained unchanged.



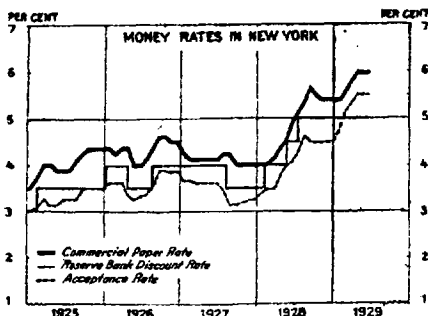
Index number of production of manufacturers and minerals combined, adjusted for seasonal variations (1923-1925 = 100). Latest figure May, 123.



Index of United States Bureau of Labor Statistics (1926 = 100, base adopted by Bureau). Latest figure May, 95.8



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



Monthly rates in the open market in New York: commercial paper rate on 4-6 month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 22 days in June.