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The unusually high rate of business activity which was generally experienced in the Fourth District during the first half of 1929 is continuing into the third quarter with less than the normal seasonal decline.

Steel operations in the Pittsburgh-Youngstown-Cleveland district in mid-July were at 95 per cent of capacity, which nearly equaled the record of May. The automotive demand has slackened due to factory curtailment in preparation of new models, but the general level is being maintained by large orders of pipe, structural and railroad materials.

Sales of department stores in June were 3.4 per cent larger than in the same month of 1928. Wholesale distribution in most lines was better than a year ago. Hardware sales increased 5.4, drugs 3.7, and dry goods 6.3 per cent. Grocery sales declined 1.7 per cent in June but were larger for the first six months of 1929 than they were in 1928.

Conditions in most manufacturing lines showed little change from a month ago. Consumption of electric power in June was slightly under the May rate but averaged more than 15 per cent higher than in June, 1928. Tire demand slackened less than the seasonal amount in July. Shoe production has increased. Paint and varnish concerns are operating at higher levels than in 1928. Motor accessory concerns continue to do a good volume of business. The clothing trade, adversely affected by the unseasonable weather, is reporting larger fall orders. Wearing apparel sales in June were 1.1 per cent larger than in June a year ago.

Coal production continues to show a substantial increase in volume but prices are low, and though conditions are better than they have been for some time, they are not satisfactory. Building in July showed a slight increase but the industry continues behind last year levels. Industrial and commercial building has been good but the decline in residential building more than offset the slight increase shown in other types.

Distribution in the United States, as shown by this bank's seasonally corrected weekly index of car loadings has been above the levels of 1928 and most of 1927. Excluding the holiday weeks, loadings of freight have exceeded 1,000,000 cars weekly for the past twelve weeks. The Federal Reserve Board's index of industrial production continued to rise and stood at 124 in June as compared with 108 in June, 1928.

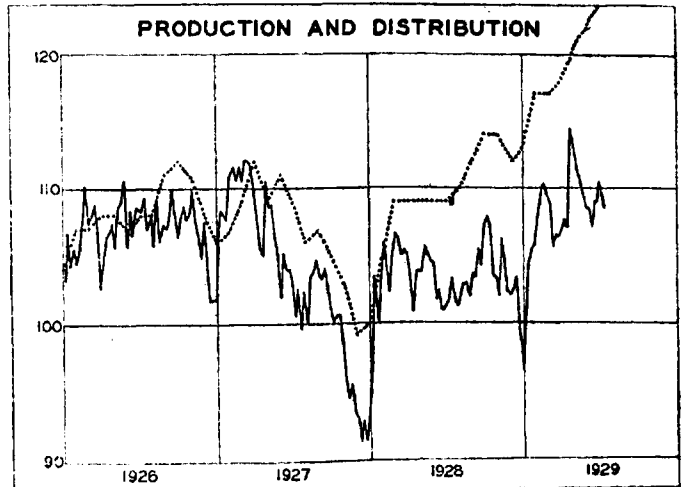
FINANCIAL

Gold Movements. Gold imports to the United States in June amounted to \$30,762,000, the largest amount for any month since January. The heaviest shipments came from England, \$9,285,000; Canada, \$5,008,000, and Argentina, \$14,502,000. Exports were negligible.

Imports for the first six months totaled \$181,507,000, surpassing those of any like period since 1924. Exports for the same period were \$7,050,000, making the excess of imports \$174,457,000. This net inflow of gold has not been reflected in a decrease of member bank indebtedness at the reserve banks, but has been absorbed largely in a reduction of reserve bank holdings of acceptances and also of Government securities.

In early July imports continued large, amounting to \$24,924,000 for the three weeks ended July 17. The effect of these was counteracted by large increases in earmarkings which, added to exports of \$435,000, totaled \$22,437,000.

Reserve Bank Credit. The most noticeable changes in the position of the Reserve banks during the past month were the large increases in discounts and note circulation. An increase in bills discounted of \$194,000,000 between June 19 and July 10 was accompanied by an increase of \$184,000,000 in note circulation, the latter increase being a

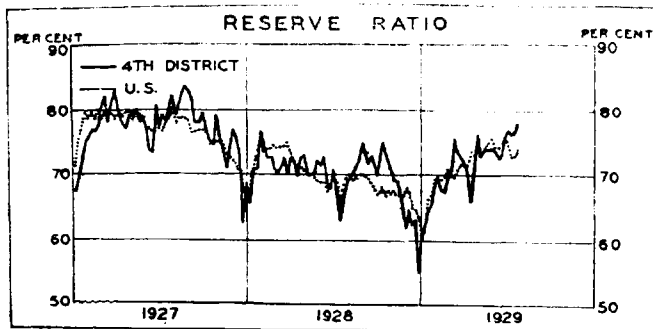


Solid line—weekly index of car loadings F. R. B. of Cleveland (1923-1925 = 100). Latest figure, week ending July 6—108.6. Broken line—monthly index of industrial production, Federal Reserve Board (1923-1925 = 100). Latest figure June—125. Both curves adjusted for seasonal variation.

result of the issuance of the new money and increased holiday demands. In the week ended July 17, however, \$32,000,000 in notes was returned to the Banks and discounts declined \$70,000,000, standing at \$1,083,700,000. Acceptances continued to decline and though there was an increase of \$17,000,000 in holdings of government securities, total credit extended was \$1,314,708,000, somewhat higher than a month ago but considerably below the levels of 1928 or of early 1929.

Total reserves increased during the month and are \$339,000,000 higher than in 1928. The chart below shows the ratio of total reserves to deposit and note liability for the system and this bank, and shows the Reserve Banks in a stronger position, from this standpoint, than they have been since 1927.

At the Cleveland bank, discounts increased over the holiday, but were only \$83,685,000 on July 17, \$8,000,000 less than a year ago and about the same as early 1929. Bills and securities continued to decline and although there was an increase in note circulation, it is now only slightly higher than it was in mid-June.



Latest figures July 17. F. R. B. of Cleveland—77.9. Federal Reserve System, 73.8

Member Bank Credit. Loans secured by stock- and bonds continued to increase in late June and reached a point on July 3 which was higher than for any week this year, excluding the first week of 1929. This increase proved to be of a temporary nature due to mid-year settlements, for, in the following two weeks, these loans declined \$116,000,000, standing at \$7,644,000,000 on July 17, which was \$790,000,000 higher than on the corresponding day of last year. "All other" loans, which are largely commercial, increased \$87,000,000 during the month and were considerably higher than they were a year ago. Since the middle of March, investments have been declining but total credit extended is over \$500,000,000 higher than it was at this time in 1928.

In the Fourth District the trend of credit extended has been upward since early June. Increases were shown in both collateral and "all other" loans, but investments continued to decline.

Loans to brokers made by New York reporting member banks were \$5,908,000,000 on July 24, a high for all time, surpassing the previous record by \$95,000,000. Loans for the account of New York banks increased sharply until July 3, due to abnormal money conditions, but declined as soon as the stringency was passed. Both loans for the account of out-of-town banks and for the accounts of others are higher than they were a month ago.

Money Rates. Call money, representing security trans-

actions, has been abnormally high during the greater part of July. The average for June, 7.64 per cent, was considerably lower than the average of the preceding three months. Around the first of July, due to unusually large transactions and heavy demand for money, the rate rose to 10 and 15 per cent, but receded after the holiday to 7 per cent. On July 9, the quotation was 9 which rose to 12 on the 16th but declined to 8 two days later and finally dropped back to 7 per cent on July 22. Time money declined and was quoted at 7½-½ on July 5 but the rate advanced to 7¾-8 per cent after the middle of the month.

Bankers' acceptances continue at 5½ and prime commercial paper remains at 6 per cent.

Security Prices. On July 8 the Dow-Jones average of 30 industrial stocks reached 346.55, a new high, and culminated one of the most persistent rises witnessed for some time, the average rising over 50 points in a little over a month. After reaching this point, prices have been irregular with no trend noticed. The volume of trading has become moderately heavy, being greater than it was a month ago.

Debits, Savings, Failures. Debits to individual accounts at 13 large centers in this District amounted to \$2,907,034,000 in June, \$2,861,458,000 in May, and \$2,979,710,000 in June, 1928.

Commercial failures in the Fourth District, according to R. G. Dun, numbered 159 in June, 148 in May, and 136 in June a year ago. Liabilities were \$3,480,435 in June and \$2,847,201 last year, an increase of 22 per cent. In the United States defaults were 1767 in June and 1947 in the same month of 1928.

Savings deposits of 66 selected banks in this District amounted to \$1,069,254,000, an increase of 3.9 per cent over a year ago and of 1.0 per cent from May.

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

	BANKING OPERATIONS											
	Federal Reserve Banks						Federal Reserve System					
	Bank of Cleveland						Federal Reserve System					
	(In Millions)						(In Millions)					
	July 17	July 18	June 19	July 17	July 18	June 19	July 17	July 18	June 19	July 17	July 18	June 19
Gold reserves	296	245	282	2,930	2,666	2,300	1,929	1,928	1,929	2,666	2,666	2,300
Discounts	84	91	83	1,084	1,012	960	1,012	1,012	1,012	1,012	1,012	960
Acceptances	3	17	7	68	181	87	181	181	181	181	181	87
U. S. Securities	27	34	28	153	309	139	309	309	309	309	309	139
Total bills and securities.....	114	141	117	1,515	1,463	1,130	1,515	1,515	1,515	1,515	1,515	1,130
Federal Reserve notes in circulation	201	192	199	1,501	1,619	1,649	1,501	1,501	1,501	1,501	1,501	1,649
Total deposits	191	187	188	2,394	2,349	2,300	2,394	2,394	2,394	2,394	2,394	2,300
	REPORTING MEMBER BANKS						REPORTING MEMBER BANKS					
	Fourth District						United States					
	(In Millions)						(In Millions)					
	July 17	July 18	June 19	July 17	July 18	June 19	July 17	July 18	June 19	July 17	July 18	June 19
Loans on securities	713	686	696	7,644	6,854	7,302	7,644	7,644	7,644	7,644	7,644	7,302
All others	880	790	820	8,348	8,343	9,161	8,348	8,348	8,348	8,348	8,348	9,161
Total loans	1,542	1,478	1,516	16,392	15,796	16,543	16,392	16,392	16,392	16,392	16,392	16,543
Investments	647	781	643	5,518	6,094	5,745	6,094	6,094	6,094	6,094	6,094	5,745
Demand deposits	1,047	1,039	1,002	13,219	13,146	12,925	13,219	13,219	13,219	13,219	13,219	12,925
Time deposits	947	975	954	6,648	6,830	6,727	6,648	6,648	6,648	6,648	6,648	6,727

MANUFACTURING, MINING

Iron and Steel June output of pig iron and steel ingots, records for that month, completed the best first half year in history of production. For steel, the first half appears also to have set a new peacetime earnings mark.

Pig iron was being made in June at a daily rate of 123,853 gross tons, a moderate decline from the 125,753

tons of May but the third highest for any month in history. The monthly total of 3,715,583 tons brought the first half year up to 21,638,016 tons, or 4 per cent over the previous record set in 1923.

June's daily steel ingot rate of 195,255 gross tons was only 47 tons short of the alltime daily peak attained in May. The month's total was 4,881,379 tons, giving the first half 28,967,174 tons, compared with the previous first half record of 24,798,073 tons in 1928.

For these records the railroads and the automotive industry are largely responsible. Freight car orders in the first half totaled 62,816, compared with 44,763 in all 1928 and 63,295 in all 1927. First half automotive production is placed at 3,223,000 units for the United States, against 2,201,521 in the opening half of 1928. Pig iron and steel stocks in consumers' hands July 1 are believed to have been no higher than on January 1.

This first half record is not believed to have exhausted consumption requirements. In the first two weeks of July production was within 10 per cent of the June rate. Automotive requirements for sheets, strip and bars, bought chiefly in the Pittsburgh-Youngstown-Cleveland districts, were one third under the peak of May, but with Ford and Chevrolet (accounting for 55 per cent of all production) substantially maintaining their rates and many new models scheduled for production, no weakness in this direction is discernible.

Unfilled orders of the United States Steel Corporation, despite declines in May and June, stood at 4,256,910 tons as of June 30, compared with 3,976,612 as of December 31, 1928. This indicates that steelmakers have entered the third quarter, normally the duller of the year, with heavy order books in spite of their record production. Steel prices generally were continued into the third quarter. Large consumers still are obtaining concessions on black sheets, galvanized sheets generally are weak, and wire products' prices are unstable, but in the main no more so than in the second quarter.

Third quarter contracting for pig iron having been brisk at the close of June, new business in early July has been light. Shipments, while at the highest rate for any July, show a downward tendency. Considerable tonnage has been quietly closed in the Pittsburgh district, and apparently some price concessions have been made.

Due chiefly to weakness in pig iron in the South and failure of semifinished makers to substantiate all of their advances late in the second quarter, the Iron Trade Review composite of fourteen leading iron and steel products continues to recede. In June this index averaged \$36.99. The peak of the spring movement was \$37.13, reached in mid-May. By mid-July the composite was down to \$36.72.

Coal There has been relatively little change in the demand for bituminous coal during the past month. Manufacturing activity throughout the country, as well as in this District, has been greater than it was in the summer of 1928 and consequently has required more of all types of fuels.

The preliminary estimate of bituminous coal production for June, according to the United States Bureau of Mines, was 27,900,000 tons, a slight decline from May but an

increase of 5.4 per cent, or about 2,000,000 tons from June, 1928, which had one more working day.

In the Fourth District, figures from the same source show June production as 15,595,000 tons compared with 14,380,000 tons in the corresponding month last year, an increase of 8.4 per cent. The six months' production, amounting to 99,602,000 tons, surpassed the output of the first six months of 1928 by 15 per cent.

In addition to the increased manufacturing demand, production of coal in this District has had an added stimulus in the increase in demand for coal cargoes going to the upper lake ports. Coal shipped from Lake Erie ports in June bettered those of the same month last year by 17.2 per cent. For the first six months loadings were 13,592,000 tons, an increase of 36.4 per cent over the 9,963,000 tons loaded into vessels in the first half of 1928.

Conditions at the mines have improved slightly this year and the outlook is better than it has been for some time. Stock piles have been decreasing and are now at lower levels than they were before the large increase in production in preparation for the strike of 1927 took place. In spite of this improvement in position and increased production, the industry, as a whole, is still in a depressed state. Prices are unusually low, the Coal Age average price for June being \$1.67 1/5, f.o.b. mine, which was fractionally less than May, and compared with \$1.73 last year.

Rubber and Tires

Reports coming from large manufacturers of tires in this District indicate that second quarter business was considerably ahead of the same period last year so far as tonnage and the number of units produced is concerned. The dollar volume was about on a par with 1928 levels and may be favorably interpreted in light of the fact that prices during most of the second quarter of 1928 were considerably higher than they are this year. It will be remembered that on June 11, 1928, prices of tires were generally reduced and have not changed, to any extent, since that time. Earnings statements which are beginning to appear are very favorable and reflect the generally increased activity of the first half of 1929.

The demand for tires as original equipment slackened somewhat in July but the decline is reported to be less than seasonal. Orders by dealers for replacement stocks have been holding up well. The rubber sundry trade is active and the demand for all rubber products, except tire sundries, has increased. The demand for the latter, however, is about the same as a year ago.

Imports of crude rubber in June were 44,490 tons against 49,180 in May and 25,092 in June last year. Imports for the six months were 318,508 tons and for the same period of 1928, 212,497 tons.

Stocks of rubber are large but imports in July continued to decline although they are still above 1928 levels. Consumption was likewise lower in June being 43,227 tons as against 49,223 tons in May and 37,676 tons in June a year ago.

Prices have remained rather steady with a weakening tendency noticed during the past month. The June average was 20.47 cents a pound, which was fractionally lower than for any month since January and compared with 19.15 in June, 1928.

Tire production in May amounted to 6,148,000 units (including solids) as compared with 5,116,000 units in last May. The half year production was an increase of 20.2 per cent over the same period of 1928.

Automobiles June, according to the Department of Commerce, was another record month of automobile production. United States output was 545,252 units, including trucks and taxicabs, as compared with 396,796 in June, 1928, an increase of 37.4 per cent. Compared with May the month showed a decline of 158,768 units or 9.7 per cent. Production for the six-month period was 3,223,090 units, an increase over the same period of 1928 of 46.4 per cent, and far surpasses production for any like period.

Heavy exports have helped somewhat to maintain production, but during the first five months of 1929, though exports have increased nearly three times what they were in 1928, the total amounted to only 10.1 per cent of the total production for that same period. Domestic consumption has been unusually large but appears to be showing some decline.

Passenger car registrations in May (the latest complete figures) were 454,153, an increase from May, 1928 of 29 per cent. In the same month exports of passenger cars were 28,417 compared with 38,851 in May a year ago, a decline of 26.9 per cent. On the other hand, May production was 516,055, an increase of 38.2 per cent from a year ago. Adding exports and registrations the total falls short of production by 33,475 units. The fact that exports show a large decline in May both from April and last year, and registrations a relatively smaller gain than production, seems to indicate that stocks in hands of manufacturers or dealers are increasing. The demand for the low priced car continues strong and orders are on a level with production but this cannot be said of all types of cars.

In July production continued to decline but it was still above last year levels. Some concerns are preparing to introduce new models and have curtailed or stopped output of present models entirely.

Sales of cars for the eight Ohio counties, whose principal cities are shown in the table below, continued to decline in June but are still well ahead of 1928.

NEW PASSENGER CAR REGISTRATION

	June, 1929	Per cent change	Jan.-June, 1929	Jan.-June, 1928	Per cent change
Akron	1,875	+31.0	10,118	6,440	+57.1
Canton	1,190	+39.5	6,107	4,015	+52.1
Cincinnati	2,229	+19.6	12,144	9,128	+33.0
Cleveland	5,718	+29.9	30,800	20,932	+47.1
Columbus	1,615	+20.1	9,290	6,330	+46.8
Dayton	1,861	+29.1	6,878	4,753	+44.7
Toledo	1,500	+4.5	9,047	6,802	+33.0
Youngstown	1,017	+29.1	5,303	3,748	+41.5
Total	16,505	+25.3	89,687	62,148	+44.3

Clothing Conditions in the clothing industry show little change from a month ago. Fall trade is just beginning and manufacturers are now producing for their advance orders. Bookings of fall business show a slight increase over those obtained in the same period of 1928, but it is too early for any generalizations. One firm reports that individual orders are larger than they were a year ago. The knitwear business compares favorably with last year and is, at present, showing its fall line.

Retail clothing sales have been irregular all during the first part of the year. This business is very easily affected by the weather and the cool wet May curtailed the demand in most lines. With the advent of summer weather, seasonal clothing sales increased. June clothing sales as shown by 61 department stores in the Fourth District showed no definite trend. Gains were shown in hosiery, 4.6 per cent; silk and muslin underwear, 6.7; women's dresses, 8.8; misses' dresses, 17.1; sports wear, 4.7; aprons and house dresses, 49.1; men's clothing, 3.5; and men's furnishings 9.2 per cent. Declines were experienced in millinery, 0.1 per cent; knit underwear, 4.9; infants' wear, 1.8; women's coats, 42.4; misses' coats, 34.4; and furs, 15.0 per cent.

Shoes Shoe manufacturers of this District have been receiving very favorable reports from their salesmen who are on the road with fall samples. Orders continue to come in good volume and retailers are buying more freely for fall delivery than they have for some time. Increases in orders are general but the demand for a cheaper shoe, selling for around six dollars, far surpasses that of other classes.

The shoe season runs from May to November with production falling off in the winter and early spring. So far this year the season has bettered that of 1928 by 2.2 per cent. June production in the Fourth District, according to the Department of Commerce, showed an increase over the corresponding month of last year of 6.6 per cent. Final figures for the United States show that 1215 factories produced 29,119,872 pairs in May compared with 26,426,613 pairs in the same month of 1928.

Sales of shoes in June in 31 department stores in this District were ahead of the same month of 1928. Sales of women's shoes increased 7.6 per cent; men's and boys', 12.7 per cent, but children's shoe sales declined 4.9 per cent.

The price of hides continues to show strength. June averaged 16.62 cents per pound, the highest since January but much below the average for June, 1928, which was 22.50 cents. In early July prices advanced slightly but the volume of sales was small.

Other Manufacturing Business in various lines of manufacture in this District is holding up well. In some lines there has been a slight falling off but this is hardly worthy of mention because it is less than seasonal and the general level of activity is still well above last year levels. Earnings statements which are beginning to appear show that the first six months has not only been a record period from the production standpoint but has been a very profitable one as well.

Manufacturers of metal containers report an increase in June of about 8 per cent. Orders are in good volume but are mostly for immediate consumption.

Glass makers have not been affected, to any extent, by the decline in building. July showed some seasonal decline from June but was ahead of July, 1928. Manufacturers of molded glass report business about the same as last year with no change other than seasonal during the past two or three months. Prices are still depressed.

Paint and varnish producers are experiencing a better

volume than a year ago but are now feeling the effect of a slight seasonal decline. Automotive demand has slackened, due to a cessation in production in preparation for new models.

This is normally the slack season for agricultural implements, but orders, particularly for future delivery, are in better volume than a year ago. Electrical supplies are in good demand with sales considerably ahead of 1928.

Engineering and machinery business is satisfactory with the summer lull hardly noticeable, as yet. Stove demand has receded slightly but this is expected in July and August.

Jewelry manufacturers report business more active than it was in 1928. Retail orders are larger and more future buying is being done. Paper and boxboard business is generally quiet. Cork and linoleum sales are above the average for this time of year. Hardware and automobile parts manufacturers are feeling the effect of the vacation period, but are optimistic in regard to fall business.

AGRICULTURE

The general condition of farm crops changed but little during the past month. Precipitation has been uneven, being excessive in some sections and below normal in others, particularly in the eastern counties. The table below shows the 1929 production of principal crops of this District as estimated by the United States Department of Agriculture.

PRODUCTION OF PRINCIPAL CROPS
(000 omitted)

	Fourth District		United States	
	1928	1929*	1928	1929*
Corn, bu.	174,381	184,318	2,835,678	2,662,050
Total Wheat, bu.	13,167	39,906	902,191	833,869
Spring Wheat, bu.	164	118	324,058	261,377
Winter Wheat, bu.	13,003	39,790	578,133	562,492
Oats, bu.	106,377	71,093	1,448,677	1,247,147
Tame Hay, tons	5,940	7,009	92,983	98,991
Tobacco, lbs.	117,608	157,101	1,378,189	1,492,508
White Potatoes, bu.	23,511	21,043	464,483	579,290

*Estimate based on July 1 conditions.

Several large changes are noted but this is caused by the extremely poor wheat crop last year. Wheat in the Fourth District was almost a total failure in 1928 and estimated production this year is over three times as large as it was a year ago. Since most of the crop grown here is the winter variety, farmers were able to substitute crops such as oats, potatoes, barley, etc. after they saw that their wheat crop had failed. As a result we had large increases in production of these crops in 1928.

This year, however, the abandonment of wheat fields was below average and consequently less planting of the later sown crops was done which accounts for the decreases in the estimated production of oats, potatoes, and barley, only State figures for the latter crop being available.

Wheat. Wheat has been slow to ripen but harvesting has begun in many parts of the District. Reports of condition, which are above the ten-year average for all four states comprising this District, indicate a yield around 20 bushels per acre, a figure only surpassed four times in over 60 years. Probable production for the entire country declined 40,000,000 bushels in June and is estimated to be 7.5 per cent less than in 1928 in spite of the fact that

total acreage showed an increase of 5.2 per cent. The June decline was due to hot, dry weather and insect damage in the western states.

Oats. The acreage planted this season for the Fourth District was nearly normal but was much less than in 1928. Planting was done under very unfavorable conditions and the crop looks quite unsatisfactory. The stand is thin, and much of it is yellow. The crop is heading with short straw and considerable rust damage is noticed.

Corn. Although the corn crop is late, it is doing nicely. Conditions as of July 1 were higher than a year ago but slightly below the ten-year average in Ohio, Kentucky, and West Virginia. The 1929 crop estimate for this District is 184,318,000 bushels, an increase of 5.7 per cent as compared with 1928. This increase is significant because the corn acreage is somewhat smaller than it was a year ago.

Potatoes. The Fourth District potato crop is estimated to be 10.5 per cent less this year than it was in 1928 and compares with a decrease of 18.3 per cent for the country as a whole. The acreage planted is generally less, conditions being unfavorable at planting time. In some places planting was not completed by July 1 which is much later than usual.

Hay, Pasture. Up until time for harvest the rains have been a boon to growth of all classes of hay and pasture. Production of tame hay in this District is estimated to be 7,009,000 tons as against 5,940,000 tons a year ago. Now, however, farmers in many localities are having difficulty in getting the hay cured. Pastures have been good in Ohio but poor in Pennsylvania.

Fruits. This is a poor fruit year, both for the country as a whole and for the Fourth District. A very heavy "June drop" and bad infestation of scab have reduced a less than average apple crop to one of the smallest of recent years. In Ohio, based on July 1 condition, the crop is estimated to be only 3,349,000 bushels compared with 8,509,000, the five-year average.

Peaches, pears, and grapes all show similar conditions and are much below average in condition.

Tobacco. The extremely heavy and frequent rains of June and early July have done considerable damage to the tobacco crop in many sections of this District. Fortunately this has not been general but low fields have been flooded and hillsides have suffered from erosion. In many sections it has been impossible to cultivate which results in weedy fields. In addition, diseases are unusually abundant, plants being rather badly damaged by angular leaf-spot, the same type of rust which did so much damage to the 1920 crop. Several types of root-rot are also noticed. Consequently the condition of the crop is much less satisfactory than it was a month ago, but some dry, hot weather would do much to improve it. In spite of these adverse conditions, the outlook for a larger crop than was harvested last year is favorable. The acreage planted was about 20 per cent greater than in 1928, and on a basis of the July 1 condition, which was below the ten-year average, the crop in this District, according to the United States Department of Agriculture, is expected

to be 157,101,000 pounds compared with 117,608,000 pounds harvested in 1928.

Canning. Conditions in the canning industry are quite favorable. Spinach and pea packing has been completed, the latter being only about 75 per cent of normal. The prospects for sweet corn, although about two weeks late, are better here than in many sections of the country. Tomato acreage has been increased. Producers' stocks of all canned goods are nearly depleted and the outlook for the coming season is promising.

BUILDING

Total building contracts awarded in the Fourth District amounted to \$53,010,544 in June compared with \$69,605,000 in June, 1928, a decrease of 23.8 per cent. Residential building in the District continued slow and only amounted to \$16,297,000 as compared with \$21,498,000 in June a year ago, a loss of 24.2 per cent.

For the first six months of this year total contracts awarded in this District amounted to \$307,334,000 a decline of only 8.2 per cent from 1928. All of this decline is found in residential building which was 26.4 per cent less than for the first half of 1928, and amounted to only \$90,674,000. If the residential figures are excluded from the total, all other types of building show an increase of 2.4 per cent for the half year just ended.

For the first twelve days in July the daily average rate of contracts shows a slight improvement in the Pittsburgh District, which includes slightly more territory

than is included in the Fourth District. According to the F. W. Dodge Corporation, contracts awarded in this District for July 1 to 12, inclusive, averaged \$2,540,400, an increase of 13.6 per cent from the daily average of June and of 2.6 per cent from the daily average for the entire month of July, 1928.

The valuation of building permits as shown by 27 cities in this District totaled \$22,214,572, a decline of 20.4 per cent in June compared with the same month last year. For the first six months the decline was 19.5 per cent and is much larger than the 3 per cent loss shown for the country as a whole.

As noted in the table below declines for June were experienced in 12 of the 27 cities shown. The falling-off is found mostly in the larger centers and counteracts the gains shown in the greater number of smaller cities.

Building Materials The falling off in construction activity has made itself felt in most lines of building material. The demand for structural steel is holding up well but lumber and brick dealers report business only fair.

Production of Portland cement in this District amounted to 1,885,000 barrels in June, an increase from a year ago of 9.6 per cent. For the first six months, however, output of mills was 13.2 per cent behind the same period of 1928.

Lumber production in early July was behind the levels of a year ago and orders show a similar decline. Prices have been weak.

The Aberthaw index of building costs has remained steady for three months at 190 per cent of the 1915 base. Decreases in the prices of lumber were offset by increases in the price of structural steel.

Retail and Wholesale Trade Both retail and wholesale trade showed up favorably in June. Sales of 61 large department stores in this District were 3.4 per cent greater than they were a year ago and in the first six months of 1929 sales were 2.9 per cent larger than in the first half of 1928. All cities but Wheeling showed gains for both periods.

Fifteen wearing apparel stores reported a gain of 1.1 per cent in June but showed a decline for the first six months of 0.3 per cent.

Wholesale trade showed increases in three of the five reporting lines in this District. Dry Goods gained 6.3 per cent; hardware, 5.4; and drugs, 3.7 per cent. Groceries and shoes declined 1.7 and 24.2 per cent respectively. With the exception of shoes, which showed a decline of 17.6 per cent, all other lines reported gains in sales for the first six months of this year as compared with the same period of 1928.

Building Operations

(Value of Permits)

	June, 1929	% change from 1928	Jan.-June, 1929	Jan.-June, 1928	% change from 1928
Akron.....	2,056,071	+50.1	11,275,938	8,811,267	+28.0
Ashstaba.....	277,055	+1236.5	426,352	201,392	+111.7
Barberton.....	161,291	+289.8	597,039	498,999	+19.6
Canton.....	521,715	+48.9	1,893,555	2,308,913	-18.0
Cincinnati.....	3,418,410	+22.6	16,437,000	16,849,000	-2.4
Cleveland.....	3,659,500	-55.7	18,539,750	27,574,725	-32.8
Cleve. suburbs:					
Cleve. Heights.....	162,125	-69.8	1,134,855	2,759,050	-58.9
East Cleveland.....	62,383	+20.8	1,545,977	591,951	+161.2
Euclid.....	391,000	+42.8	1,449,080	1,504,946	-3.7
Garfield Hghts.....	143,850	+104.0	685,950	1,022,150	-32.9
Lakewood.....	84,835	-45.5	837,831	1,888,471	-55.6
Parma.....	207,631	-33.2	1,127,030	1,497,956	-24.8
Rocky River.....	185,175	+66.0	953,590	597,413	+59.6
Shaker Heights.....	645,500	-4.9	3,392,825	4,126,760	-17.8
Columbus.....	844,700	-53.5	6,024,100	9,680,300	-37.8
Covington, Ky.....	80,600	-63.0	650,725	926,900	-29.8
Dayton.....	446,721	-41.9	3,443,175	6,983,082	-50.7
Eric, Pa.....	220,325	-55.2	4,340,827	1,997,942	+117.3
Hamilton.....	169,808	+21.0	965,964	898,728	+7.5
Lexington, Ky.....	399,900	+284.9	1,430,528	769,585	+85.9
Lima.....	18,390	-42.1	308,455	243,849	+26.5
Newark.....	207,900	+573.9	381,245	517,330	-26.3
Pittsburgh, Pa.....	5,051,277	-28.1	17,588,338	24,652,875	-28.7
Springfield.....	314,946	+143.4	892,171	687,945	+29.7
Toledo.....	1,861,760	+25.1	6,901,606	10,079,104	-31.5
Wheeling, W Va.....	229,889	+65.6	866,459	997,775	-13.2
Youngstown.....	391,815	-26.1	2,739,177	4,055,343	-32.5
Total.....	22,214,572	-20.4	106,829,542	132,723,751	-19.5

Fourth District Business Statistics

(All Figures for Fourth District unless otherwise specified)

	June, 1929	June, 1928	% change	Jan.-June, 1929	Jan.-June, 1928	% change
Bank Debits (24 cities)	3,507	3,623	-3.2	21,265	19,846	+7.2
Savings Deposits (end of month)						
Ohio (40 banks)	789,143	758,267	+4.1	779,771 ¹	745,606 ¹	+4.6
Western Pennsylvania (26 banks)	280,111	270,485	+3.6	277,799 ¹	274,035 ¹	+1.4
Total (66 banks)	1,069,254	1,028,752	+3.9	1,057,571 ¹	1,019,474 ¹	+3.7
Commercial Failures—Number	159	136	+16.9	1,021	1,056	-3.3
—Liabilities	3,480	2,847	+22.2	20,914	31,437	-33.5
Postal Receipts—9 cities	2,874	2,948	-2.5	18,708	18,712	-0.02
Sales—Life Insurance—Ohio and Pa.	119,341	118,085	+1.1	714,054	653,954	+9.2
—Dept. Stores—(61 firms)	26,093	25,232	+3.4	149,449	145,268	+2.9
—Wearing Apparel (16 firms)	1,646	1,627	+1.1	9,603	9,635	-0.3
—Furniture (47 firms)	1,136	1,138	-0.2	6,521	6,429	+1.4
—Wholesale Grocery (41 firms)	6,180	6,286	-1.7	35,476	35,318	+0.4
—Dry Goods (12 firms)	1,960	1,844	+6.3	11,973	11,589	+3.3
—Hardware (17 firms)	2,351	2,229	+5.5	12,794	12,456	+2.7
—Drugs (13 firms)	1,692	1,631	+3.7	10,765	10,197	+5.6
Building Permits, Valuation—27 cities	22,215	27,925	-20.4	106,830	132,724	-19.5
—Contracts—Total, 4th District	53,011	69,605	-23.8	307,334	334,667	-8.2
—Residential, 4th District	16,297	21,498	-24.2	90,674	123,123	-26.4
Production—Pig Iron, U. S.	3,716	3,082	+20.6	21,639	18,511	+16.9
—Steel Ingots, U. S.	4,881	3,743	+30.4	28,951	24,793	+16.8
—Automobiles, U. S.						
Passenger Cars	452,641	356,214	+27.1	2,772,277	1,962,816	+41.2
Trucks	91,296	40,582	+125.0	440,243	235,541	+86.9
—Bituminous Coal, 4th District	15,595	14,380	+8.4	99,602	86,644	+15.0
—Cement, Ohio, W. Va., Wn. Pa.	1,885	1,720	+9.6	6,436	7,419	-13.2
—Electric Power: Ohio, Pa., Ky.	1,196 ²	1,068 ²	+12.0	6,109 ²	5,581 ²	+9.5
—Petroleum: Ohio, Pa., Ky.	2,232 ²	2,167 ²	+3.0	10,103 ²	9,984 ²	+1.2
—Shoes 4th District						
Tires, U. S.	6,148 ²	5,116 ²	+20.2	27,975 ²	23,916 ²	+17.0
Bituminous Coal Shipments (from Lake Erie Ports)	5,516	4,706	+17.2	13,592	9,963	+36.4
Iron Ore Receipts (at Lake Erie Ports)	6,985	6,199	+12.7	14,929	9,047	+65.0

¹Monthly Average.
²May.
³January-May.
⁴Figures Confidential.

Retail and Wholesale Trade

(1929 compared with 1928)

	Percentage		
	Increase or Decrease		STOCKS
	SALES	SALES	
June-June	First 6 mos.	June-June	
DEPARTMENT STORES (61)			
Akron	+10.7	+6.3	+3.0
Cincinnati	+4.5	+3.9	+5.8
Cleveland	+1.4	+2.7	-3.3
Columbus	+1.0	+0.3	+4.7
Dayton	+3.6	+0.2	-8.5
Pittsburgh	+4.0	+1.8	-1.4
Toledo	+3.7	+9.2	-10.1
Wheeling	-8.7	-2.8	-5.4
Other Cities	+6.3	+5.0	-3.7
District	+3.4	+2.9	-1.4
WEARING APPAREL (18)			
Cincinnati	+1.7	-3.9	+5.3
Cleveland	+6.0	+5.2	+1.8
Other Cities	+3.7	-2.1	-2.9
District	+1.1	-0.3	+1.2
FURNITURE (47)			
Cincinnati	-2.1	+1.3	
Cleveland	+3.5	+0.6	
Columbus	-8.0	-0.6	
Dayton	-1.3	-2.5	
Toledo	+1.4	+7.5	
Other Cities	+4.3	+4.7	
District	-0.2	+1.4	
CHAIN STORE*			
Drugs—District (3)	-2.7	-4.7	
Groceries—District (4)	-1.8	+2.7	
WHOLESALE GROCERIES (41)			
Akron	-4.5	-0.8	
Cincinnati	-0.1	+2.2	
Cleveland	-6.4	-4.2	
Eric	-9.0	-6.7	
Pittsburgh	+3.0	+3.6	
Toledo	+0.05	+2.6	
Other Cities	+2.5	+3.8	
District	-1.7	+0.4	-5.2
WHOLESALE DRY GOODS (12)	+6.3	+3.3	-16.8
WHOLESALE DRUGS (13)	+3.7	+5.6	
WHOLESALE HARDWARE (17)	+5.4	+2.7	+3.1
WHOLESALE SHOES (5)	-24.2	-17.6	-20.7

*Sales per individual unit operated.

Fourth District Business Indexes

(1923-1925 = 100)

	June, 1929	June, 1928	June, 1927	June, 1926	June, 1925
Bank Debits (24 cities)	129	134	130	111	107
Commercial Failures (Number)	108	93	112	99	102
(Liabilities)	79	65	81	70	125
Postal Receipts (9 cities)	111	114	112	108	101
Sales—Life Insurance (Ohio and Pa.)	143	141	125	121	113
—Department Stores (59 firms)	103	100	99	97	99
—Wholesale Drugs (13 firms)	108	104	106	106	98
—Dry Goods (12 firms)	81	76	69	78	82
—Groceries (41 firms)	92	96	99	100	99
—Hardware (15 firms)	109	95	98	102	107
—All (85 firms)**	95	93	94	97	97
—Chain Drugs (3 firms)**	86	89	94	103	99
Building Contracts (total)	111	146	134	181	118
(residential)	95	125	120	161	128
Production—Coal (O., Wn. Pa., E. Ky.)	86	80	80	92	84
—Cement (O., Wn. Pa., W. Va.)	157	143	143	138	132
—Elec. Power (O., Pa., Ky.)*	142	127	128	118	105
—Petroleum (O., Pa., Ky.)*	121	117	111	101	100
—Shoes	89	83	109	83	88

*May.
**Per individual unit operated.
†Includes 3 shoe firms

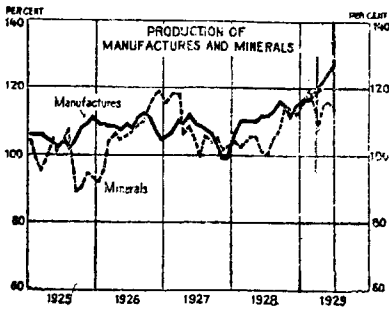
Debts to Individual Accounts

(In thousands of dollars)

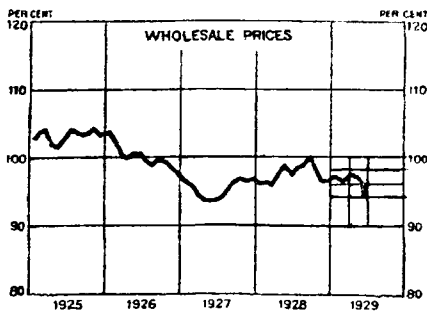
	4 weeks ending July 17, 1929	% change from 1928	1929 to date (Dec. 26-July 17)	1928 to date (Dec. 28-July 18)	% change from 1928
Akron	117,476	+6.0	847,228	753,626	+12.4
Butler, Pa.	13,203	+20.7	87,506	76,950	+13.7
Canton	53,425	+16.5	393,821	348,626	+13.9
Cincinnati	418,118	+0.1	3,245,496	3,185,022	+1.9
Cleveland	870,962	+7.2	6,539,387	5,812,223	+12.5
Columbus	178,539	+23.9	1,341,876	1,182,953	+13.4
Connellsville	4,085	-1.1	26,689	28,858	-7.5
Dayton	113,291	+15.1	768,840	681,098	+12.2
Eric, Pa.	39,669	+13.2	277,225	247,139	+12.2
Franklin, Pa.	6,583	+38.5	40,964	37,029	+10.6
Greensburg, Pa.	23,763	+10.6	147,318	145,159	+1.6
Homestead, Pa.	4,662	+15.6	33,559	29,970	+11.2
Lexington, Ky.	26,836	+23.2	222,099	180,539	+23.0
Lima	16,141	+6.8	114,091	107,708	+5.9
Lorsain	6,479	-21.0	43,594	43,289	+0.7
Middletown	12,073	+7.6	90,660	84,439	+7.2
Oil City, Pa.	20,231	+27.9	132,700	118,037	+12.4
Pittsburgh, Pa.	1,011,365	+2.4	7,669,491	6,898,570	+11.2
Springfield	25,052	+2.0	177,980	158,293	+12.4
Steubenville	12,580	+7.0	88,203	80,454	+9.6
Toledo	216,837	-20.7	1,672,712	1,924,489	-13.1
Warren	14,853	+9.6	104,844	343,695	+11.0
Wheeling, W. Va.	48,043	+0.7	364,674	502,034	+13.1
Youngstown	82,866	+11.0	567,735	502,034	+13.1
Zanesville	11,801	-7.3	92,459	90,192	+2.5
Total	3,347,933	+3.8	25,090,351	23,157,856	+8.3

Summary of National Business Conditions

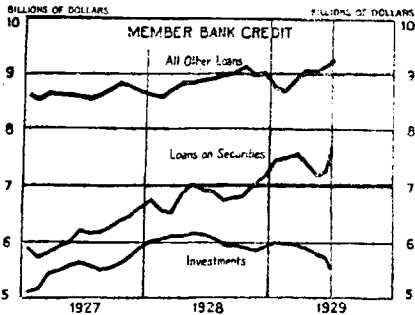
By the Federal Reserve Board



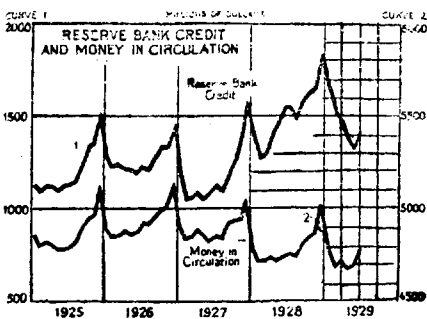
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, June, manufactures 127, minerals, 113.



Index of United States Bureau of Labor Statistics (1926 = 100, base adopted by Bureau). Latest figure June, 96.4.



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



Monthly averages of daily figures. Latest figures are averages of first 21 days in July.

Output of manufactures continued in large volume in June, while mineral production declined. There was a rise in the general level of commodity prices, reflecting chiefly an advance in agricultural commodities.

Production

Activity of manufacturing establishments continued at a high rate in June. Output of automobiles and of iron and steel showed a seasonal decline smaller than is usual from May to June. Silk mill activity increased and there was a growth in the daily average production of cement, leather, and shoes. Production of copper at smelters and refineries decreased sharply and output of cotton and wool textiles was also reduced, although production in all of these industries continued larger than in other recent years. The volume of factory employment and payrolls in June showed a small seasonal decline from May, but, as in earlier months, was substantially larger than in 1928. Output of mines was generally smaller in June than in May, reflecting declines in the production of coal, copper, and other nonferrous metals. Output of petroleum, however, increased to new high levels.

Reports for the first half of July indicate some further reduction in output of cotton textiles, iron and steel, lumber, and coal.

Volume of construction contracts awarded decreased further in June, and for the first half year, awards were 12 per cent less than in the same period in 1928, reflecting chiefly a substantial decline in residential building. During the first three weeks of July contracts awarded were larger than in the same period a year ago.

Agriculture

Department of Agriculture estimates, based on July 1 crop condition report, indicate a wheat crop of 834,000,000 bushels, about eight per cent smaller than production last year, but larger than average production in the preceding five years. The acreage of cotton in cultivation on July 1 was estimated at 48,457,000 acres, three per cent more than a year ago.

Distribution

During the month of June freight car loadings were slightly smaller than in May, as a result of decreases in loadings of most classes of freight, except grain products and ores. In comparison with other recent years, however, loadings continued to show an increase.

Sales of department stores in June, as in earlier months, were larger than in the same month in 1928.

Prices

Wholesale prices, according to the Bureau of Labor Statistics index, advanced from May to June on the average somewhat less than they had declined during the preceding month. Farm products, particularly grains, cattle, beef, and hides showed marked advances in price. Prices of mineral products and their manufactures also averaged higher in June than in May, the rise reflecting largely increases in the prices of petroleum and gasoline. Prices of leading imports, rubber, sugar, silk, and coffee, showed a decline for the month as a whole.

During the first two weeks of July, wheat and corn continued to move sharply upward, while hides declined slightly in price. Hog prices increased and prices of rubber and tin, which began to advance in the middle of June, continued to rise.

Bank Credit

During the first half of July the volume of credit extended by member banks in leading cities declined somewhat, following a rapid increase in June. On July 17 loans and investments of these banks were about \$400,000,000 above the level at the end of May. The increase reflected chiefly rapid growth in loans to brokers and dealers in securities and also some further increase in commercial loans. The banks' holdings of investments continued to decline and were on July 17 about \$700,000,000 below the middle of last year.

The total volume of reserve bank credit outstanding showed an increase of about \$120,000,000 during the four weeks ending July 17, the increase being in discounts for member banks.

Demand for additional reserve bank credit arose chiefly out of a considerable increase in the volume of money in circulation which accompanied the issuance of the new small size currency. There was also some increase in reserve balances of member banks accompanying the growth in their loans and consequently in their deposits.

Open market rates on 90 day bankers' acceptances declined from 5½ to 5½ per cent between the latter part of June and the middle of July, while rates on prime commercial paper remained unchanged.