



# MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

**Fourth Federal Reserve District**  
**Federal Reserve Bank of Cleveland**

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No. 10

Business in the Fourth District is preparing to enter the fourth quarter of the year at a level which is still above 1928 but which is somewhat more irregular than has been noted in former months.

Iron and steel operations are showing a tapering from the records attained in mid-summer, which is contrary to the usual seasonal trend. Many mills have worked off their backlogs and are dependent upon current orders to maintain production. Such orders declined in September, reflecting in part, reduced demand from the automobile industry. Ford and Chevrolet have lowered schedules to an extent which more than offsets the gains shown by some of the producers of larger cars. Tire production continues to decline. Seasonal increases are reported by manufacturers of glass, hardware, paint, electrical supplies, and stoves. Retail trade showed an increase of 8 per cent in August and September sales are reported to be in good volume. Shoe production did not show the seasonal increase in August but the year so far is only slightly behind 1928. Coal production continues in good volume. Building, particularly residential, continues to lag and prices of construction materials have shown a downward tendency. Unusually dry weather resulted in declines in all crop estimates in this District except wheat which was already harvested. Money rates remain firm with a hardening tendency in industrial centers but there is no evidence that commercial requirements cannot be met.

## FINANCIAL

Between the middle of August and the middle of September there was a further rapid increase in loans for commercial and agricultural purposes at member banks in leading cities. Security loans also increased, while investments continued to decline. In the Fourth District, security loans continued to advance while investments and commercial loans showed a slight decline.

**Reserve Bank Credit.** During the first half of September the volume of reserve bank credit outstanding was about \$120,000,000 larger than in the middle of the year. The increase was for the most part in the reserve banks' acceptance holdings and reflected chiefly growth in the demand for currency, partly seasonal in character. Discounts for member banks, following the increase over the holiday period early in September, declined at the time of

the Treasury financial operations around the middle of the month, and on September 18 were at a lower level than at any time since last June.

At the Federal Reserve Bank of Cleveland discounts for member banks increased slightly during the first three weeks in September and at \$76,000,000 on September 18 were \$6,000,000 higher than a year ago.

**Treasury Financing.** The September 16 offering of the Treasury Department was an issue of 4½ per cent certificates of indebtedness, maturing in nine months. The reduction of ¼ per cent in the interest rate from that borne by the June offering was associated with exemption of this issue from all Federal income tax, including exemption from the surtax, an important consideration to subscribers with large personal incomes. That the issue was quite attractive is shown by the large subscription of \$1,486,000,000, of which only \$549,707,500 was allotted. The quarterly Treasury operations, as a whole, involving receipt of about \$500,000,000 in taxes, retirement of \$510,000,000 in maturing certificates and \$104,274,000 in 3½ per cent notes and interest payments of about \$65,000,000, were handled without marked effect on the money market.

**Security Prices.** The stock market has been decidedly irregular during the past month with price movements being alternately strong and weak, but exhibiting a decidedly downward course after mid-September. The Dow-Jones average of 30 industrial stocks, after establishing a new high record on September 3, when it reached 381.17, declined irregularly during the month and on September 24 stood at 352.61, a drop of over 18 points occurring in the last week.

**Interest Rates.** Call money was somewhat easier during August, the renewal rate averaging 8.23 for the month as compared with 9.23 in July. In September the rate ranged between seven and ten per cent, the average for the first 24 days being 8.06 per cent and reflected an increase in the supply of demand money. Time money strengthened about the middle of September and is now quoted at nine per cent instead of 8¼-9, the rate in August and early September.

Commercial paper rates (90-day, prime) showed a slight firming in early September and are now quoted at 6¼ per cent, but the market has been inactive for some time. The volume of bankers' acceptances outstanding has

shown a large increase. Rates continue at 5½ per cent (90-day, asked).

Money rates in the Fourth District are seasonally firmer than they were in early summer. Prime commercial paper is quoted at 6 per cent in Cleveland, 5½-6 in Pittsburgh, and 6-6½ per cent in Cincinnati. Collateral loans in September in Cleveland were 6-7 per cent, in Pittsburgh 5½-6 per cent and in Cincinnati 6-8 per cent.

**Debits, Savings, Failures.** Debits to individual accounts in 13 cities in the Fourth District in August amounted to \$2,989,197,000 as compared with \$3,246,593,000 in July and \$2,553,261,000 in August, 1928. This was an increase of 17.1 per cent for the year but was a decline of 7.9 per cent from July.

Savings deposits in 65 selected banks in this District amounted to \$1,040,456,307 on September 1, an increase from the preceding month of 0.1 per cent and of 1.8 per cent from August, 1928.

Failures of commercial firms in the Fourth District, according to R. G. Dun and Company, numbered 117 in August, the lowest number reported for any month since November, 1923. Failures in August, 1928, totaled 156 and in July, 1929, 143. Liabilities of the defaulting concerns were larger, amounting to \$2,022,000 in August as against \$1,997,000 in July and \$4,237,000 in August, 1928.

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

**BANKING OPERATIONS**

	Federal Reserve Banks			Federal Reserve System		
	Bank of Cleveland			(In Millions)		
	Sept. 18, 1929	Sept. 19, 1928	Aug. 21, 1929	Sept. 18, 1929	Sept. 19, 1928	Aug. 21, 1929
Gold reserves .....	268	285	300	2,989	2,626	2,954
Discounts .....	78	70	73	984	1,094	988
Acceptances .....	14	22	3	241	237	132
U. S. Securities .....	30	35	29	178	224	148
Total bills and securities .....	120	127	105	1,368	1,560	1,288
Federal Reserve notes in circulation .....	184	200	193	1,847	1,680	1,823
Total deposits .....	192	198	190	2,428	2,459	2,337

**REPORTING MEMBER BANKS**

	Fourth District			United States		
	(In Millions)			(In Millions)		
	Sept. 18, 1929	Sept. 19, 1928	Aug. 21, 1929	Sept. 18, 1929	Sept. 19, 1928	Aug. 21, 1929
Loans on securities .....	743	660	783	7,683	6,874	7,513
All other .....	824	807	831	9,569	9,066	9,432
Total loans .....	1,567	1,467	1,614	17,252	15,940	16,945
Investments .....	680	721	687	5,489	6,039	5,488
Demand deposits .....	1,085	1,047	1,066	13,179	13,045	13,068
Time deposits .....	948	964	950	6,806	6,831	6,780

**MANUFACTURING, MINING**

**Iron and Steel** Record production of steel through the summer months brought steel producers in the Pittsburgh-Youngstown-Cleveland districts to the point in mid-September where the majority were dependent upon the day-to-day run of orders. It was the exceptional sheet, strip, plate, shape and bar mill that had not practically worked off its backlog.

With this condition came a scaling-down of mill operations. In both pig iron and steel ingots August output made a new record for the month, notwithstanding a continuous decline since May.

Automotive specifications, upon which the District is greatly dependent, developed a sharp recession in September, immediately after Labor Day, and with Ford and

Chevrolet both curtailing, expansion of programs of smaller makers could not turn the tide. Sheet, strip and bar mills are most affected.

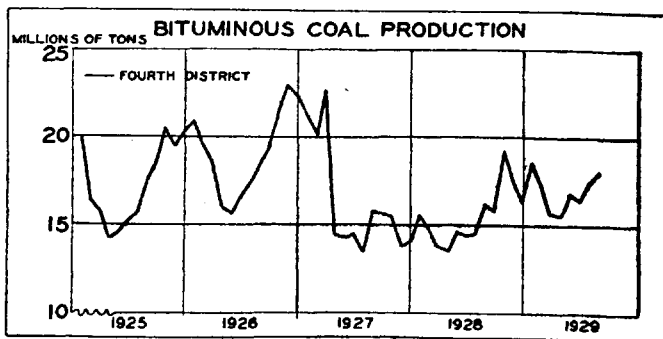
Continuation of third quarter prices into the fourth quarter, coupled with assurances of an easy delivery situation, removed the incentive for noteworthy contracting in September. Pipe mills also had worked off much of their backlogs, and heavy inquiry had not materialized into bookings. August purchases of freight cars, totaling 2,854, represented a marked increase over the 341 of July, and indicated heavier steel needs in the fall. In mid-September over 10,000 cars were on active inquiry, and car shops had prospects of the best fall operations in five years.

Pig iron selling was unusually steady and heavy through late August and early September and producers came up to the fourth quarter with over 75 per cent of their probable output committed. Extreme low southern prices were withdrawn, to the advantage of the northern markets. Iron and steel scrap prices were strong until mid-September, and then developed weakness. Coke and semi-finished steel prices promised to enter the last quarter at unchanged levels.

Pig iron was produced in August at a daily rate of 120,594 gross tons, compared with 122,016 tons in July, but the rate was a record for August. The month's total was 3,738,438 tons, bringing the 8-month total to 29,158,486 tons, also a record. Seven more stacks were blown out than in, leaving 210 active as of August 31.

For August the steel ingot daily rate was 182,437 gross tons, compared with 186,080 tons in July and the alltime peak of 195,302 tons in May. The August total of ingots was 4,925,802 tons and the 8-month total 38,731,069 tons. Both the August and the 8-month figures are records.

Following some weakness in July, the Iron Trade Review composite of the prices of 14 leading iron and steel products steadied in August and averaged \$36.54, compared with \$36.71 in July and \$34.96 last August. Through the first three weeks of September the index stood at \$36.52.



**Coal** Production of bituminous coal in the Fourth District in August totaled 18,000,000 tons, an increase from August, 1928, of 11.7 per cent. Output of mines, as shown on the chart, has been consistently larger than last year. Production for the first eight months has amounted to 117,189,000 tons, surpassing the like period of 1928 by 16 per cent. Part of this increase in activity was in response to the demand for Lake cargoes to take the place of ore

shipments from upper Lake ports, these loadings so far this season having increased 19 per cent over the same period of 1928.

Stocks of coal in hands of industrial consumers have been reduced until they have about 26 days' supply on hand as compared with 37 days' supply a year ago and 54 days' in 1927. Stocks are now at a point where some manufacturers are ordering in anticipation of winter needs but many are still buying on a mine-to-plant basis and are reluctant to enlarge their stocks. Coal for domestic consumption in the hands of retail dealers has been increasing in preparation for the increased demand which takes place in October and has been accompanied by an advance in price.

As the year advances, Fourth District mine operators report the usual seasonal growth in business which generally reaches the peak in October. Prices have shown no marked change. Advances shown on a few grades have been offset by declines in others.

The report just made public for 1928 bituminous coal production by states shows that West Virginia ranks first for the second time with Pennsylvania and Kentucky second and third respectively. Including anthracite production, Pennsylvania exceeds any other state by a good margin.

**Automobiles**

August production of motor vehicles in the United States which totaled 499,629 units, showed a slight decline from the 500,893 units produced in July but an 8 per cent increase from August, 1928. The decline from July to August is in contrast with the movement of automobile production at the same season of other recent years. Production for the first eight months amounted to 4,223,414 units and surpassed the same period of 1928 by 38 per cent. Truck production showed a decline of 30 per cent from a month ago and was less than in August, 1928. Passenger car output showed an increase from July and was 10.9 per cent larger than a year ago.

Figures of automobile production for September are not yet available but reports indicate that operations are showing no increase from August. Ford and Chevrolet whose production has accounted for 55 per cent of the industry's output so far this year, have announced an important reduction in schedules.

In the Fourth District, sales, as shown by new passenger car registrations, continue ahead of a year ago. August registrations in 59 Ohio counties representing over 80 per cent of the state's population, showed an increase of 18 per cent from a year ago, according to the Ohio State Bureau of Business Research, but declined 10 per cent from July of this year. Truck registrations in August were 21 per cent larger than in 1928.

New Passenger Car Registration				
August, 1929	% change from 1928	Jan.-Aug. 1929	Jan.-Aug. 1928	% change from 1928
Akron .....	+18.1	18,286	8,946	+48.5
Canton .....	+11.1	7,994	5,433	+41.9
Cincinnati .....	+8.5	16,175	12,535	+29.0
Cleveland .....	+13.2	40,980	29,101	+40.8
Columbus .....	+10.7	12,232	8,363	+38.0
Dayton .....	+14.3	9,098	6,566	+38.6
Toledo .....	+6.0	11,471	9,392	+24.3
Youngstown .....	+11.6	7,101	5,196	+36.7
<b>Total .....</b>	<b>+10.6</b>	<b>118,537</b>	<b>86,232</b>	<b>+37.5</b>

**Rubber and Tires**

The steady rise in tire production which began last November apparently reached its climax in May, for figures of the Rubber Manufacturer's Association report a continued decline in June and July. Production in the latter month of all types of tires was 6,526,281 casings, a decline from June of 11.3 per cent and from July, 1928, of 0.5 per cent. Inventory figures which have been unusually large during early 1929 showed a favorable decline during July and represented about three months' normal supply. July 31 inventories of tires amounted to 15,999,977 units, a decline from June of 11.8 per cent but they are still 41 per cent above July 31, 1928.

Manufacturers of tires in this District do not regard the large inventory figures with alarm. It has been felt that inventories of finished products in previous years were abnormally small, due to the wide fluctuations in the price of crude rubber. The price this year has been quite stable around 20 cents a pound with the result that finished inventories have been carried with much more confidence.

Imports of crude rubber continue in large volume. For the month of August they totaled 38,292 tons, as compared with 29,805 tons in August, 1928. For the first eight months of this year imports have amounted to 401,051 tons against 275,684 tons in the same period last year, an increase of 45.5 per cent. Consumption in August was only 38,274 tons, the lowest for any month this year. Eight months' consumption amounted to 349,108 tons, 20 per cent more than in the same period of last year and resulted in an increase in stocks of crude rubber on hand and in transit of 31.6 per cent.

There has been little change in the price of crude rubber lately, first latex (spot) being quoted at 19.90 cents on September 20 as compared with 20.06, the average for August.

**Clothing**

Reports received from clothing manufacturers during the past month indicate a variety of conditions with the majority reporting business in better volume than a year ago. In an industry as seasonal as this, weather plays an important part and the lower temperature of September has stimulated fall buying. Since there has been little advance ordering for some time past retailers are having to place renewal orders with manufacturers earlier than is usual.

Manufacturers of knit goods in this District are experiencing a good volume of business which partly compensates for the poor spring when production was below normal. Little advance ordering is being done.

Producers of woolen cloth and manufacturers of women's clothing report larger orders than were received last year at this time. Prices have shown a decline of from three to five per cent, but collections are only fair.

Retail sales in the clothing departments of department stores showed the following increases from August, 1928: women's coats, 7.1; women's suits, 20.6; women's dresses, 2.1; misses' ready-to-wear, 11.8; sports' wear, 14.0; men's furnishings, 2.3; men's hats and caps, 21.8; and boys' wear, 10.6 per cent. Declines were shown in aprons and housedresses, 12.9; silk and muslin underwear, 4.4; and men's clothing 4.6 per cent.

**Shoes** Manufacturers of shoes in this District report early September business in good volume. All but two factories are operating at the high rate which has prevailed for the past ten weeks. Salesmen started out with samples about the middle of September and are beginning to book orders for spring delivery. So far, however, little advance buying is being done, but orders for fall delivery have been very satisfactory.

The preliminary report of shoe production in this District for August indicated a decline from the same month last year of 13.7 per cent. The seasonal increase from July was not so marked this year but production for the first eight months of 1929 is only 0.3 per cent behind the corresponding period of 1928. Some of the activity which usually occurs in August, took place earlier in the year.

Sales of shoes by retailers, as indicated by reports from 31 department stores, showed increases in all lines. Women's shoes increased 7.3 per cent; children's shoes, 8.9; and men's and boys', 2.2 per cent. Wholesale shoe stores continue to show declines in sales, the loss in August being 14.6 per cent. The fact that sales have been consistently behind 1928 levels is partly accounted for by the increase in the number of chain organizations operating in this field who buy direct from the manufacturer.

The hide and leather market remains firm. Stocks of hides and skins have declined but holdings of sole leather have advanced. Prices of hides advanced rather sharply in August averaging 18.88 cents a pound as compared with 17.90 in July but were considerably less than the 23.62 average of August, 1928.

**Other Manufacturing** General manufacturing activity in August as measured by the consumption of electrical energy was about five per cent greater than a year ago in this District but seasonal curtailment to a moderate extent occurred during the month. In early September some lines reported a seasonal increase but some report further declines, the general level being above 1928, however.

Very little advance buying is noticed, the ratio of inventories to total resources being only fractionally larger than it was a year ago. Orders for the most part are for immediate delivery.

**Agricultural Implements.** Early fall business reported to be better than a year ago. Prices have become somewhat stabilized.

**Electrical Supplies.** Seasonal increases in orders are being reported. Some advance ordering is being done and collections are good.

**Glass.** Demand for plate glass continues about on the level of preceding months, the slackening in automotive orders being counteracted by an increase in other demands. Sales of ordinary glass have increased seasonally and equal or exceed production. Demand for moulded and table glassware has shown improvement but orders are still less than they were last year. Prices are low on all grades of glass.

**Hardware, Machinery.** Hardware demand continues good and above last year levels. Seasonal orders are being placed. Machinery supply concerns report a slowing-

down from a record summer but this is not regarded as significant. Demand for machine tools and drills, while being varied, is good. Collections are satisfactory.

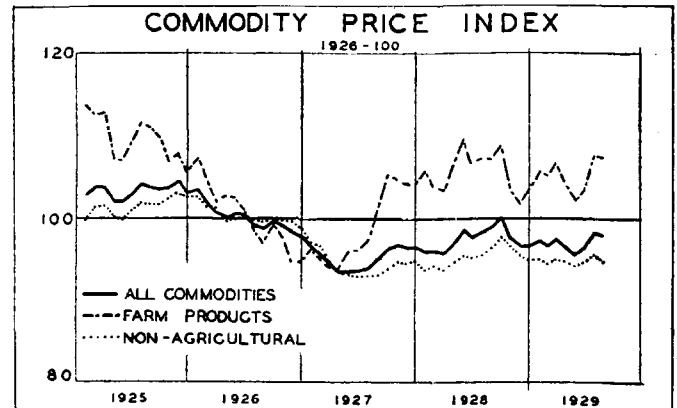
**Metal Containers.** Tin plate mills have curtailed production due to lighter demand for containers on the part of canners. One container concern reports orders in the usual good volume.

**Motor Accessory.** Manufacturers are still busy but operations have shown some decline during the past month.

**Paint.** Orders have been somewhat stimulated by advancing prices, particularly of linseed oil. Practically all the paint and varnish concerns in this District, many of which supply the automobile trade, have been operating at capacity and still continue at high levels.

**Paper.** Better grades of paper are in good demand with orders ahead of last year. Boxboard mills are operating under difficulty of low prices and overproduction.

**Stoves.** Seasonal increases in stove and kitchen equipment sales are reported for September. Prices and collections are good.



**Commodity Prices** The United States Bureau of Labor Statistics Index of Commodity Prices showed a slight decline in August both in the agricultural and non-agricultural groups. As noted on the chart, the wholesale price of farm products has been consistently above the general level of prices since the middle of 1927. The index of agricultural prices, which in August was 107.1 compared with 107.6 in July and 107.0 in August, 1928, was relatively higher than the index of non-agricultural commodities. This latter index in August was 94.3 as compared with 95.5 in July and 96.7 in August, 1928. The rather sharp advance in the farm products group during June and July was a result of the increase in the prices of grains caused by declines in production.

## AGRICULTURE

The drought, which was experienced generally in August, caused crop prospects to decline 5 per cent during the month and means that crop yields are now expected to be nine per cent below last year's harvest and six per cent below the ten-year average.

In the Fourth District prospects of the important crops as of September 1 were, with the exception of wheat,

slightly lower than they were a month ago. The dry weather during August and early September aided in harvesting of the grain and hay crops but adversely affected all crops in the growing stage. Fall plowing for winter wheat has also been curtailed because of the drought.

	Fourth District			United States		
	(000 omitted)					
	Estimate	Crop	% inc.	Estimate	Crop	% inc.
	Sept. 1	Harvested	or dec.	Sept. 1	Harvested	or dec.
	1929	1928		1929	1928	
Corn (bu.)	163,872	174,381	-6.3	2,455,997	2,835,678	-18.4
Wheat (bu.)	38,640	13,167	+198.5	785,726	902,191	-12.9
Oats (bu.)	63,480	106,377	-40.3	1,204,987	1,448,677	-16.8
Hay (tons)	6,627	5,940	+11.6	98,600	92,988	+0.7
Tobacco (lbs.)	187,976	117,608	+17.3	1,462,321	1,378,139	+6.1
Potatoes (bu.)	19,388	23,511	-17.5	349,112	464,480	-24.8

The table above shows the estimated production of principal crops, based on the September 1 condition, for the Fourth District and the United States as a whole, compared with the actual harvest in the 1928 crop year. It will be noted that, with the exception of oats, estimated production of the principal crops in this District makes a more favorable showing than does the entire country when compared with last year's production. The declines shown for the District are less and the gains larger, than those reported for the country as a whole.

In regard to the crops individually, corn prospects declined sharply in all states in this District during August. In Ohio the condition on September 1 was reported as 72 per cent of normal, compared with 79 last year and 81, the ten-year average. In Pennsylvania the crop is the poorest on record, being only 66 per cent of normal as against 84, the ten-year average. Kentucky and West Virginia show conditions of 71 and 74 per cent respectively as compared with 80 and 84, the ten-year average. The crop in the entire District is very irregular, some fields being late and some ripening prematurely because of lack of moisture. Silo-filling began early in September and general harvest started in some sections about two weeks earlier than usual.

The yield of oats shows a big decline from last year when an unusually large acreage was planted and harvested. The decline is due partly to a decline in acreage but the acre yield is smaller than it has been in many years.

The condition of the potato crop is much below average and in Pennsylvania was the lowest since 1911. Many vines died three to four weeks earlier than usual and consequently there will be many small potatoes. Some growers, particularly in the northern part of the District report almost an entire failure.

The wheat crop showed an increase of 193.5 per cent in this District over last year and was somewhat above average. According to the United States Department of Agriculture, farmers throughout the country intend to plant 1.2 per cent more wheat this year than they did a

year ago. All states in the Fourth District show increases ranging from two to eight per cent. Unless a good rain occurs soon, however, the acreage will be materially lessened because the ground has been too dry to work and plant.

Fruit prospects show little change from a month ago. Apples are almost a failure in Kentucky and Ohio and are much below average in West Virginia and Pennsylvania. Peaches are generally poor but are better in Pennsylvania than in the other three states. Pears promise only a small crop. Grapes, which were thought to be a total failure early in the year, have shown much improvement and though the crop is now much less than last year's large crop, it compares more favorably with the five-year average than was expected. Harvesting began about a week earlier than usual this year.

**Canning**

There has been a decided change in conditions in the canning industry during the past month. Unfavorable weather has reduced the prospective pack of tomatoes and corn and has resulted in a consequent advance in prices. Buying on the part of wholesalers has been rather brisk.

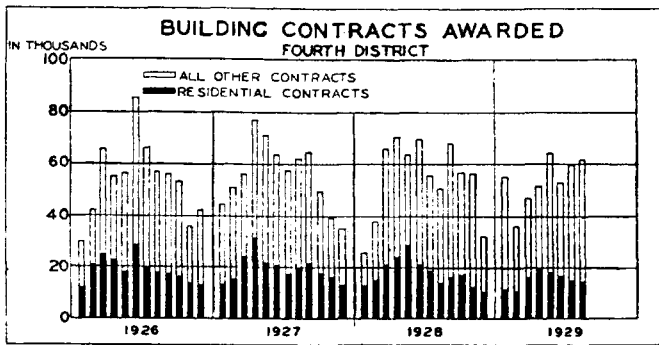
**Tobacco**

Rains which occurred about the first of September greatly benefited the tobacco still in the fields but most of the earlier crop had been harvested before the rain. Drought seriously retarded growth in many sections and early crops show leaves of only medium size in addition to other damage.

Kentucky's September 1 prospect of total production of tobacco of all types was estimated to be 355,509,000 pounds as compared with 300,600,000 pounds harvested in 1928. The increase is due to a much larger acreage this year rather than to better crop conditions. The crop which has been cut is curing well but it is too early to make any definite statement as to its general quality. The Department of Agriculture's estimate of the total 1929 production of all types of tobacco grown wholly or partly in the District compared with the harvest of 1928 is as follows (in pounds):

Type	1929	1928
Burley	300,203,000	272,718,000
Green River	28,500,000	18,900,000
Henderson	8,600,000	6,000,000
Hopkinsville-Clarksville	95,500,000	75,500,000
One-sucker	26,512,000	20,086,000
Paducah	44,785,000	28,825,000

For the United States the latest estimate points to a crop (all types) of 1,462,321,000 pounds compared with 1,378,139,000 pounds, the harvest last year. This increase due to increased acreage in most sections comes at a favorable time. Old stocks are extremely limited and are smaller than have been reported for several years.



### BUILDING

Building activity in the District as measured by the volume of contracts awarded has made an unfavorable showing so far this year as compared with the same period of 1928, and is lower than for any like period since 1924. For the first eight months, contracts awarded in the Fourth District, according to the F. W. Dodge Corporation, amounted to \$429,382,000, a decline of 2.7 per cent from the total for the same period of 1928 which was the second lowest total reported for the period since 1924. As shown on the chart, however, the total has been buoyed up by institutional, commercial, and public building. Residential contracts so far in 1929 amounted to only \$119,831,000, a decline from last year of 23.3 per cent.

	Residential Contracts (in thousands of dollars)	Total Contracts (in thousands of dollars)	Ratio
1923 .....	125,100	346,795	36.1
1924 .....	118,217	320,957	36.8
1925 .....	180,189	508,610	35.4
1926 .....	163,277	463,070	35.3
1927 .....	163,956	484,394	33.8
1928 .....	156,187	441,178	35.4
1929 .....	119,831	429,382	27.9

The above table shows the total and residential contracts awarded in this District for the first eight months

### Building Operations

(Value of Permits)

	August, 1929	% change from 1928	Jan.-Aug. 1929	Jan.-Aug. 1928	% change
Akron.....	1,396,634	+ 8.1	14,288,568	12,035,957	+ 18.7
Ashtabula.....	21,288	- 41.7	477,895	313,426	+ 52.5
Barberton.....	53,635	- 10.0	807,388	634,698	+ 27.2
Canton.....	240,660	+ 9.4	2,871,235	2,801,373	+ 2.5
Cincinnati.....	4,511,975	+ 7.6	23,250,125	24,237,005	- 4.1
Cleveland.....	2,857,475	- 58.1	27,313,225	38,969,275	- 29.9
Cleve. suburbs:					
Cleve. Heights.....	216,625	+ 24.2	1,974,995	3,315,585	- 40.4
East Cleveland.....	35,420	+ 19.6	1,615,151	632,350	+ 155.4
Euclid.....	112,395	+ 47.7	1,714,460	1,708,956	+ 0.3
Garfield Heights.....	103,500	- 15.4	910,650	1,228,550	- 25.9
Lakewood.....	56,014	- 7.4	1,234,438	4,185,466	- 70.5
Parma.....	306,335	+ 56.9	1,838,516	1,932,439	- 4.9
Rocky River.....	121,724	- 17.0	1,192,674	866,063	+ 37.7
Shaker Heights.....	481,200	- 41.8	4,303,650	5,720,435	- 24.8
Columbus.....	687,000	- 39.2	7,483,450	12,770,400	- 41.4
Covington, Ky.....	99,400	- 35.5	888,975	1,227,500	- 27.6
Dayton.....	325,515	- 53.0	4,105,880	8,720,226	- 52.9
Eric, Pa.....	531,456	+ 52.9	5,143,466	2,639,737	+ 94.8
Hamilton.....	120,168	- 73.9	1,317,313	1,523,761	- 13.5
Lexington, Ky.....	211,718	- 16.4	1,794,389	1,175,926	+ 52.6
Lima.....	16,435	- 14.3	360,850	318,229	+ 13.4
Newark.....	106,260	- 72.5	532,545	941,480	- 43.4
Pittsburgh, Pa.....	1,742,265	- 45.0	21,445,925	30,299,514	- 29.2
Springfield.....	131,470	+ 41.6	1,518,276	949,215	+ 60.0
Toledo.....	3,155,536	+ 65.8	11,205,525	13,041,640	- 14.1
Wheeling, W. Va.....	118,860	- 57.1	1,257,305	1,360,600	- 7.6
Youngstown.....	399,276	- 28.8	3,778,068	6,298,458	- 40.0
<b>Total.....</b>	<b>18,160,239</b>	<b>- 23.4</b>	<b>144,624,937</b>	<b>179,848,264</b>	<b>- 19.6</b>

of each year from 1923 to 1929 inclusive. It will be noted that the ratio of residential to total contracts for the years preceding 1929 has been fairly constant but this year it has declined to 27.9 per cent. This is also shown on the chart which brings out the fact that residential contracts did not show the increase this spring that is usually experienced.

Fourth District August contracts awarded showed an increase both as compared with August, 1928, and with July, which was contrary to the decline reported for the country as a whole. Residential contracts showed an increase of 0.7 per cent from last year and total construction was 23.2 per cent greater than a year ago. Early September showed improvement from August but was behind September, 1928.

Building permits issued in 27 cities in the District totaled \$18,160,239 in August, a decline of 23.4 per cent from last year. Increases were shown in ten cities, the largest of which were Akron, Canton, Cincinnati, Parma, Erie, Springfield, and Toledo.

Lumber and building supply concerns report a slight improvement in demand in early September which is seasonal. Reflecting the slump in residential building, prices of lumber have declined since February and cement prices were lowered during the month. A buyer's market prevails and no advance ordering is being done. Collections are reported fair.

### TRADE

**Retail Trade** Sales of 62 department stores in this District in August were 8.8 per cent larger than a year ago. All reporting cities showed increases, the largest being in Cleveland, +11.9, and Pittsburgh, +10.4 per cent. For the first eight months of this year department store sales have shown an increase of 3.6 per cent, every city reporting a gain except Wheeling. Stocks for the month were lower than a year ago. Accounts receivable were larger but collections averaged 9.2 per cent larger than in August, 1928.

**Wholesale Trade** Wholesale grocery firms in the Fourth District reported an increase of 4.7 per cent in sales in August compared with a year ago and for the year-to-date sales are 2.3 per cent larger than in 1928. Hardware and drug firms reported increases in August of 3.5 and 2.2 per cent respectively. Dry goods sales were slightly less than a year ago. Wholesale shoe firms continue to show rather large declines in sales, the loss for August being 14.6 per cent. It is the only line which reports a loss for the first eight months of 1929 as compared with the same period of 1928. All lines but hardware report a decline in stocks. Accounts receivable show a decline but all reporting groups except shoes show an increase in collections.

Fourth District Business Statistics

(All figures for Fourth District unless otherwise specified)

		Aug. 1929	Aug. 1928	% change	Jan.-Aug. 1929	Jan.-Aug. 1928	% change
Bank Debits (24 cities)	Millions of dollars	3,554	3,084	+15.2	28,687	26,198	+ 9.5
Savings Deposits (end of month)							
Ohio (39 banks)	Thousands of dollars	763,586	746,612	+ 2.3	776,418 <sup>1</sup>	745,521 <sup>1</sup>	+ 4.1
Western Pennsylvania (26 banks)	" "	276,870	275,315	+ 0.6	277,528 <sup>1</sup>	273,727 <sup>1</sup>	+ 1.4
Total (65 banks)	" "	1,040,456	1,021,927	+ 1.8	1,053,946 <sup>1</sup>	1,019,309 <sup>1</sup>	+ 3.4
Commercial Failures—Number	Actual Number	117	156	-25.0	1,281	1,344	-4.7
Liabilities	Thousands of dollars	2,022	4,231	-52.2	24,933	38,916	-35.9
Postal Receipts—9 cities	" "	2,968	2,865	+ 3.6	24,605	24,228	+ 1.6
Sales—Life Insurance—Ohio and Pa.	" "	105,220	95,844	+ 9.8	847,067	931,260	- 9.0
—Dept. Stores (60 firms)	" "	23,153	21,275	+ 8.8	193,046	186,300	+ 3.6
—Wearing Apparel (15 firms)	" "	1,531	1,528	+ 0.2	12,292	12,379	- 0.7
—Furniture (46 ) firms	" "	1,218	1,189	+ 2.4	8,652	8,547	+ 1.2
—Wholesale Grocery (41 firms)	" "	6,872	6,561	+ 4.7	48,837	47,717	+ 2.3
—Dry Goods (12 firms)	" "	2,311	2,321	- 0.4	15,937	15,560	+ 2.4
—Hardware (17 firms)	" "	2,150	2,078	+ 3.5	17,201	16,770	+ 2.6
—Drugs (13 firms)	" "	1,774	1,736	+ 2.2	14,211	13,540	+ 5.2
Building Permits, Valuation—27 cities	" "	18,160	23,703	-23.4	144,625	179,848	-19.6
Contracts—Total, 4th District	" "	62,111	50,408	+23.2	429,382	441,178	- 2.7
—Residential, 4th District	" "	14,457	14,353	+ 0.7	119,831	156,187	-23.3
Production—Pig Iron, U. S.	Thousands of tons	3,738	3,137	+19.2	29,162	24,720	+18.0
—Steel Ingots, U. S.	" "	4,926	4,178	+17.9	38,728	32,783	+18.1
—Automobiles, U. S.	" "						
Passenger Cars	Actual Number	443,714	400,124	+10.9	3,642,211	2,701,323	+34.8
Trucks	" "	54,918	60,705	- 9.5	568,519	349,540	+62.6
—Bituminous Coal, 4th District	Thousands of tons	18,000	16,118	+11.7	135,777	117,189	+15.9
—Cement: Ohio, W. Va., Wn. Pa.	" barrels	2,047	2,190	- 6.5	10,558	11,443	- 7.7
—Electric Power: Ohio, Pa., Ky.	Millions of k. w. hrs.	1,265 <sup>2</sup>	1,031 <sup>2</sup>	+22.7	8,582 <sup>2</sup>	7,626 <sup>2</sup>	+12.5
—Petroleum: Ohio, Pa., Ky.	Thousands of barrels	2,394 <sup>3</sup>	2,096 <sup>3</sup>	+14.2	14,570 <sup>3</sup>	14,191 <sup>3</sup>	+ 2.7
—Shoes, 4th District	" pairs	4	4	-13.7	4	4	- 0.3
—Tires	" casings	4,856 <sup>4</sup>	4,920 <sup>4</sup>	- 1.3	38,309 <sup>4</sup>	33,904 <sup>4</sup>	+13.0
Bituminous Coal Shipments (from Lake Erie Ports)	" tons	5,604	5,666	- 1.1	24,760	20,824	+18.9
Iron Ore Receipts (at Lake Erie Ports)	" "	7,518	6,390	+17.6	29,956	21,515	+39.2
<sup>1</sup> 8 months average							
<sup>2</sup> July							
<sup>3</sup> January-July							
<sup>4</sup> Figures Confidential							

Fourth District Business Indexes

(1923-1925 = 100)

	Aug. 1929	Aug. 1928	Aug. 1927	Aug. 1926	Aug. 1925
Bank Debits (24 cities)	131	114	111	104	99
Commercial Failures (Number)	80	107	119	95	105
(Liabilities)	46	96	97	60	110
Postal Receipts (9 cities)	114	110	111	104	96
Sales—Life Insurance (Ohio and Pa.)	126	115	111	105	103
—Department Stores (59 firms)	92	85	93	85	80
—Wholesale Drugs (13 firms)	113	111	106	102	101
—Dry Goods (12 firms)	95	95	102	89	95
—Groceries (41 firms)	103	99	96	96	98
—Hardware (15 firms)	100	87	93	95	90
—All (85 firms)†	103	98	98	96	96
—Chain Drugs (3 firms)**	95	94	94	103	103
Building Contracts (Total)	130	106	131	121	138
(Residential)	84	83	114	98	127
Production—Coal (O., Wn. Pa., E. Ky.)	100	89	88	101	96
—Cement (O., Wn. Pa., W. Va.)	170	182	164	152	151
—Elec. Power (O., Pa., Ky.)	151	123	120	117	103
—Petroleum (O., Pa., Ky.)*	130	113	109	106	105
—Shoes.	112	130	140	110	118

\*July  
\*\*Per individual unit operated  
†Includes 3 shoe firms

Debts To Individual Accounts

(In thousands of dollars)

	4 weeks ending Sept. 18, 1929	% change from 1928	1929 to date (Dec. 28-Sept. 18)	1928 to date (Dec. 26-Sept. 19)	% change from 1928
Akron	99,115	+ 5.1	1,085,821	974,841	+ 11.4
Butler, Pa.	12,129	+ 9.2	114,625	100,164	+ 14.4
Canton	49,700	+ 6.6	507,924	446,184	+ 13.8
Cincinnati	368,822	+ 5.1	4,082,052	3,991,973	+ 2.3
Cleveland	855,704	+ 18.8	8,495,662	7,410,460	+ 14.6
Columbus	163,153	+ 13.7	1,723,120	1,507,817	+ 14.3
Connellsville	3,484	- 6.3	34,592	37,707	- 8.3
Dayton	102,968	+ 19.4	991,322	873,022	+ 13.6
Eric, Pa.	40,544	+ 16.3	367,208	328,108	+ 11.9
Franklin, Pa.	5,476	+ 22.2	53,985	47,823	+ 12.9
Greensburg, Pa.	22,157	+ 28.6	195,094	186,106	+ 4.8
Homestead, Pa.	4,414	+ 12.5	43,714	38,635	+ 13.1
Lexington, Ky.	19,902	+ 7.9	267,281	221,344	+ 20.8
Lima	17,235	+ 9.6	148,831	140,543	+ 5.9
Lorain	6,457	- 9.3	57,766	57,153	+ 1.1
Middletown	11,970	+ 5.5	117,877	115,763	+ 1.8
Oil City, Pa.	17,934	+ 7.0	173,905	152,998	+ 13.7
Pittsburgh, Pa.	945,779	+ 7.9	9,995,159	8,826,328	+ 13.2
Springfield	22,270	+ 8.9	228,456	203,873	+ 12.1
Steubenville	14,096	+ 14.8	115,948	106,138	+ 9.2
Toledo	186,001	+ 21.6	2,130,556	2,446,593	-12.9
Warren	17,695	+ 31.2	139,582	122,691	+ 13.8
Wheeling, W. Va.	45,178	- 3.8	463,573	443,505	+ 4.5
Youngstown	73,235	+ 12.0	737,266	648,348	+ 13.7
Zanesville	11,605	+ 5.9	118,905	117,549	+ 1.2
Total	3,117,023	+ 8.5	32,390,224	29,545,666	+ 9.6

Retail and Wholesale Trade

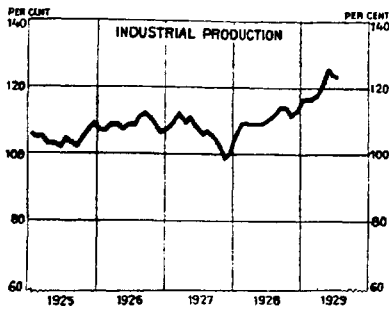
(1929 compared with 1928)

	SALES Aug. Aug.	Percentage Increase or Decrease SALES First 8 mos.	STOCKS Aug. Aug.
<b>DEPARTMENT STORES (60)</b>			
Akron	+ 6.0	+ 7.6	- 8.9
Cincinnati	+ 1.2	+ 3.1	+ 3.3
Cleveland	+11.9	+ 4.1	+ 3.3
Columbus	+ 4.8	+ 0.6	- 3.7
Dayton	+ 7.5	+ 0.6	- 2.9
Pittsburgh	+10.4	+ 2.7	- 3.5
Toledo	+ 7.6	+ 9.5	- 8.3
Wheeling	+ 0.7	- 2.6	- 9.5
Other Cities	+12.8	+ 5.9	- 6.0
District	+ 8.8	+ 3.6	- 3.6
<b>WEARING APPAREL (18)</b>			
Cincinnati	- 6.6	- 5.0	+12.1
Cleveland	+ 5.7	+ 5.1	-13.5
Other Cities	+ 0.8	- 2.2	- 6.9
District	+ 0.2	- 0.7	- 5.0
<b>FURNITURE (46)</b>			
Cincinnati	+ 7.5	+ 1.1	
Cleveland	+14.8	+ 4.1	
Columbus	+ 6.4	- 0.4	
Dayton	-20.7	- 7.8	
Toledo	+ 3.0	+ 6.9	
Other Cities	+14.6	+ 6.5	
District	+ 2.4	+ 1.2	
<b>CHAIN STORE*</b>			
Drugs—District (3)	+ 1.2	- 3.3	
Groceries—District (4)	+ 3.1	+ 4.2	
<b>WHOLESALE GROCERIES (41)</b>			
Akron	+11.8	+ 2.4	
Cincinnati	+ 0.9	+ 3.2	
Cleveland	+ 8.9	- 0.5	
Eric	- 6.3	- 6.3	
Pittsburgh	+ 4.4	+ 5.3	
Toledo	+ 0.1	+ 2.8	
Other Cities	+ 3.4	+ 5.2	
District	+ 4.7	+ 2.3	- 7.4
<b>WHOLESALE DRY GOODS (12)</b>			
	- 0.4	+ 2.6	-12.0
<b>WHOLESALE DRUGS (13)</b>			
	+ 2.2	+ 5.4	
<b>WHOLESALE HADWARE (17)</b>			
	+ 3.5	+ 2.6	+ 8.6
<b>WHOLESALE SHOES (5)</b>			
	-14.6	-16.2	-26.2

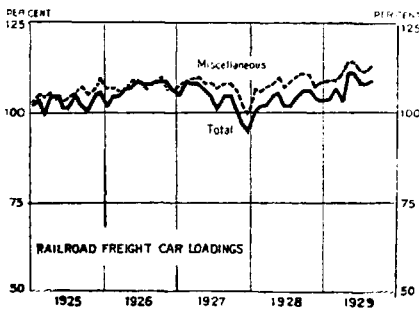
\*Sales per individual unit operated.

## Summary of National Business Conditions

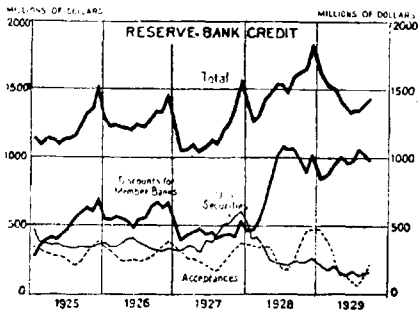
By the Federal Reserve Board



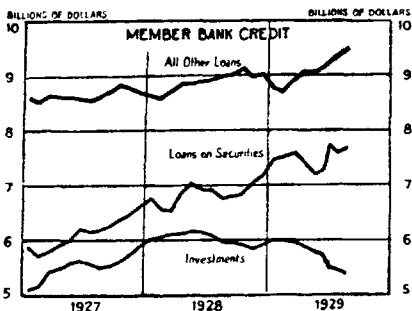
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure: August, 123.



Cars of revenue freight loaded as reported by the American Railway Association. Index numbers adjusted for seasonal variations (1923-25 average = 100). Latest figures, August, total, 109—miscellaneous, 113.



Monthly averages of daily figures for 13 Federal Reserve banks. Latest figures are averages of the first 22 days in September.



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

Production in basic industries increased somewhat in August as compared with July, but the increase was less than is usual at this season, with the consequence that the Board's index of industrial production, which makes allowance for usual seasonal changes, showed a decline. Wholesale prices declined slightly. Credit extended by member banks increased between the middle of August and the middle of September, reflecting chiefly a growth in commercial loans.

### Production

During the month of August there was a reduction in the output of iron and steel and copper, and a slight decline in the production of automobiles. Meat packing establishments were also somewhat less active during the month, while seasonal increases were reported in the production of textiles and shoes, coal and cement, flour and sugar, and petroleum output continued to expand. A slight increase in the number of workers employed in factories was accompanied by a substantial increase in payrolls. This increase was especially notable in industries manufacturing products for the autumn retail trade, such as clothing and furniture.

For the first two weeks of September, reports indicate a further decline in steel operations, reduction in lumber output resulting in part from the Labor Day holiday, and a continued seasonal rise in coal production.

In the construction industry contracts awarded in August were 25 per cent less than in July, reflecting a sharp decline in the residential group as well as in contracts for public works and utilities which were unusually large in July. As compared with last year, contracts were 5 per cent lower in August, but in the first two weeks of September they were in approximately the same volume as in 1928.

The September report of the Department of Agriculture indicates a corn crop of 2,456,000,000 bushels, 13 per cent less than in 1928 and 11 per cent under the five-year average. The estimated wheat crop of 786,000,000 bushels is substantially below last year, but only slightly less than the five-year average. Cotton production, estimated on August 1 at 15,543,000 bales, is now expected to total 14,825,000 bales, slightly above last year.

### Distribution

Freight car loadings increased seasonally in August, as a consequence of larger shipments of all classes of freight except grains, which moved in smaller volume than in July, when shipments of wheat were unusually large. In comparison with 1928, total car loadings showed an increase of 5 per cent.

Sales of department stores in leading cities were larger than in July and about 5 per cent above the total of August, 1928.

### Prices

Wholesale prices showed a slight downward movement in August, according to the index of the United States Bureau of Labor Statistics. This reflected chiefly declines in the prices of farm products, especially grains and flour, and livestock and meats. Woolens and worsteds also decreased in price, while silk and rayon materials were higher. There was a decline in prices of iron and steel and automobiles, and a further decrease in prices of petroleum and its products, especially gasoline. Coal prices advanced during the month.

In the middle of September the prices of grains, beef, raw sugar, silk and coal were higher than at the end of August, while prices of hogs, pork, and cotton were somewhat lower.

### Bank Credit

Between the middle of August and the middle of September there was a further rapid increase in loans for commercial and agricultural purposes at member banks in leading cities. Security loans also increased, while investments continued to decline.

During the first half of September the volume of reserve bank credit outstanding was about \$120,000,000 larger than in the middle of the year. The increase was for the most part in the reserve bank's acceptance holdings and reflected chiefly growth in the demand for currency, partly seasonal in character. Discounts for member banks, following the increase over the holiday period early in September, declined at the time of the Treasury financial operations around the middle of the month, and on September 18 were at a lower level than at any time since last June.

Open market rates on prime commercial paper increased from a range of 6-6½ to a prevailing level of 6¼ during the first week in September, while acceptance rates remained unchanged.