



MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

Vol. 11

Cleveland, Ohio, November 1, 1929

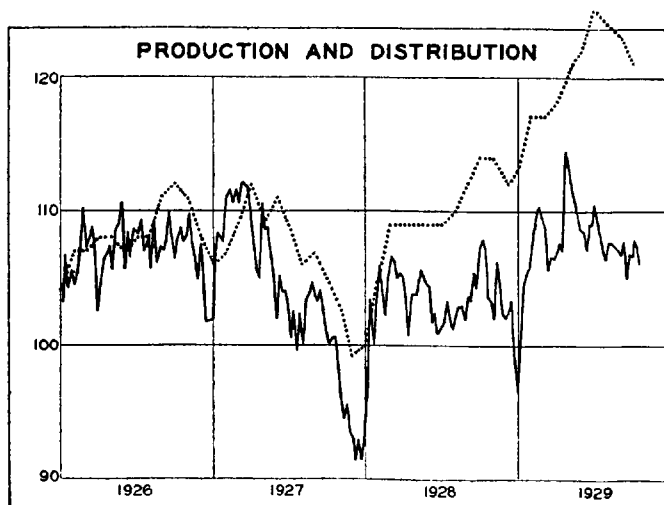
No. 11

The irregularity of conditions recently commented upon seems to be more in evidence than it was a month ago. Business generally is above last year levels but declines in several lines have been reported at a time of normal seasonal expansion, and the trend is moderately downward.

In two out of three highly important industries, declines in September from the preceding month were reported. Iron and steel production receded faster in the Fourth District than in other parts of the country because of the decline in automotive requirements. Some orders for railroad steel were placed but these were not large enough to counteract the declines shown in other lines. Building in September showed an increase of 3 per cent from August, contrary to the decline shown for the country, but is still below 1928 levels. Automobile production declined in September for the fifth consecutive month and barely exceeded last year's output for that month.

Based on reports received from 80 large manufacturers throughout the District, third quarter operations were about on a par with the same period of 1928 but were below the second quarter of this year which, however, was unusually high. Tire production has been sharply curtailed as a result of large inventories. September shoe production was slightly below 1928. Clothing manufacturers have been operating at higher levels than in previous months of this year. Radio and electrical supply concerns continue at satisfactory levels. Retail trade has held up well, reflecting in part the larger payrolls of manufacturing concerns. September department store sales were only 0.1 per cent larger but the first nine months of this year showed an increase of 3.2 per cent compared with the same periods of 1928. Wholesale trade continues to show gains and the trend for the first part of the year has been upward.

Distribution, as shown by carloadings in the first two weeks in October, registered declines from the same weeks in 1928 for the first time since March. This bank's index, seasonally adjusted, has been higher than in either 1928 or 1927 but the increase which usually takes place in the fall has not occurred this year. As shown on the chart, the spread between the carloading curve and the Federal Reserve Board's index of production increased during latter 1928 and early 1929. Since there is no evidence of a substantial increase in manufacturing or mer-



Solid line—Weekly index of car loadings, F. R. B. of Cleveland (1923-1925 = 100). Latest figure: Week ending October 12—105.9. Broken line—Monthly index of industrial production; F. R. Board, (1923-1925 = 100). Latest figure: September—121. Both curves adjusted for seasonal variations.

chandising inventories, the apparent increase in production over distribution as reflected by carloadings may be occasioned, in part, by the increase in the proportion of water shipments and drive-aways from auto plants, and to a lesser extent by an increase in motor truck transportation.

Interest rates are lower than they have been for several months. Employment is well sustained and payrolls are relatively large. In spite of the declines noted in some lines, activity still compares favorably with 1928.

FINANCIAL

Reserve Bank Credit. The volume of credit extended by the Fourth Federal Reserve bank during the month ending October 23 increased from 127 millions to 162 millions and was contrary to the decline reported for the entire country. Discounts have increased seasonally; the amount of acceptances held increased from 16 millions to 42 millions and was higher than at the same time in 1928. Gold reserves declined from 275 millions on September 25 to 223 millions on October 23, a result of large transfers of funds and inter-district note settlements. Note circulation declined 10 millions during

the month, contrary to seasonal movements, and was 29 millions less than in 1928.

Member Bank Credit. During the past month, total loans and investments of reporting member banks declined slightly in this District but increased in other parts of the country. Security loans for the entire system increased rapidly but in this District there has been a decline of nearly \$20,000,000. "All other" loans, largely commercial in character, increased locally and were higher than at any time this year. The declining trend in investments, noticed for over a year, continued during the first three weeks of October. Deposits are lower than they were last month and a year ago.

Money Rates. In the New York market, money rates in October were easier generally than they have been at any time this year. For the first 24 days of October, call money averaged slightly over 6 per cent and on several days was quoted at 5 per cent, the first time since August, 1928. Time money, (90-day), was quoted at 9-9½ per cent on October 1 but declined rapidly as the month progressed, and reached 7¼ per cent on October 24. Little interest has been shown in commercial paper, the rate remaining unchanged at 6-6¼ per cent. Bankers' acceptances have increased seasonally in volume but the rate (90-day, bid) which was 5½ per cent in the first three weeks of October, was lowered on October 24 to 5 per cent. Loans at commercial banks continued at 6 per cent, the most common rate in this District.

Debits, Savings, Failures. Debits to individual accounts at 13 large cities in this District amounted to \$2,860,492,000 in September as compared with \$2,656,764,000 in September, 1928, an increase of 7.7 per cent. There was a decline of 4.3 per cent in the volume of debits from August to September which is contrary to the usual seasonal trend.

Savings deposits at 64 large banks in this District (the decline in the number being due to consolidations) in September totaled \$1,048,802,130, a gain from August of 0.8 per cent and from September, 1928 of 1.1 per cent.

Commercial failures in the Fourth District, according to R. G. Dun and Company, numbered 150 in September as against 117 in August and 159 in September, 1928. Liabilities of these concerns were \$3,470,945, a decline of 6.4 per cent from last year.

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 Bank of Cleveland

(In Millions)

Oct. 23, 1929, Oct. 24, 1928, Sept. 25, 1929

Federal Reserve System

(In Millions)

Oct. 23, 1929, Oct. 24, 1928, Sept. 25, 1929

Gold Reserves	223	260	275	8,035	2,646	2,998
Discounts	91	77	82	796	912	944
Acceptances	42	38	16	379	401	264
U. S. Securities	28	94	29	136	231	152
Total bills and securities..	162	148	127	1,337	1,548	1,875
Federal Reserve notes in circulation	176	205	186	1,857	1,710	1,837
Total deposits	186	190	195	2,422	2,374	2,446

REPORTING MEMBER BANKS

Fourth District

(In Millions)

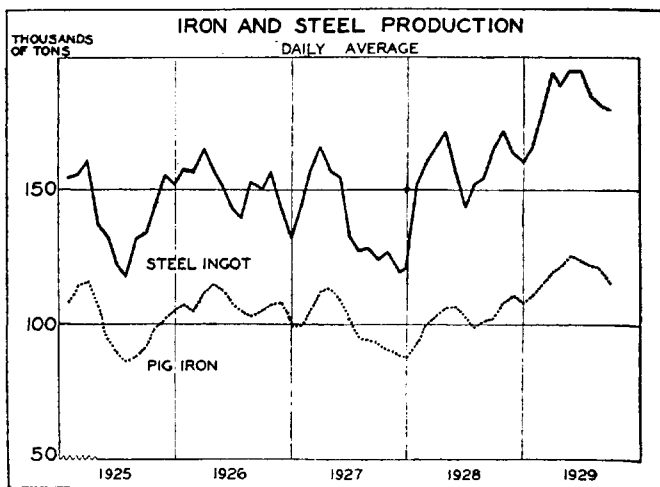
Oct. 23, 1929, Oct. 24, 1928, Sept. 25, 1929

United States

(In Millions)

Oct. 23, 1929, Oct. 24, 1928, Sept. 25, 1929

Loans on securities	729	652	742	7,920	6,882	7,720
All others	832	817	826	9,580	9,089	9,524
Total loans	1,561	1,469	1,568	17,500	15,972	17,244
Investments	618	718	628	5,395	5,953	5,438
Demand deposits	1,021	1,039	1,031	13,814	13,165	13,072
Time deposits	936	954	947	6,888	6,845	6,829



MANUFACTURING, MINING

Iron and Steel

Steel production in the Pittsburgh-Youngstown-Cleveland district receded faster in the month ended October 15 than at Chicago or in the East and South, due chiefly to the restrained buying by the automotive industry. Bar, sheet and strip mills especially felt the lack of automotive requirements, though demand from most other users was seasonally heavy. Model changes of several important producers are usually announced somewhere between the middle of November and the beginning of December. In the past this has brought releases of steel orders, deliveries beginning about November 15. Already a few orders on this account have been received.

Pittsburgh District freight car builders are benefiting from the heaviest car buying movement in five years. September orders for freight cars totaled 4,517, bringing 1929-to-date buying up to 70,528, compared with 44,763 in all 1928. In the first half of October nearly 18,000 cars were placed, with 10,000 on inquiry and many western roads contemplating purchases. This year undoubtedly will be the best freight car year since 1924.

Structural steel activity is only moderate in the Fourth District and competition for going work exceptionally sharp. Pipe mills on large diameter, lapwelded, are busy, but like other pipe producers are working off backlogs. The rush of tin plate orders in September appears to have anticipated some October needs. The lack of automotive requirements generally gives the District production a slacker look than is warranted, as otherwise, steel needs are equal to a year ago.

Finished steel prices succumbed faster than expected to the decline in demand. Autobody, black and galvanized sheets are now priced at two dollars per ton less than in the third quarter to most users. Bars are off one dollar per ton, with some sympathetic weakness in plates and shapes. Steel boiler tubes have been advanced four dollars per ton, and the mills, in suggesting minimum resale prices for pipe on consignment, have effected advances. Cold rolled strip and wide hot strip have been shaded, chiefly to automotive users.

Pig iron contracting for the fourth quarter was brisk until mid-October, when most melters appeared covered

and buying slumped sharply. Shipments, however, remained at a high level. A large producer, after an absence of several years, entered the market for 17,000 tons of basic and 15,000 tons of foundry iron. Pig iron prices have been firm. Iron and steel scrap prices continue to sag, as offerings have exceeded requirements.

Both pig iron and steel ingots set production records in September, though developing declines from August. Pig iron's daily rate in September was 116,098 tons, against 120,845 tons in August and 102,120 tons last September. The nine month total of 32,649,182 tons also was a record. September's daily ingot average was 180,435 tons, compared with 182,491 tons in August and 165,916 tons last September. To October 1 production was 43,243,404 tons, also a nine month record.

Declining prices have sent the Iron Trade Review index of fourteen leading iron and steel products downward. The average for August was \$36.54, for September \$36.50 and by mid-October the index was at \$36.24.

Coal Bituminous coal production in September in this District failed to show the increase from August which normally occurs at that time of year. Output for the month totaled 17,485,000 tons as against 18,000,000 tons last month, a decline of 2.9 per cent. Compared with the same periods of 1928, production in September and for the first three quarters, showed increases of 10.7 and 15.2 per cent, respectively. Shipments of coal at Lake Erie ports also failed to show the increase in September as compared with a year ago that has been shown in earlier months of this year. The increase for the month was only 7.3 per cent while that for the year-to-date is 16.8 per cent.

Producers of soft coal in this District report conditions fairly satisfactory, which would indicate that the industry has, to some extent, at least, recovered from the depressed state of the past several years. Both production and demand has increased seasonally but industrial stocks remain low. Prices have shown an increase, the Coal Age average for September being \$1.82½ a ton, which compares with \$1.77 2/5 in August.

Soft coal production in the United States is estimated at 44,480,000 tons in September, an increase of 12.5 per cent from August and 6.4 per cent from September, 1928, on a daily average basis. In the first part of October, output continued to expand seasonally and so far this year production has exceeded the same period of 1928 by over 30,000,000 tons.

Anthracite fields, on the whole, are experiencing more activity than in the preceding three months. Fall expansion is proceeding normally, stimulated by an increase in domestic consumption. Employment and payrolls in both the anthracite and bituminous fields have been showing an increase.

Automobiles Automobile production in September underwent another heavy drop, the fifth consecutive month for which a decline from the preceding month was reported. The output of passenger cars and trucks totaled 415,382 units as compared with 498,361 in August and 415,314 in September, 1928. The decline from August, amounting

to 17 per cent, while being somewhat seasonal in character, was more pronounced than the average of preceding years.

Production for the first nine months amounted to 4,637,471 units, an increase from the same period of last year of 34 per cent and surpassed the entire year of 1928 by 278,000 cars.

Domestic demand for all types of new passenger cars has been unusually high and for the first part of this year, at least, has kept pace with production. Registrations of passenger cars as reported by the Annalist for the first eight months of 1929 showed an increase of 34 per cent compared with the same period of last year. New registrations of Ford cars increased from 219,931 to 972,577 or 342 per cent during the first eight months of the year and accounted for most of the increase shown by all makes of cars which, excluding Ford, showed a gain of only 0.1 per cent. Production of passenger cars as shown by the Department of Commerce increased 34.8 per cent during the same period, as compared with 1928.

In the Fourth District, sales of passenger cars, as shown by registrations, were irregular in September and the increase from last year for Ohio was only 11 per cent. Industries dependent wholly or partly on the automobile trade have felt a slackening in the demand for products. Truck production was seasonally lower but exceeded the same period of 1928.

NEW PASSENGER CAR REGISTRATION

	September 1929	Per cent change from 1928	Jan.-Sept. 1929	Jan.-Sept. 1928	Per cent change from 1928
Akron	899	-14.3	14,185	9,995	+41.9
Canton	784	+26.8	8,728	6,214	+40.5
Cincinnati	1,491	+4.9	17,666	18,957	-26.6
Cleveland	8,574	+29.1	44,554	81,870	-39.8
Columbus	1,115	+10.4	18,847	9,873	+35.2
Dayton	758	+6.2	9,851	7,275	+35.4
Toledo	814	-14.0	12,485	10,319	+21.0
Youngstown	642	+14.6	7,743	5,756	+34.5
Total	10,022	+10.8	128,569	95,259	+35.0

Rubber and Tires The preliminary report of dealers' stocks of automobile tires showed that the average dealer had 67.7 automobile and truck casings on hand on October 1, as compared with 64.8 in 1928 and 57.6 in 1927.

August production of pneumatic tires, the latest figure available, as reported by the Rubber Manufacturers Association, amounted to 4,354,353 casings, a decline from July of 10.3 per cent and from August, 1928 of 22.5 per cent. For the first eight months of this year, production has exceeded the same period of 1928 by 7.9 per cent. Shipments, totaling 5,883,561 units, exceeded production for the month, but were 6.6 per cent less than in August, 1928. As a result, inventories have declined for the third consecutive month and on September 1 amounted to 10,669,370 units or 1.8 months' supply. The above figures represent reports from 75 per cent of the tire industry.

Rubber companies in this District have curtailed production rather sharply in response to large inventories. Third quarter output was about 20 per cent below that of the second quarter and was considerably under the same period of 1928.

Imports of crude rubber during September amounted to 32,515 tons, which compares with 38,292 tons in August and 46,662 tons in September, 1928. Stocks on hand and in transit on October 1 increased slightly from the low point for the year reported on September 1.

About the middle of October announcement was made of an upward revision in the wholesale prices of all types of tires. The increase was not a result of advances in the prices of raw materials, which are lower than they were a year ago, or operating expenses or because of decreased stocks, but is an attempt to stabilize the prices charged by dealers and, through a bonus system, increase the profits of the smaller dealer.

Shoes The preliminary report of the Bureau of Census indicates that shoe production declined 4.5 per cent in the Fourth District and 6 per cent in the United States in September, as compared with August. Compared with 1928 the decline in the District in September was 0.1 per cent for the month and 0.2 per cent for the first three quarters.

Manufacturers in the vicinity of Cincinnati report business during the third quarter in better volume both as compared with last year and with the second quarter of 1929. Factories are now showing a seasonal decline but orders have been larger than usual because of the cooler weather in early October.

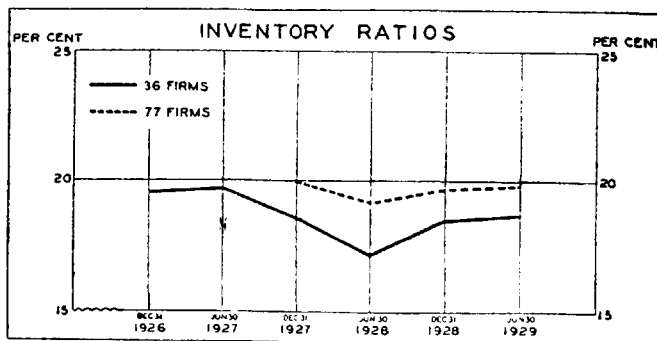
Retail sales, as indicated by reports from 31 department stores in the District, were larger in most cases than they were last year. Women's shoes increased 5.7 per cent and men's and boys' shoes increased 1.2 per cent. Children's shoe sales, however, were 4 per cent less than they were in September, 1928.

The hide and leather market has shown some improvement during the past month. Hides averaged 19.50 cents per pound in September compared with 14.50, the low for the year, reported in February. Sole leather has also increased and averaged 56.5 cents in September as compared with 55.0 in August.

General Manufacturing Activity at industrial plants throughout the District in September and early October was irregular but in most instances continued at higher levels than were reported for the same period of 1928. Declines in the automobile industry upon which many local concerns are directly dependent has accounted for part of the slackening.

As reflected in consumption of electrical energy, activity in September was about 3 per cent less than it was last year, large declines being shown by automobile, rubber and steel concerns. Manufacturers of paper and box-board report business in better volume than in 1928 and about the same as in the second quarter. Cork and linoleum production slackened seasonally. Makers of electrical supplies and equipment report business in better volume during the third quarter of 1929 than during the second quarter or the same quarter of 1928. Radio concerns are operating at satisfactory levels. Automobile accessory producers and some hardware concerns are, of course, affected by the decline in automobile production. This is also true of glass and paint producers who rely on automobile business to any extent. The window glass situation is still unfavorable. Makers of high grade

watches report third quarter shipments slightly in excess of 1928 but competition is cutting into profits. Stove and equipment supply concerns report a slackening in October, but third quarter business compared well with 1928.



Inventories Much interest has been shown of late in the subject of inventories and their progress in an attempt to determine whether stocks of industrial concerns are increasing abnormally. Conditions in different industries vary widely. It is necessary for some concerns to carry large inventories while others of an entirely different nature can operate on a very small volume of stock.

The balance sheets of 77 industrial concerns which have published regular semi-annual statements since December 31, 1927, whose activities are diversified enough to be considered representative, and for 36 concerns whose figures are available back to December, 1926, were analyzed. It was found that, though inventories have increased nearly 28 per cent in two and a half years for the 36 concerns, the ratio of inventories to total resources (which was the only comparison possible to make due to variations in the statements) as shown on the chart, has actually declined. The low point was reached in June, 1928. During the past fiscal year inventories have grown faster than resources, the increase in the ratio being 3.5 per cent for the year, which is not unusual when the rate of activity that has been experienced is considered.

AGRICULTURE

September weather, as a whole, was favorable for crop growth and as a result the October crop estimates show increases from a month ago for all principal crops in the District, except wheat. With the season practically over it is evident that the crop yields are somewhat below normal, the gains reported for some being more than counteracted by declines in others. For the entire country, crop prospects improved about two per cent during the month but the composite prospective yield per acre of 37 principal crops was 7.4 per cent below the yields of those crops last year and 4.1 per cent below the average of the past ten years.

FOURTH DISTRICT				UNITED STATES			
(000 omitted)							
Estimate	Estimate	Per Cent		Estimate	Estimate	Per Cent	
October 1, 1929	Sept. 1, 1929	Change		October 1, 1929	Sept. 1, 1929	Change	
Corn, bu.	165,452	163,872	+1.3	2,628,077	2,455,997	+2.9	
Wheat, bu.	38,638	38,640	-0.01	791,768	785,726	+0.8	
Oats, bu.	66,377	63,480	+4.6	1,226,873	1,204,987	+1.8	
Hay, tons	7,046	6,627	+6.3	100,532	93,600	+7.5	
Tobacco, lbs.	138,067	137,976	+0.1	1,472,525	1,462,321	+0.7	
Potatoes, bu.	20,012	19,388	+3.2	345,177	349,112	-1.1	

Corn promises a crop of 165,452,000 bushels in this District as compared with 174,381,000 bushels, the estimated production of 1928. The condition of the crop is considerably below the ten-year average in all states but Kentucky, which shows only a slight decline. The stand has been very uneven this year being alternately affected by rain and drought. Much of the crop had matured by October 1 due to favorable conditions in September, barring frosts in scattered areas which occurred shortly after the middle of that month. Fodder was generally short. Silo filling is practically done and much of the corn has been cut.

Oat production throughout the District has been very light, the estimate on October 1 being 66,377,000 bushels, a decline of 38 per cent from the harvest of 1928. Conditions improved somewhat during September but the acre yields are estimated to average about 30 bushels, compared with 37 bushels in 1928 and 35.6, the ten-year average. A good part of the decline in production, however, is due to a smaller acreage this year than was planted in 1928. It will be remembered that in that year the winter wheat crop was almost a total failure and oats were sown in the spring as a substitute crop. The present crop is of poor quality, though, and is very light in weight in many sections due to dry weather.

The District potato crop showed an increase of over 624,000 bushels from the September 1 forecast and stood at 20,012,000 bushels on October 1, a decline from last year of 18 per cent. Rains aided the crop in some localities but in others the vines had dried so badly that they were of little benefit. As a result, the crop is irregular, some fields promising a rather good yield of fair size and quality, while others will give only half a crop, mostly small potatoes.

Fruit prospects throughout the District show little change from the forecasts made in September. The following table shows the production of the principal fruits as estimated on October 1, compared with the average harvest of the past five years for the four states of the District and for the entire country. It will be noted that, though the crop for the United States is below average, crop yields in this District are below those of the country.

	Estimate October 1, 1929	Ave. Production 1923-1927	Per cent change from average
Apples (bu.)			
Ohio	2,881,000	8,509,000	-66.1
Penna.	5,973,000	9,851,000	-39.4
Kentucky ..	1,936,000	3,616,000	-46.5
W. Va.	5,320,000	7,076,000	-24.8
U. S.	140,637,000	183,452,000	-23.3
Peaches (bu.)			
Ohio	494,000	1,346,000	-63.3
Penna.	1,517,000	1,533,000	-1.0
Kentucky ..	600,000	712,000	-15.7
W. Va.	580,000	566,000	-2.5
U. S.	44,837,000	52,224,000	-14.1
Pears (bu.)			
Ohio	148,000	338,000	-56.2
Penna.	272,000	571,000	-54.6
Kentucky ..	126,000	90,000	+40.0
W. Va.	49,000	54,000	-9.3
U. S.	20,358,000	20,211,000	+0.7
Grapes (tons)			
Ohio	16,190	20,521	-21.5
Penna.	16,200	17,478	-7.5
Kentucky ..	862	963	-10.5
W. Va.	878	1,161	-24.8
U. S.	1,996,272	2,250,171	-11.8

Tobacco

The tobacco crop in this District showed little change during the past month.

Rains in September benefited the late-sown fields to some extent but the weather was not

particularly good for curing that part of the crop which had to be cut because of the dry weather. Most of the crop is now cut and is in various stages of curing but the quality seems to be more varied this year than is usual. The part of the crop which was harvested early has cured in good shape and is apparently making a good quality tobacco but the late maturing crop appears rough and coarse.

The Department of Agriculture's crop report of October 1 estimates the Fourth District's production at 138,067,000 pounds, as compared with last year's short crop of 117,608,000 pounds. The increase from last year is found largely in Kentucky, whose production (all types, only parts of which are raised in this District) this year is estimated at 355,047,000 pounds, compared with 300,600,000 pounds harvested in 1928 and 369,695,000 pounds, the five-year average. Ohio's 1929 crop is estimated at 38,654,000 pounds, slightly less than the five-year average but about 5,000,000 pounds more than was harvested in 1928. Pennsylvania is the only state in the District to show a decline in production from last year. The total crop is estimated at 45,708,000 pounds compared with 52,730,000, the average of the past five years.

The total supply of burley tobacco, the District's most important type, this year (stocks on hand plus production) is not expected to differ materially from a year ago. The increase in the crop is slightly larger than the decline in stocks as reported on July 1 so that the available supply for 1929 is estimated to be about 13,000,000 pounds larger than it was in 1928.

BUILDING

Building activity in the Fourth District in September, as measured by contracts awarded, showed an increase from August of 3.3 per cent which is in contrast to the 9 per cent decline shown for the country as a whole. According to the F. W. Dodge Corporation, September contracts awarded in this District totaled \$64,140,129, a decline from 1928 of 5.3 per cent, which was much less than the 24 per cent decline reported for the 36 eastern states.

As in the preceding months of this year, the total has been buoyed up by large contracts for commercial, industrial, educational and public building projects which have been started this year. Excluding the residential contracts, all other types of building showed an increase of 0.2 per cent in September and 7.3 per cent for the first nine months as compared with last year. Residential building in September and for the first three quarters of this year was 23 per cent below the corresponding periods of 1928.

Building permits, as shown in 27 cities in this District declined 4.1 per cent in September and 18.2 per cent for the first three quarters of 1929 compared with the same periods of last year. The large gains shown for some cities reflect non-residential projects which have been started in 1929.

Building material and lumber supply dealers in this locality have been adversely affected by conditions in the construction fields. Production has been curtailed and competition is keen for what little business there is and prices have declined. The Aberthaw index of industrial

building costs on October 1 was lower than it has been for seven years.

Building Operations

(Value of Permits)

	Sept. 1929	% change from 1928	Jan.-Sept. 1929	Jan.-Sept. 1928	% change from 1928
Akron.....	773,769	-73.0	15,062,337	14,904,879	+ 1.1
Ashtabula.....	50,092	-13.6	527,987	371,426	+42.2
Barberton.....	81,789	+ 1.6	889,177	715,238	+24.3
Canton.....	136,582	-27.9	3,007,817	2,990,856	+ 0.6
Cincinnati.....	5,138,415	+59.0	28,388,540	27,468,995	+ 3.3
Cleveland.....	2,087,250	+ 2.9	29,400,475	40,998,000	-28.3
Cleve. suburbs:					
Cleve. Hghts.....	149,100	-11.7	2,124,095	3,484,470	-39.0
East Cleve.....	29,382	+25.7	1,644,533	655,730	+150.8
Euclid.....	308,072	+175.5	2,022,532	1,820,781	+11.1
Garfield Hghts.....	120,700	+12.7	1,031,350	1,335,650	-22.8
Lakewood.....	72,559	-64.5	1,306,997	4,390,111	-70.2
Parma.....	178,665	+19.6	2,017,181	2,081,829	- 3.1
Rocky River.....	109,039	+73.3	1,301,713	928,968	+40.1
Shaker Hghts.....	767,500	+98.8	5,071,150	6,106,510	-17.0
Columbus.....	1,066,850	+ 3.5	8,550,300	13,801,650	-38.0
Covington, Ky.....	172,000	+113.5	1,060,975	1,308,050	-18.9
Dayton.....	756,720	+ 3.3	4,862,600	9,453,058	-48.6
Eric, Pa.....	404,690	+ 1.3	5,548,156	3,039,384	+82.5
Hamilton.....	49,429	-72.1	1,366,742	1,700,706	-19.6
Lexington, Ky.....	26,373	-57.7	1,820,962	1,238,761	+47.0
Lima.....	9,665	-73.2	370,515	354,354	+ 4.6
Newark.....	45,885	-82.5	578,430	1,203,433	-51.9
Pittsburgh, Pa.....	2,860,677	- 5.4	24,306,602	33,323,863	-27.1
Springfield.....	139,935	-32.2	1,658,211	1,155,527	+43.5
Toledo.....	643,956	-35.3	11,849,481	14,037,225	-15.6
Wheeling, W. Va.....	53,292	-62.8	1,310,597	1,503,735	-12.8
Youngstown.....	256,590	-30.6	4,034,658	6,668,035	-39.5
Total.....	16,489,176	- 4.1	161,114,113	197,041,224	-18.2

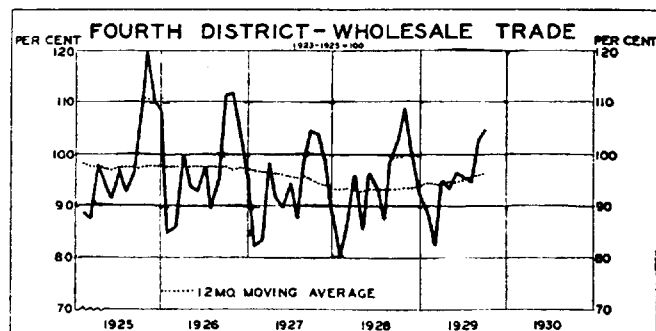
TRADE

Retail Retail trade, as shown by sales of 60 large department stores throughout the District was 0.1 per cent larger in September than it was in 1928. Comparatively large increases shown in Toledo and Cleveland counteracted the declines shown in all other large cities. For the first three quarters of the year, sales have exceeded the same period of 1928 by 3.2 per cent.

Sales of clothing, both in the department stores and in the wearing apparel shops, were in small volume in

September than they were a year ago, the decline in 15 apparel stores for the month being 6.8 per cent and for the year-to-date 1.4 per cent.

Retail furniture sales increased in September in Cleveland and Columbus but declined in other cities and in the District, as a whole. Collections at all retail stores are better than they were a year ago.



Wholesale Trade

Compared with the first three quarters of 1928, sales of all reporting wholesale lines, except shoes, have shown gains this year. The increases, while not large, are in contrast to the declines which have been shown for the past several years, and have reversed the trend temporarily, at least. The index of all wholesale sales for the past three months was higher than it has been since 1925.

The gain from August to September this year was not as large as in former years, due to the fact that some orders were placed earlier than usual which tended to bolster up the sales of the summer months.

September sales, compared with 1928 were as follows: dry goods, +1.7; drugs, +6.2; groceries, +1.7; hardware, -4.5; and shoes, -16.7 per cent.

Fourth District Business Statistics

(All figures for Fourth District unless otherwise specified)

		Sept. 1929	Sept. 1928	% change from 1929	Jan.-Sept. 1929	Jan.-Sept. 1928	% change from 1928
Bank Debits (24 cities)	Millions of dollars	3,428	3,200	+ 7.1	32,115	29,398	+ 9.2
Savings Deposits (end of month)							
Ohio (39 banks)	Thousands of dollars	774,232	762,707	+ 1.5	775,362 ¹	747,484 ¹	+ 3.7
Western Pennsylvania (25 banks)	" " "	274,570	275,196	+ 0.2	277,199 ¹	273,890 ¹	+ 1.2
Total (64 banks)	" " "	1,048,802	1,037,903	+ 1.1	1,052,662 ¹	1,021,263 ¹	+ 3.1
Commercial Failures—Number	Actual Number	150	159	- 5.7	1,431	1,503	- 4.8
—Liabilities	Thousands of dollars	3,471	3,716	- 6.6	28,404	42,632	- 33.4
Postal Receipts—9 cities	" " "	3,078	2,855	+ 7.8	27,683	27,083	+ 2.2
Sales—Life Insurance—Ohio and Pa.	" " "	94,265	80,629	+ 16.9	1,025,525	927,696	+ 10.5
—Dept. Stores (60 firms)	" " "	25,561	25,526	+ 0.1	218,606	211,827	+ 3.2
—Wearing Apparel (15 firms)	" " "	1,570	1,685	- 6.8	13,862	14,063	- 1.4
—Furniture (45 firms)	" " "	1,102	1,145	- 3.8	9,561	9,465	+ 1.0
—Wholesale Grocery (41 firms)	" " "	6,758	6,732	+ 0.4	55,595	54,450	+ 2.1
—Dry Goods (12 firms)	" " "	2,608	2,564	+ 1.7	18,545	18,123	+ 2.3
—Hardware (17 firms)	" " "	2,171	2,273	- 4.5	19,372	19,043	+ 1.7
—Drugs (13 firms)	" " "	1,787	1,682	+ 6.2	16,029	15,222	+ 5.3
Building Permits, Valuation—27 cities	" " "	16,489	17,193	- 4.1	161,114	197,041	- 18.2
Contracts—Total, 4th District	" " "	64,140	67,748	- 5.3	493,522	508,926	- 3.0
—Residential, 4th District	" " "	12,470	16,167	- 22.9	132,301	172,354	- 23.2
Production —Pig Iron, U. S.	Thousands of tons	3,483	3,064	+ 13.7	32,649	27,784	+ 17.5
—Steel Ingots, U. S.	" " "	4,511	4,148	+ 8.8	43,240	36,931	+ 17.1
—Automobiles, U. S.	" " "						
Passenger Cars	Actual Number	364,786	358,615	+ 1.7	4,005,177	3,059,938	+ 30.9
Trucks	" " "	49,681	56,423	- 11.9	618,702	405,963	+ 52.4
—Bituminous Coal, 4th District	Thousands of tons	17,485	15,797	+ 10.7	153,262	132,986	+ 15.2
—Cement: Ohio, W. Va., Wn. Pa.	" " barrels	1,919	2,267	- 15.4	12,477	13,558	- 8.0
—Electric Power: Ohio, Pa., Ky.	Millions of k.w. hrs.	1,327 ²	1,130 ²	+ 17.4	9,909 ³	8,756 ³	+ 13.2
—Petroleum: Ohio, Pa., Ky.	Thousands of barrels	2,297 ²	2,131 ²	+ 7.8	16,867 ³	16,222 ³	+ 4.0
—Shoes, 4th District	" " pairs			- 0.1			- 0.2
—Tires	" " casings.	4,386	5,658 ²	- 22.5	42,695 ³	39,562 ³	+ 7.9
Bituminous Coal Shipments (from Lake Erie Ports)	" " tons	5,023	4,680	+ 7.3	29,783	25,504	+ 16.8
Iron Ore Receipts (at Lake Erie Ports)	" " "	6,619	5,827	+ 13.6	36,576	27,342	+ 33.8
¹ 9 months' average							
² August							
³ January-August							
⁴ Figures Confidential							

Fourth District Business Indexes

(1923-1925=100)

	Sept. 1929	Sept. 1928	Sept. 1927	Sept. 1926	Sept. 1925
Bank Debits (24 cities)	126	118	113	106	103
Commercial Failures (Number)	103	109	102	106	90
(Liabilities)	79	84	73	43	33
Postal Receipts (9 cities)	119	110	117	116	114
Sales—Life Insurance (Ohio and Pa.)	113	96	102	95	93
—Department Stores (59 firms)	102	101	95	97	89
—Wholesale Drugs (13 firms)	114	107	112	111	108
—Dry Goods (12 firms)	107	105	104	108	109
—Groceries (41 firms)	101	102	102	113	111
—Hardware (15 firms)	101	94	100	103	103
—All (85 firms)*	105	103	104	111	109
—Chain Drugs (3 firms)**	89	93	96	103	103
Building Contracts (Total)	135	142	137	118	117
(Residential)	73	94	125	96	108
Production—Coal (O., Wn. Pa., E. Ky.)	97	87	88	106	102
—Cement (O., Wn. Pa., W. Va.)	160	188	150	149	135
—Elec. Power (O., Pa., Ky.)*	158	135	123	123	104
—Petroleum (O., Pa., Ky.)*	124	105	114	105	101
—Shoes	110	110	122	126	116

*August

**Per individual unit operated

†Includes 3 shoe firms

Retail and Wholesale Trade

(1929 compared with 1928)

	SALES Sept.- Sept.	Percentage Increase or Decrease First 9 mos.	STOCKS Sept.- Sept.
DEPARTMENT STORES (60)			
Akron	- 5.7	+ 6.1	- 5.4
Cincinnati	- 1.8	+ 2.5	+ 4.0
Cleveland	+ 5.2	+ 4.2	+ 1.8
Columbus	- 3.9	+ 0.03	- 2.9
Dayton	- 0.5	+ 0.4	- 5.1
Pittsburgh	- 1.9	+ 2.2	- 1.7
Toledo	+ 4.5	+ 8.9	- 4.6
Wheeling	- 9.1	- 3.3	- 3.9
Other Cities	- 1.0	+ 5.1	- 2.6
District	+ 0.1	+ 3.2	- 0.9
WEARING APPAREL (18)			
Cincinnati	- 8.6	- 5.4	+ 6.0
Cleveland	- 3.0	+ 4.0	- 12.9
Other Cities	- 9.2	- 3.0	- 0.4
District	- 6.8	- 1.4	- 3.7
FURNITURE (45)			
Cincinnati	- 3.0	+ 4.6	
Cleveland	+ 6.0	+ 4.3	
Columbus	+ 28.2	+ 4.5	
Dayton	- 28.3	- 9.3	
Toledo	- 22.5	+ 3.2	
Other Cities	- 10.3	+ 4.5	
District	- 3.8	- 1.0	
CHAIN STORE*			
Drugs—District (3)	- 4.2	- 3.4	
Groceries—District (3)	+ 1.5	+ 3.9	
WHOLESALE GROCERIES (41)			
Akron	+ 2.6	+ 2.4	
Cincinnati	+ 4.6	+ 3.4	
Cleveland	- 3.2	- 0.9	
Erie	- 8.4	- 6.5	
Pittsburgh	+ 10.5	+ 5.9	
Toledo	- 3.4	+ 2.1	
Other Cities	+ 3.9	+ 5.0	
District	+ 0.4	+ 2.1	- 4.3
WHOLESALE DRY GOODS (12)	+ 1.7	+ 2.3	- 8.0
WHOLESALE DRUGS (13)	+ 6.2	+ 5.3	
WHOLESALE HARDWARE (17)	- 4.5	+ 1.7	+ 9.0
WHOLESALE SHOES (5)	- 16.7	- 16.3	- 22.5

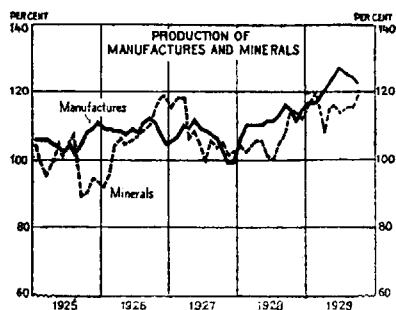
*Sales per individual unit operated.

Debits To Individual Accounts

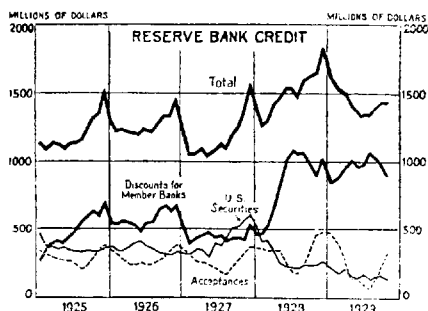
	5 weeks ending Oct. 23, 1929	% change from 1928	1929 to date (Dec. 28-Oct. 23)	1928 to date (Dec. 26-Oct. 24)	% change from 1928
Akron	146,481	- 0.6	1,232,302	1,122,173	+ 9.8
Butler	17,712	+ 17.5	132,337	115,243	+ 14.8
Canton	62,629	+ 12.1	570,353	502,035	+ 13.6
Cincinnati	531,088	+ 2.7	4,613,140	4,508,851	+ 2.3
Cleveland	1,168,383	+ 6.1	9,654,045	8,511,658	+ 13.4
Columbus	240,360	+ 21.3	1,963,480	1,706,008	+ 15.1
Connellsville	4,840	- 16.2	39,432	43,483	- 9.3
Dayton	121,947	+ 7.5	1,113,269	986,505	+ 12.8
Erie	50,814	+ 3.5	418,022	377,186	+ 10.8
Franklin	8,083	+ 19.3	62,068	54,598	+ 13.7
Greensburg	23,691	- 3.8	218,785	210,734	+ 3.8
Homestead	7,146	+ 19.0	50,860	44,639	+ 13.9
Lexington	27,589	+ 13.7	294,870	245,614	+ 20.1
Lima	17,333	- 14.2	166,164	160,735	+ 3.4
Lorain	8,794	+ 13.5	66,560	64,901	+ 2.6
Middletown	16,306	+ 13.8	134,183	130,097	+ 3.1
Oil City	26,334	+ 25.0	200,239	174,065	+ 15.0
Pittsburgh	1,336,472	+ 8.2	11,331,631	10,061,920	+ 12.6
Springfield	27,698	+ 0.04	256,154	231,559	+ 10.6
Steubenville	14,351	+ 6.4	130,299	119,625	+ 8.9
Toledo	253,812	- 23.2	2,384,368	2,777,180	- 14.1
Warren	19,138	+ 1.1	158,720	141,622	+ 12.1
Wheeling	68,089	+ 7.6	531,662	506,796	+ 4.9
Youngstown	101,619	+ 6.1	838,885	744,127	+ 12.7
Zanesville	15,660	- 12.8	134,565	135,498	- 0.7
Total	4,316,369	+ 4.5	36,706,593	33,676,852	+ 9.0

Summary of National Business Conditions

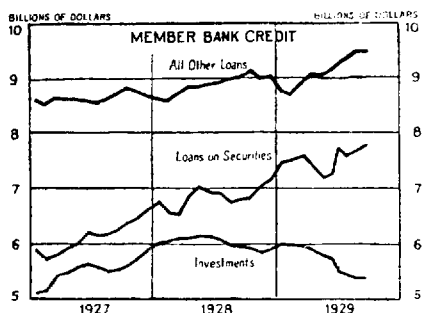
By the Federal Reserve Board



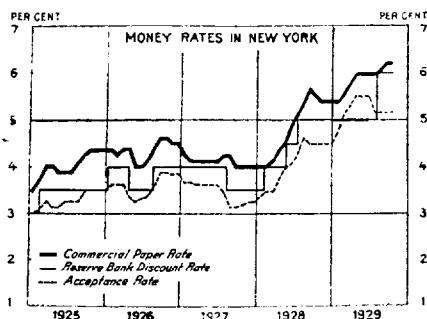
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average = 100). Latest figures, September, manufactures—122, minerals—119.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of the first 19 days in October.



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



Monthly rates in the open market in New York: commercial paper rate on 4 to 6 month paper and acceptance rate on 90 day bankers' acceptances. Latest figures are average of first 23 days in October.

Industrial activity increased less in September than is usual at this season. Production during the month continued above the level of a year ago and for the third quarter of the year it was at a rate approximately 10 per cent above 1928. There was a further decline in building contracts awarded. Bank loans increased between the middle of September and the middle of October reflecting, chiefly, growth in loans on securities.

Production

Output of iron and steel declined further in September, contrary to the seasonal tendency; there was a sharp decrease in output of automobiles and automobile tires and a smaller than seasonal increase in activity in the textile and shoe industries, which continued to produce at a high rate in comparison with the preceding year. Meat packing plants were more active than in August. Factories increased the number of their employees during September and payrolls were also slightly larger.

Output of coal showed a substantial increase from August and the average daily production of copper mines was somewhat larger. Iron ore shipments declined seasonally and petroleum output was reduced for the first time in several months.

For the first half of October reports indicate a further reduction in steel plant operations, a continued increase in production of bituminous coal and some increase in petroleum output, following a moderate decrease during September. Building contracts awarded in September declined seasonally from August and were substantially below the corresponding month in any year since 1924. For the third quarter, the volume of contracts was 6 per cent less than a year ago. During the first three weeks of October, contracts continued substantially below the level of last year.

October estimates by the Department of Agriculture indicate a cotton crop of 14,915,000 bales, 3 per cent larger than last year; a corn crop of 2,528,000 bushels, 11 per cent smaller than the crop of a year ago and 8 per cent below the five year average; and a total wheat crop of 792,000,000 bushels, 12 per cent below last year but only slightly under the five year average.

Distribution

Freight car loadings increased by slightly less than the usual seasonal amount in September and continued to be larger than a year ago. In the first two weeks of October, car loadings were smaller than in the corresponding weeks of 1928.

Department store sales in leading cities increased seasonally during the month of September and were 2 per cent larger than a year ago. For the third quarter, as a whole, sales of the reporting stores exceeded those of the third quarter of last year by 3 per cent.

Prices

Wholesale prices showed little change from August to September, according to the index of the Bureau of Labor statistics. Prices of meats and livestock declined considerably, while prices of grains advanced. The prices of raw silk, cotton and cotton goods were higher in September and the price of coal increased, while prices of iron and steel products, tin, gasoline and cement were lower. During the first three weeks of October, prices declined for a considerable number of commodities, including wheat, flour, hides, steel, tin, cotton, silk and wool.

Bank Credit

Between the middle of September and the middle of October, there was a slight increase in the volume of loans and investments of member banks in leading cities. The banks' loans on securities increased rapidly, while all other loans, including loans for commercial and agricultural purposes, declined somewhat after reaching a seasonal peak on October 2. Security holdings of the reporting banks continued the decline which has been almost uninterrupted for more than a year.

At the Reserve banks there was little change in the volume of credit outstanding during the four week period ending October 19. Further increase in the holdings of acceptances by the Federal Reserve banks was accompanied by a decline in discounts for member banks, largely at the Federal Reserve Bank of New York.

Open market rates on bankers' acceptances and on prime commercial paper were unchanged during the last half of September and the first three weeks of October. On October 23, rates on bankers' acceptances declined by one-eighth per cent to a 5 per cent level for the principal maturities. Rates on demand and time loans on securities declined during the first half of October.