



MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District
Federal Reserve Bank of Cleveland

Vol. 12

Cleveland, Ohio, February 1, 1930

No. 2

FINANCIAL

Credit conditions in the Fourth District became easier during the month ending January 22. The seasonal return flow of currency from circulation enabled member banks to reduce in substantial amount their borrowings at the Federal reserve bank, which decreased during the four weeks after the Christmas peak by \$30,000,000 to a level about ten per cent lower than a year ago.

The demand for member bank credit, as indicated by total loans and investments of the reporting member banks in this District, continued during the first three weeks of January the decline which began early in November after the temporary increase that characterized the period of acute weakness in the securities market. The decline in the 11 weeks since November 6 has amounted to nearly \$100,000,000, of which about one-fourth has been in security loans, about one-fifth in investments and about one-half in "all other" loans. The loans and investments of the reporting member banks on January 22 were accordingly about \$65,000,000 lower than early in October before the break in security prices. Security loans, however, have shown no net decline from the level of early October, all of the decrease since that time having been in investments and in "all other" loans. The decrease in these loans since October has amounted to about \$35,000,000, which is in contrast with developments a year ago, when the corresponding period showed no decrease in "all other" loans. The decrease this year was largely in reflection of the general business recession which has recently been under way in this District.

BANKING OPERATIONS

Federal Reserve Banks

	Federal Reserve Bank of Cleveland			Federal Reserve System		
	(In Millions)	(In Millions)	(In Millions)	(In Millions)	(In Millions)	(In Millions)
	Jan. 22 1930	Jan. 23 1929	Dec. 24 1929	Jan. 22 1930	Jan. 23 1929	Dec. 24 1929
Gold Reserves	254	253	248	2,929	2,648	2,322
Discounts	66	73	97	568	782	768
Acceptances	23	45	25	298	454	355
U. S. Securities	30	33	28	477	202	485
Total bills and securities	120	151	151	1,223	1,447	1,613
Federal Reserve notes in circulation	175	201	208	1,739	1,661	1,989
Total deposits	185	188	182	2,415	2,397	2,375

Reporting Member Banks

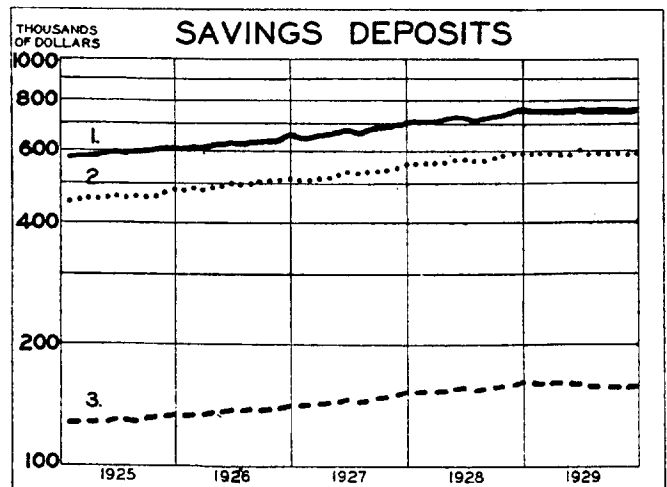
	Fourth District			United States		
	(In Millions)	(In Millions)	(In Millions)	(In Millions)	(In Millions)	(In Millions)
	Jan. 22 1930	Jan. 23 1929	Dec. 24 1929	Jan. 22 1930	Jan. 23 1929	Dec. 24 1929
Loans on securities	739	686	747	7,714	7,356	7,931
All other	792	799	820	8,974	8,707	9,413
Total loans	1,531	1,485	1,567	16,688	16,062	17,344
Investments	602	708	604	5,549	6,071	5,598
Demand deposits	1,003	1,047	1,014	13,135	13,866	13,597
Time deposits	942	958	927	6,915	6,885	6,768

Failures

Commercial firms declared insolvent in December in the Fourth District, according to R. G. Dun and Company, numbered 140 in December, 1929, compared with 120 in November and 134 in December, 1928. While this area ranked fifth in the number of failures reported, the size of the defaulting concerns was larger. Liabilities totaled \$8,167,513, compared with \$1,393,859, the unusually small figure of December, 1928 and \$3,450,292 in November, 1929. This territory ranked third among the other reserve districts in the amount of liabilities. In the United States there were 2,037 failures in December, an increase from the 1,943 reported in the same month of 1928.

Savings Deposits

Savings deposits in Fourth District banks failed to show any increase during 1929. The solid line on the chart shows the trend of savings deposits in 28 large and representative banks for which comparable figures are available back to 1925. The figures in the table (represented by the solid line on the chart) include individual savings or time deposits but exclude certificates of deposit, Christmas, special, travel or vacation savings accounts, etc.



Curve 1. Monthly figures of 28 leading banks in Fourth District.
 Curve 2. Monthly figures of 9 largest banks.
 Curve 3. Monthly figures of 19 other banks.

SAVINGS DEPOSITS AS OF JANUARY 1

(000 omitted)

	Total Savings Deposits	Increase or Decrease
1926	\$616,455	\$.....
1927	656,055	39,600
1928	709,807	53,752
1929	757,938	48,131
1930	750,382	-7,556

Although the change in savings deposits has varied in amount from year to year since 1925, the past year was the first to show a decrease, the decline from January, 1929 to January 1, 1930 being \$7,556,000.

MANUFACTURING, MINING

General Manufacturing Operations in most industrial plants in the Fourth District receded substantially in December. The declines were most noticeable in the metal, automobile and rubber industries, but nearly all groups showed a decline from November and were producing at a lower rate than in late 1928. After the beginning of the new year, however, gradual improvement was noted in a few lines, particularly iron and steel, automobiles and tires. Other producers, instead of expanding schedules as in former years at this season, were marking time.

Employment, which has been declining since August, fell sharply in December and in Ohio was six per cent less than in the same month of 1928. Similar conditions prevailed in other parts of the District. Payrolls receded even more sharply, since many shops were operating on a part-time basis.

Makers of engineering specialties, tools and hardware report operations in early January under 1929 with employment less than last year. Automobile parts and accessory plants, after almost complete shut-down in December, expanded schedules in January upon receipt of orders released by Detroit factories. Electrical supply companies (excluding radio plants which are only operating part-time) are producing in about the volume of early 1929. Bookings have been slow recently, but few cancellations are reported. Agricultural implement manufacturers report business "quiet" with no trend discernible. Jewelry makers at Cincinnati are operating at low levels. Stove and equipment demand is light.

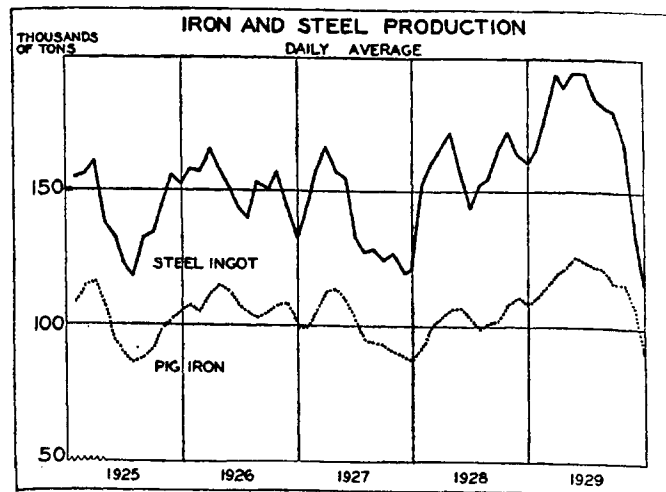
Reports regarding paint and varnish plant operations are varied. Some producers note an upward trend, while with others the reverse is true. Orders for industrial paint are less than last season at this time, but sales of house paint are comparable with recent years. Production rates in anticipation of usual spring demand are being expanded.

Glass and ceramic plants are operating at low levels compared with last year. Brick and tile employment was about 20 per cent lower in December than in 1928. The building decline has had a depressing effect on this industry for nearly a year and prices are low. Plate and rolled glass demand was less than in January, 1929, but improvement in the former was noted because of

the increase in automobile output. China and pottery plants in southeastern Ohio are operating on lower schedules than a year ago.

A more than seasonal slowing up is noted in cork and linoleum demand. Paper mills are also producing at lower levels than usual. Oversupply has long been the unfavorable factor in this industry.

December production of shoes by plants in the Fourth District was over six per cent higher than in the corresponding month of 1928. Operations declined seasonally in January, most retailers delaying orders until after the St. Louis style show.



Iron and Steel Moderate expansion in demand, based on continued heavy requirements of railroads and mild enlargements of automobile schedules early in January, reversed the downward trend in iron and steel production which set in last June and which was greatly accelerated in November and December.

December's daily rate of pig iron production—91,513 gross tons—was the lowest since December, 1927. The daily steel ingot rate declined to 115,851 tons, the lowest point since October, 1924. Nevertheless, a December output of 2,836,917 tons of pig iron and 2,896,269 tons of steel ingots insured new high annual records. For 1929 the total of pig iron was 42,270,183 tons and of steel ingots (open-hearth and Bessemer) 54,164,348 tons, twelve and nine per cent higher respectively than 1928.

When 19 blast furnace stacks became inactive in December, following 29 in November, the number of stacks active as of December 31 fell to 157, the lowest since July, 1924. On December 31 there were 316 potential stacks in the United States. Indications early in January were that an increase in active stacks would be shown for January 31.

Consumption of iron and steel, like production, declined to the low point of the year in December. Sentiment that prices would go no higher and might go lower retarded first quarter contracting. When demand, especially for finished steel from the automotive industry, began to rise slowly late in December, con-

cessions in price made by many producers for this business justified the earlier hesitancy displayed by consumers.

In the first half of January, sheet, bar and strip mills in the Cleveland-Youngstown-Pittsburgh district slightly accelerated their operating schedules in response to improved automotive demand. Pipe requirements lagged, while building was slightly below the seasonal average. The flow of material to freight car builders was steady and equal to a year ago.

Price concessions early in January included \$1 to \$2 per ton on bars, autobody and black sheets, all grades of strip and wire products. Pig iron prices remained untested, but not strong. Iron and steel scrap prices were buoyant. The Cleveland base of 1.85c on soft steel bars influenced sales in northern Ohio and lower Michigan. Toward mid-January, efforts to stabilize were made by producers and it was hoped that most of the weakness in the situation had developed.

The Iron Trade Review composite of 14 leading iron and steel products dropped from an average of \$36.03 in November to \$35.95 in December and to \$35.60 the third week of January. In January, 1929, this index averaged \$36.28, the lowest point in 16 months.

Coal Soft coal production was one of the very few industries of the Fourth District which showed an increase in December compared with the preceding year. Output of bituminous coal totaled 17,298,000 tons, exceeding the same period of 1928 by eight per cent, and was the highest for that month since 1926.

According to the Bureau of Mines, coal production in the District in 1929 was at a higher rate than for the entire country. Output last year totaled 208,190,000 tons, an increase from 1928 of 12 per cent. In the United States production showed an advance of 4.9 per cent. This greater output locally, in a large measure, was because of the increased use of fuel by industrial concerns, particularly steel mills, and the increased demand for coal for shipment to upper Great Lake regions. Storage stocks have been materially reduced.

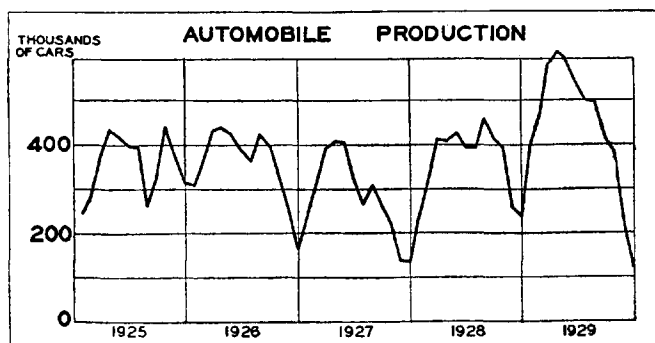
Industrial demand is now lower than last year. Dealers and producers reported requirements both for heating purposes and power production more than seasonally slow in early January. The price of industrial coal was higher at the year-end than for some time, but it still is one of the major problems of the industry.

Automobiles Production of passenger cars and trucks in December in the United States receded to the lowest level since February, 1922, and adversely affected activity in many lines in the Fourth District. Total output for the month was only 119,950 units, a decline of 45 per cent from November and 49 per cent from December, 1928. In spite of this large decrease, however, production for the year totaled 5,358,361 units, a new record, compared with 4,358,759 in 1928, an increase of 23 per cent.

Most of the decline in production has been in passenger cars; monthly output of trucks exceeded 1928 in

November, but was three per cent lower in December. Fourth District truck manufacturers state that demand has been about on a par with a year ago during December and January, with employment showing little change from former years.

While the actual building of automobiles is not so important an industry in the Fourth District, the fact that many of the semifinished materials, including parts and accessories are produced in the Toledo, Cleveland, Akron, Youngstown and Pittsburgh areas makes local industrial prosperity unusually dependent upon conditions in the automobile field. In 1929 the production of motor cars and trucks required 18 per cent of all steel produced in the United States, 85 per cent of all rubber



manufactured, 67 per cent of the plate glass output and 15 per cent of manufactured copper. With the exception of copper, by far the greater part of these requirements were filled by companies located in this territory and earnings of these concerns for the year have been unparalleled.

Although the reduction in output in November and December was unusually sharp, the situation in the entire industry has improved to a degree in that inventories of new cars are lower than for some time. Following the favorable reception of new models at the New York Automobile Show in early January, manufacturers were in position to increase output in proportion to the demand. January schedules were lower than in 1929, but are reported to have increased more than seasonally from December.

This resumption of activity was almost immediately reflected in orders for material. Steel plants at Cleveland and Youngstown have stepped up production rates to about 70 per cent of capacity compared with about 40 per cent in December. Accessory plants have likewise resumed operations on reduced schedules from a year ago and tire output has increased from December.

Ohio new passenger car registrations, according to the Bureau of Business Research of Ohio State University, improved in December compared with the preceding month, but were 16 per cent less than December, 1928. In the eight principal cities shown (representing two-thirds of the state total) new registrations in 1929 were 25 per cent larger than a year ago.

New Passenger Car Registration

	Dec. 1929	% change from 1928	Year 1929	Year 1928	% change from 1928
Akron.....	1,206	+ 1.7	16,641	12,825	+29.8
Canton.....	451	-17.6	9,989	7,821	+27.7
Cincinnati.....	1,355	-17.7	21,230	18,316	+15.9
Cleveland.....	1,946	-20.2	51,554	39,109	+31.8
Columbus.....	935	-14.4	15,840	13,035	+21.5
Dayton.....	617	+ 2.8	11,613	9,213	+26.1
Toledo.....	671	-34.9	14,284	12,937	+10.4
Youngstown.....	537	+ 3.9	9,276	7,305	+27.0
Total.....	7,718	-14.8	150,427	120,561	+24.8

Rubber and Tires Improving conditions in the rubber and tire industry have been noted since January 1. Operations at Akron, though considerably below this time a year ago, compare favorably with the fourth quarter of 1929. Production schedules have been increased in anticipation of usual spring demand, but advance orders are below those of recent years, partly because of larger inventories in hands of dealers.

December production of pneumatic tires totaled 2,440,823 units, a decline of 42 per cent from the same month of 1928. This sharp decrease, persisting for the last four months, has now reduced inventories, which were abnormally large for over a year, to a point where they are below the corresponding month of the preceding year. December was the first month since August, 1928 to show this condition. Although the first six months of 1929 established a production record, the falling-off shown in the latter part of the year was so sharp that output for the year was about seven per cent below 1928.

Imports into the United States in 1929 amounted to 561,454 tons, exceeding 1928 by 26 per cent and established a new record. Unexpectedly heavy production in Malaya has been largely responsible for the increase and the building up of stocks, with the consequent decline in price. Shipments to the United States in the first three weeks of January averaged more than 10,000 tons.

The crude rubber situation seems more favorable from the manufacturers standpoint than for some time. Accumulation of stocks in hands of fabricators, at London, in far east ports and afloat have resulted in weakened prices. The average for December was 16 cents a pound which declined to 15½ cents on January 22 and compared with 20 cents in January, 1929 and 42 cents in 1928. These lower prices have increased profit margins, part of which have been passed on to the dealer, who has been selling for a small profit for some time.

Clothing This is usually the dull season in the clothing industry and the past two months have not differed from former years in this respect, except that the decline seems to be more pronounced. Some manufacturers report employment about on a par with last year, but part-time operations have reduced payrolls. In other plants there has been a falling-off in the number of men employed. Labor disturbances in women's garment factories in January affected production at several places in Cleveland, but grievances were soon adjusted in most cases.

Orders for women's clothing received from distributors in early January were slow, but after the mid-

dle of the month some improvement was noticed. Makers of knit goods, who usually close out surplus stocks in December and January to large department stores for "sales," report that such practice has been decidedly below former years. Makers of men's clothing state that spring bookings are in smaller volume than last season. Many retailers are willing to order for immediate delivery only, desiring to keep inventories low and in line with demand.

Prices of finished goods have tended downward for the past several years. Declines in the price of raw materials, together with improvement in manufacturing methods, which lowered production costs, have been passed on to the consumer. Wool and silk prices are materially lower than a year ago and prices of cotton goods are about seven per cent less than in early 1929. Producers report dollar sales last year about on a par with 1928 indicating that, despite lower prices, volume has increased.

AGRICULTURE

Crop Values The farm value of principal crops of the Fourth District was larger in the past season than in 1928. The table shows production of six major crops for the past two years, together with aggregate values of these crops. The latter are based on an average of December prices in the four states of the District, as reported by the United States Department of Agriculture.

	Estimated Fourth District Production (000 omitted)		Farm Value of Crop (000 omitted)	
	1929	1928	1929	1928
Corn (bu.)	170,082	174,381	\$159,877	\$160,481
Wheat (bu.)	88,539	13,167	47,788	17,644
Oats (bu.)	64,495	106,377	36,119	57,444
Hay (tons)	7,168	5,940	96,625	82,269
Tobacco (lbs.)	141,099	117,608	27,797	25,874
Potatoes (bu.)	20,175	28,511	29,859	17,633
Total Value			\$398,064	\$361,295

December prices of wheat, hay and tobacco were lower than a year ago but the increase in wheat production this year (because of almost total failure in 1928) swelled the value of that crop nearly three times. Oats were selling at a slightly higher price than last year but total value of the crop was much lower than in 1928 because of smaller yield. Potato prices have nearly doubled since last year so that the crop value has materially increased in spite of the decline in production.

Farm Value of 67 Crops

	(000 omitted)		% Change From 1928
	1929	1928	
Ohio	\$261,900	\$246,659	+ 6.2
Pennsylvania	215,517	196,470	+ 9.6
Kentucky	193,404	193,151	+ 0.1
West Virginia	59,432	58,909	+ 1.0

Fourth District production figures of other crops are not available, but based on the above figures and the total value of 67 crops as shown for the above states, the farm value and consequently purchasing power of agricultural communities is greater than last year.

In the United States the total value of all crops was about one per cent larger than in 1928.

Winter Grains The area sown to winter wheat and rye in this territory is somewhat larger than last year. In Ohio the increase was 13 per cent and in Kentucky and Pennsylvania about 2 per cent of the 1928 acreage.

In recent years there has been a general tendency to sow more rye for grain. Fall plantings of that crop in 1929 were 20 per cent larger than 1928 in Ohio and 5 per cent in Kentucky. Both winter grains are in good condition; fall growth was abundant and fields thus far have wintered well.

Tobacco The value of the District's tobacco crop is larger than in 1928 but the increase is not proportionate to the increase in production. Prices, particularly for better grades, were low in the early weeks of the market season. Following a recess at Christmas opening quotations on most grades were slightly higher, but a falling-off was noted at mid-January.

LEXINGTON TOBACCO RECEIPTS

Year	December Pounds	Price per lb.
1926	12,860,000	\$0.16
1927	13,076,000	.26
1928	16,999,000	.32
1929	17,660,000	.22-.24

The Burley tobacco market is now well supplied. In the first week of sales growers made few deliveries because of lower prices, but in the following weeks receipts on the trading floor increased and for the entire month surpassed those of December, 1928. Since January 1 receipts have been heavier than for years. All floors are crowded and are filled up as soon as sold tobacco is taken away.

The remarkable feature of this year's selling season is the high price that has prevailed on the lower grades of tobacco of which there is an abundance. Demand for good red leaf is strong and it has commanded a price almost as high as the more colored grades.

Canning Canners report business about normal for this time of year. Sales for immediate delivery are higher than in 1929 and stocks are lower than they have been for some time. Grocers, both wholesale and retail, are not overstocked and replacement orders, though small, are being received in satisfactory volume.

BUILDING

Building contracts awarded in the Fourth District, after declining sharply in November to the lowest level since 1921, showed a slight recovery in December and amounted to \$24,286,858. The improvement was not enough to make a favorable showing, being 24 per cent less than in December of the preceding year. Residential contracts were 44 per cent lower than in 1928 and 27 per cent less than in November.

Construction activity for the year, according to the

F. W. Dodge Corporation survey, was better in this territory than in other parts of the country. The decline locally was only six per cent, while for the 37 states east of the Rockies the decrease was 13 per cent. Considerable non-residential building counterbalanced the decline in new residential construction, which was 26 per cent less than in 1928. This sharp reduction has somewhat corrected the overbuilt condition which existed in some parts of the Fourth District at the beginning of last year.

Although building in early January showed some improvement compared with December, the daily average rate for the first three weeks was about 24 per cent below the same period of 1929.

Building permits in 27 cities throughout the District also declined in December, being 26 per cent less than in 1928. For the entire year the falling-off was 15 per cent.

Building Operations

(Value of Permits)

	Dec. 1929	% change	Year 1929	Year 1928	% change
Akron.....	2,500,667	+91.0	21,886,309	19,652,285	+11.4
Ashtabula.....	33,022	+94.3	628,194	458,492	+37.0
Barberton.....	96,025	+300.5	1,092,272	961,483	+13.6
Canton.....	56,295	-70.7	3,481,922	3,691,180	- 5.7
Cincinnati.....	1,673,682	-39.6	36,124,122	35,760,430	+ 1.0
Cleveland.....	931,600	-86.3	37,782,500	54,592,425	-30.8
Cleve. Suburbs:					
Cleve. Hights..	97,870	-56.7	2,468,600	4,239,300	-41.8
East Cleve....	1,390	-91.2	2,021,625	761,413	+165.5
Euclid.....	102,035	+67.0	2,373,362	2,675,806	-11.3
Garfield Hghts.	108,000	+64.9	1,280,550	1,545,150	-17.1
Lakewood.....	37,940	-89.0	1,924,777	5,012,991	-61.6
Parma.....	61,235	-29.8	2,395,667	2,489,838	- 3.8
Rocky River..	59,460	+85.1	1,477,113	1,137,548	+30.0
Shaker Hghts.	278,000	+16.4	6,499,950	7,346,765	-11.5
Columbus.....	211,800	-72.6	10,641,050	16,239,250	-34.5
Covington, Ky.	29,900	-23.9	1,447,125	1,581,350	- 8.5
Dayton.....	262,938	+39.6	6,342,675	10,358,378	-38.8
Eric, Pa.....	375,425	+49.1	6,431,471	4,866,414	+32.2
Hamilton.....	72,325	+11.4	2,078,555	2,067,048	+ 0.6
Lexington, Ky..	84,180	-74.9	2,117,697	1,782,908	+18.8
Lima.....	31,200	+212.0	431,115	459,434	- 6.2
Newark.....	22,170	+15.4	678,135	1,351,860	-49.8
Pittsburgh, Pa..	5,673,806	+140.4	34,774,782	38,495,962	- 9.7
Springfield.....	20,400	-79.8	1,750,421	1,553,767	+12.7
Toledo.....	207,493	-82.0	13,492,740	17,146,958	-21.3
Wheeling, W. Va.	55,251	-56.3	1,790,495	1,937,827	- 7.6
Youngstown....	164,247	-43.0	6,060,825	8,351,330	-27.4
Totals.....	13,248,356	-26.0	209,474,049	246,519,520	-15.0

Building Supplies

Lumber and building supply manufacturers report inventories smaller than for some time. Dealers have no desire to stock up when so little building is being done, so long as quick delivery on immediate orders is possible. Prices of most materials are lower than a year ago.

The Aberthaw index of industrial building costs on January 1 showed an advance for the first time since April, 1926, due chiefly to an increase in cement prices, and now stands at 192.

TRADE

Retail Trade

Final reports from 60 large department stores in the Fourth District indicate that December sales were slightly below average, the decline from the corresponding month of 1928 being 1.6 per cent. Columbus and Pittsburgh were the only large cities to show increases. For the entire year sales were 2.3 per cent larger than in 1928, all but two cities experiencing a better volume of sales.

Stocks were markedly lower in all parts of the Dis-

district at the end of 1929 than a year ago and stock turnover, or ratio of sales to stocks, was higher both for December and for the entire twelve months than in corresponding periods of 1928.

Accounts receivable were about eight per cent larger in December and collections improved two per cent from a year ago. The ratio of collections during the month to accounts outstanding on November 30 receded farther, compared with the preceding month, than in 1928. The percentage of credit to total sales declined seasonally, but, as was pointed out last month, was higher than in former years.

A variety of changes occurred in many of the departments both in sales and stocks. The more important ones follow:

	Percent. change in sales-Dec. 1929 compared with Dec. 1928	Percent. change in stocks-Dec. 1929 compared with Dec. 1928
Men's and boys' shoes	+ 8.5	- 7.3
Men's clothing	+ 7.4	- 1.8
Misses' ready-to-wear	+ 6.1	- 8.0
Women's and children's shoes	+ 5.8	+ 8.5
Women's dresses	+ 5.4	-15.3
Books and stationery	+ 4.2	- 1.8
Handkerchiefs	+ 3.1	- 3.8
Toilet articles and drugs	+ 2.7	- 2.3
Furniture	- 0.6	- 2.6
Men's furnishings	- 0.7	- 3.8
Silverware and jewelry	- 3.5	- 9.2
Toys	- 4.7	- 6.5
Linens	- 4.9	- 9.2
Silks and velvets	-15.3	-15.5
Women's coats	-18.7	-13.3

Wearing apparel stores experienced a larger decrease in sales than other branches of trade. December sales were seven per cent less than a year ago which made the total volume for 1929 two per cent under the previous

year. Stocks were lower, accounts were higher and collections were below December, 1928.

Chain Stores

After making allowance for the change in the number of units operated, December chain grocery store sales were nine per cent greater than in the corresponding month of 1928. Sales for 1929 exceeded the previous year by five per cent.

Chain drug store sales have not made a favorable showing for some time. December sales were nearly seven per cent smaller and yearly sales three per cent less than the same periods of 1928.

Wholesale Trade

Of the five reporting wholesale lines in this District, wholesale groceries was the only one to show an increase in December, compared with the corresponding month of 1928. Hesitancy in regard to commitments on the part of retail distributors adversely affected many wholesale firms during the past quarter year. Drugs declined nearly 20 per cent, part of which was because of the abnormal demand for medicinal supplies in the winter of 1928 during the mild influenza epidemic. Hardware sales were five per cent smaller, dry goods eight and shoes 22 per cent less than the previous December.

Yearly sales of all lines, except shoes, were slightly better than in 1928 and the downward trend in wholesale trade in these lines for several years was reversed in 1929.

Collections were from four to ten per cent less in December than in the corresponding month of 1928.

Fourth District Business Statistics

(All figures for Fourth District unless otherwise Specified)

	Dec. 1929	Dec. 1928	% change from 1928	Year 1929	Year 1928	% change from 1928
Bank Debts (24 cities)	3,618	4,025	-10.1	43,350	40,424	+ 7.2
Savings Deposits (end of month)						
Ohio (36 banks)	772,736	781,071	- 1.1	774,102 ¹	754,691 ¹	+ 2.6
Western Pennsylvania (25 banks)	271,379	273,139	- 0.6	276,094 ¹	273,296 ¹	+ 1.0
Total (61 banks)	1,044,115	1,054,210	- 1.0	1,050,196 ¹	1,027,987 ¹	+ 2.2
Commercial Failures—Number	140	134	+ 4.5	1,866	1,933	- 3.5
“—Liabilities	8,168	1,394	+485.9	41,628	49,000	-15.0
Postal Receipts—9 cities	3,848	3,720	+ 3.4	38,256	37,222	+ 2.8
Sales—Life Insurance, Ohio and Pa.	125,184	119,007	+ 5.2	1,377,639	1,257,514	+ 9.6
“—Department Stores (60 firms)	43,281	43,986	- 1.6	319,006	311,724	+ 2.3
“—Wearing Apparel (15 firms)	2,177	2,332	- 6.6	19,727	20,108	- 1.9
“—Furniture (45 firms)	1,096	1,393	-21.3	12,712	13,246	- 4.0
“—Wholesale Grocery (41 firms)	5,949	5,855	+ 1.6	75,787	73,868	+ 2.6
“—Dry Goods (12 firms)	1,977	2,146	- 7.9	25,289	25,282	+ 0.02
“—Hardware (17 firms)	1,862	1,957	- 4.9	25,920	25,816	+ 0.4
“—Drugs (13 firms)	1,737	2,159	-19.5	21,275	20,883	+ 1.9
Building Permits, Valuation—27 cities	13,248	17,900	-26.0	209,474	246,520	-15.0
“—Contracts—Total, 4th District	24,287	31,755	-23.5	616,066	654,483	- 5.9
“—Residential, 4th Dist.	5,604	10,006	-44.0	157,188	213,155	-26.3
Production—Pig Iron, U. S.	2,837	3,376	-16.0	42,277	37,388	+11.7
“—Steel Ingots, U. S.	2,896	4,015	-27.9	54,164	49,853	+ 8.6
“—Automobiles, U. S.						
“—Passenger Cars	91,234	204,957	-55.5	4,586,020	3,821,136	+20.0
“—Trucks	27,233	28,123	- 3.2	754,752	530,910	+42.2
“—Bituminous Coal, 4th Dist.	17,298	16,050	+ 7.8	208,190	185,707	+12.1
“—Cement: Ohio, W. Va., Wn. Pa.	940	1,029	- 8.6	16,685	18,294	- 8.8
“—Electric Power: Ohio, Pa., Ky.	1,307 ²	1,251 ²	+ 4.5	13,909 ²	12,400 ²	+12.2
“—Petroleum: Ohio, Pa., Ky.	2,310 ²	1,963 ²	+17.7	23,926 ²	22,254 ²	+ 7.5
“—Shoes, 4th District	4	4	+ 6.3	4	4	+ 0.8
“—Tires	2,472 ⁵	4,236	-41.6	55,129	59,077	- 6.7
Bituminous Coal Shipments (from Lake Erie Ports)	278	344	-19.2	39,384	34,766	+13.3
Iron Ore Receipts (at Lake Erie Ports)	14	.....	.....	45,772	36,956	+23.9
1—12 month average						
2—November						
3—11 months						
4—Figures Confidential						
5—Preliminary						

Debts to Individual Accounts

(Thousands of Dollars)

	5 weeks ending Jan. 22, 1930	% change from 1929	Year 1929 (Dec. 31.)	Year 1928 (Dec. 28- Jan. 2)	% change from 1928
Akron	137,701	- 3.4	1,490,919	1,391,544	+ 7.1
Butler	15,041	+ 2.5	164,405	145,394	+13.1
Canton	64,540	- 7.9	687,408	620,347	+10.8
Cincinnati	559,606	- 6.2	5,697,713	5,588,017	+ 2.0
Cleveland	1,170,168	+ 1.3	11,907,995	10,652,078	+11.8
Columbus	238,949	- 3.3	2,409,820	2,140,752	+12.6
Connellsville	3,972	-10.0	48,208	53,483	- 9.9
Dayton	133,744	- 5.7	1,347,021	1,210,598	+11.3
Erie	44,744	+ 1.6	511,627	466,693	+ 9.6
Franklin	7,246	+21.4	76,400	67,829	+12.6
Greensburg	22,760	- 4.5	264,261	259,895	+ 1.7
Hamilton	18,349	- 5.6	214,792	194,024	+10.7
Homestead	4,941	- 3.1	62,911	54,756	+14.9
Lexington	48,844	+ 2.9	354,851	309,945	+14.5
Lima	19,057	-12.3	198,766	197,513	+ 0.6
Lorain	7,383	+ 6.5	80,833	78,820	+ 2.6
Middletown	15,951	+ 2.6	164,000	161,614	+ 1.5
Oil City	19,935	- 7.6	242,489	217,645	+11.4
Pittsburgh	1,165,849	- 7.8	14,001,854	12,609,097	+11.0
Springfield	32,311	-11.4	311,890	291,490	+ 7.0
Steubenville	12,699	- 8.8	157,090	147,362	+ 6.6
Toledo	276,842	-23.0	2,899,283	3,477,599	-16.6
Warren	16,184	- 3.8	188,962	173,832	+ 8.7
Wheeling	58,263	-13.8	630,379	647,351	- 2.6
Youngstown	98,348	- 5.6	1,030,557	930,117	+10.8
Zanesville	13,134	-19.7	162,883	167,662	- 2.9
Total	4,209,816	- 5.7	45,327,317	42,248,668	+ 7.3

Retail and Wholesale Trade

(1929 compared with 1928)

	Percentage Increase or Decrease		
	SALES Dec.-Dec.	SALES Year	STOCKS Dec.-Dec.
DEPARTMENT STORES (60)			
Akron	- 6.4	+ 3.9	-18.0
Cincinnati	- 1.5	+ 1.3	- 1.2
Cleveland	- 1.8	+ 3.4	- 5.5
Columbus	+ 0.5	+ 0.09	-11.0
Dayton	- 8.8	- 1.0	-11.6
Pittsburgh	+ 2.6	+ 2.6	- 5.5
Toledo	- 6.3	+ 4.6	- 6.9
Wheeling	- 9.1	- 5.6	- 5.3
Other Cities	- 7.2	+ 2.2	- 4.1
District	- 1.6	+ 2.3	- 6.5
WEARING APPAREL (18)			
Cincinnati	-14.9	- 6.0	-11.7
Cleveland	- 7.8	+ 2.2	- 7.3
Other Cities	+ 3.5	- 2.1	+ 1.1
District	- 6.6	- 1.9	- 5.9
FURNITURE (45)			
Cincinnati	-17.1	- 1.7	.....
Cleveland	-25.3	- 2.6	.....
Columbus	-19.8	- 1.6	.....
Dayton	-12.1	-10.5	.....
Toledo	-25.1	- 4.9	.....
Other Cities	-22.6	- 0.4	.....
District	-21.3	- 4.0	.....
CHAIN STORE*			
Drugs—District (3)	- 6.5	- 2.8	.....
Groceries—District (3)	+ 9.3	+ 4.8	.....
WHOLESALE GROCERIES (41)			
Akron	- 9.6	+ 0.4	.....
Cincinnati	+ 2.4	+ 4.2	.....
Cleveland	- 4.4	+ 0.3	.....
Erie	- 4.3	- 6.4	.....
Pittsburgh	+ 9.7	+ 6.7	.....
Toledo	- 2.7	+ 1.0	.....
Other Cities	-11.5	+ 6.0	.....
District	+ 1.6	+ 2.6	- 1.7
WHOLESALE DRY GOODS (12)	- 7.9	+ 0.02	- 3.8
WHOLESALE DRUGS (13)	-19.6	+ 1.9	.....
WHOLESALE HARDWARE (17)	- 4.9	+ 0.4	- 3.6
WHOLESALE SHOES (5)	-22.2	-19.0	-26.2

*Sales per individual unit operated.

Fourth District Business Indexes

(1923-1925 = 100)

	Dec. 1929	Dec. 1928	Dec. 1927	Dec. 1926	Dec. 1925
Bank Debts (24 cities)	134	149	132	120	115
Commercial Failures (Number)	96	92	78	90	133
“ (Liabilities)	185	32	78	74	98
Postal Receipts (9 cities)	148	143	149	147	140
Sales—Life Insurance (Ohio and Pa.)	150	142	136	147	124
“—Department Stores (59 firms)	171	174	176	177	169
“—Wholesale Drugs (13 firms)	111	138	106	112	108
“—Dry Goods (12 firms)	81	88	82	86	94
“—Groceries (41 firms)	90	89	91	96	101
“—Hardware (15 firms)	87	78	80	92	89
“—All (84 firms)†	90	92	90	96	99
“—Chain Drugs (3 firms)**	98	104	104	126	124
Building Contracts (Total)	51	67	74	89	75
“ (Residential)	33	58	75	77	82
Production—Coal (O., Wn. Pa., E. Ky.)	96	89	78	122	113
“—Cement (O., Wn. Pa., W. Va.)	78	86	81	71	79
“—Elec. Power (O., Pa., Ky.)*	156	149	138	133	122
“—Petroleum (O., Pa., Ky.)*	123	106	107	101	95
“—Shoes	81	76	81	98	85

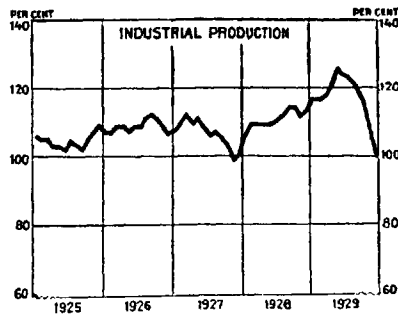
*November.

**Per individual unit operated.

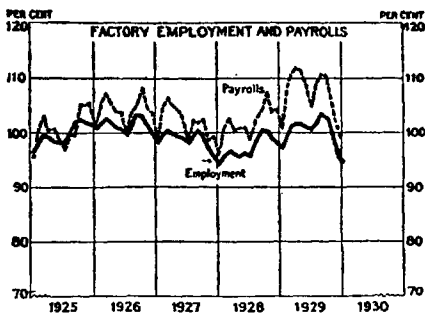
†Includes 3 shoe firms.

Summary of National Business Conditions

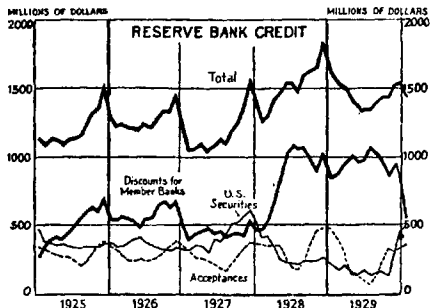
By the Federal Reserve Board



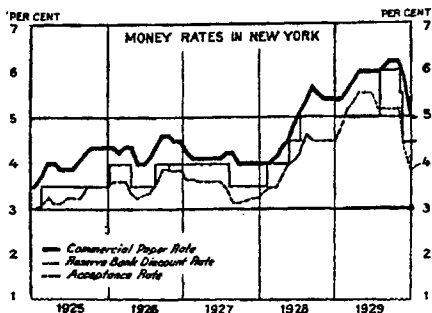
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average=100). Latest figure—December, 110.



Index numbers of factory employment and payrolls, with adjustment for seasonal variations (1923-25 average=100). Latest figures—December, employment 94.9; payrolls 98.6.



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



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 averages of first 20 days in January.

Industrial activity declined further in December. There was little change in commodity prices and conditions in the money market continued easy.

Production and Employment

Industrial production, as measured by the Federal Reserve Board's index, which is adjusted for seasonal variations, declined by six per cent in December, following upon a decline of nine per cent for the preceding month. Nearly all industries reported larger than seasonal reductions in December, except the food industries, which showed little change, and coal, in which output increased. The largest declines in December, as in earlier months, were in automobiles and iron and steel. Production in the textile, shoe, lumber and the nonferrous metals industries also decreased considerably. Stocks of cotton textiles, copper, zinc and lumber increased in December.

In the first three weeks in January steel plants increased their operations somewhat from the low rate prevailing at the holiday season, but were considerably less active than in January, 1928 or 1929. There were further decreases in the output of copper and lumber, while production of crude petroleum increased.

Employment in factories in December declined more than the usual amount in the automobile, steel, textile, clothing and lumber industries. Little change was reported for the food industries and car repair shops, while at meat packing plants and in the paper and printing industries there was some increase in employment.

Building contracts awarded also declined further in December. Residential contracts continued to be in small volume and there were large decreases in awards for commercial buildings and public works and utilities. During the first half of January, awards were larger on a daily average basis than in December.

Distribution

Freight car loadings in December, as in the preceding month, showed more than the usual seasonal decline. The decline occurred principally in shipments of merchandise and lumber products, while loadings of coal and grain were larger than in November.

Sales at department stores in leading cities were three per cent smaller than in December, 1928, according to reports to the Federal reserve system. Decreases in sales were reported for ten Federal reserve districts, an increase of two per cent for the Richmond District and little change for the San Francisco District.

Wholesale Prices

During December wholesale prices of commodities fluctuated rather narrowly. Grain, livestock, meat and bituminous coal prices increased somewhat, while prices of hides and leather products, textiles and petroleum and pig iron declined. In the first half of January, there was little further change in prices.

Bank Credit

Member bank credit increased less than usual over the year-end and in January continued to reflect the liquidation which began early in November. On January 15, total loans and investments of member banks in leading cities were \$478,000,000 below the level of December 11, 1929. This decline occurred both at banks in New York City and outside and was in "all other loans," apparently reflecting a seasonal decrease in inter-bank loans, together with a decrease in demand for credit by commercial borrowers. Investments and loans on securities increased slightly during the period.

Reserve banks' credit outstanding increased during the latter half of December in response to seasonal demands for currency and gold exports, but declined in January as currency returned from circulation. Between the week ending December 14 and the week ending January 18, there was a net decline of \$277,000,000 in currency in circulation and also a decline of \$37,000,000 in member bank reserve balances.

Of the funds thus released, \$64,000,000 served to offset a loss in the monetary gold stock of the country and \$244,000,000 was used to retire reserve bank credit. Reserve bank holdings of government securities showed an increase of \$90,000,000 for the period, acceptances showed little change, while discounts for member banks declined by \$347,000,000.

Money rates in the short term open markets firmed somewhat over the year-end, but eased early in January and throughout the first half of the month remained generally at the lowest levels since the spring of 1928. The discount rate at the Federal Reserve Bank of Philadelphia was lowered on January 16 from 5 to 4½ per cent, the rate prevailing at six other Federal reserve banks.