



# 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 activity in the Fourth District during August and early September showed only a few signs of improvement, most of which were seasonal in character, and, in several cases, less than seasonal in amount. Sentiment has improved perceptibly in the past month, however, and there has been a noticeable increase in the number of inquiries for goods, and in a few cases, in actual orders.

Retail trade increased more than seasonally in August, the sales index of 55 large department stores, corrected for seasonal variations, advancing from 92 per cent of the 1923-25 monthly average in July to 96 per cent in the following month. Steel production also increased more than seasonally in August, but the improvement was at the expense of backlogs. Operations in mid-September were at a definitely higher level than one month earlier, but new orders, in general, have not shown any marked expansion. Tin plate and some pipe and structural mills were operating at higher rates than the average of the District, but automobile orders are lacking. Shoe production increased about the usual seasonal amount.

A sign of possible strengthening of business conditions was the firming of commodity prices; most indexes remained steady or advanced slightly in the past month. Although much of the improvement was due to an increase in farm products, a result of the drought situation, individual commodities, including hides and leather, coffee, and silk, have advanced. Prices of cotton and wool textiles and iron and steel remained fairly steady in early September, with an increase in steel scrap.

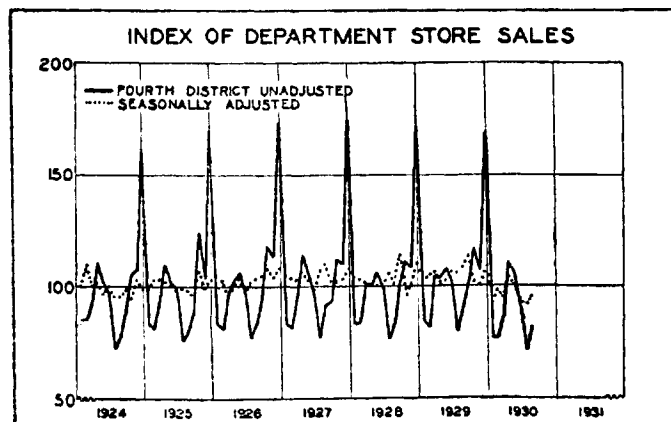
Although electric power production, car loadings, cloth-

ing sales and activity at small general manufacturing plants located in the central part of this District have shown some seasonal improvement, all but one of the most important factors in the business situation, so far as this section is concerned—building, automobiles, agriculture, coal and rubber and tires—up to mid-September did not show any rise from the low levels of July.

Agricultural prospects declined sharply in August and, though some improvement has occurred since September 1, the cash value of all crops is materially below last year, based on the September 1 condition figures and the latest price quotations. Building showed a little improvement in early September, but only slightly exceeded the low level of August when contracts were \$14,000,000 smaller than in July, and 46 per cent below August last year. Coal production in August declined from July, contrary to the seasonal trend. Sales of domestic coal increased, but little demand for industrial grades was reported. Automobile production up to the middle of September was at an extremely low rate. Failure of this industry to increase output after the July shut-downs was disturbing to the many steel mills, parts concerns and rubber factories in the District.

Bank debits decreased 24 per cent in August as compared with the same month last year, a much larger decline than was shown in the first eight months of 1930. Commercial failures have increased, both in number and liabilities.

The employment situation is still quite unfavorable, and, from reports received, seems to have changed but little in the past month. Increases in some branches were offset by decreases in summer work.



## FINANCIAL

Credit conditions in the Fourth District are still very favorable to business expansion, but little demand for seasonal funds has yet developed. Investments and deposits at member banks increased further during the month and money continues cheap.

**Member Bank Credit.** Changes in the condition of reporting member banks since mid-August indicate a further easing of credit conditions, with little additional demand for commercial loans. Total loans and discounts increased \$12,000,000 in the four weeks ended September 17, but \$7,000,000 of this increase was in loans on securities. Although these collateral loans show only a small expansion from one month ago, from September 3

to September 17 there was an increase of \$13,000,000. However, they were no higher than one year ago, which was contrary to the condition shown in the entire country where collateral loans were \$722,000,000 larger than in September last year.

"All other" loans showed a seasonal increase of \$13,000,000 in the last two weeks of August, but since declined \$8,000,000 so that on September 17 they were only \$5,000,000 higher than one month ago, and were \$62,000,000 under last year's figure. Investments increased \$25,000,000 in the past month and on September 17 were \$802,000,000, a record for all time, and compared with \$630,000,000 last year. Demand deposits, although showing an increase in early September, have since decreased, partly because of income tax payments, and on September 17 were in about the same volume as one month earlier. Time deposits, however, were \$22,000,000 higher than in August, and were \$89,000,000 larger than in September, 1929.

#### Loans and Discounts—All Fourth District Banks.

(In Millions of Dollars)

	All Banks	All Member Banks	Non-Member Banks*	Reporting Member Banks
June 29, 1929.....	8,380	2,376	1,004	1,580
March 27, 1930.....	3,556	2,374	972	1,556
June 30, 1929.....	8,272	2,336	977	1,529

\*Figures for non-member banks are for nearest dates available.

Condition figures as of June 30 (the latest available) just released for all banks in the Fourth District indicate that loans and discounts were \$108,000,000 smaller than in 1929. While the total loans of all member banks and non-member banks showed a decrease for the year, loans at 56 reporting member banks in leading cities, which furnish weekly condition figures, and which account for nearly half the District's loans, were practically unchanged from one year ago. Investments at all banks increased \$21,000,000; at all member banks \$32,000,000, and at reporting member banks in leading cities \$44,000,000 in the year. Despite the fact that loans showed a greater decrease in the small centers than in the larger cities, investments at the smaller banks did not show as large an increase as was reflected in the figures of the larger banks.

Interest rates charged customers on all classes of loans by banks in large cities continued at low levels.

**Reserve Bank Credit.** The total volume of credit extended by the Federal Reserve Bank of Cleveland in-

creased about \$8,700,000 in the five weeks ended September 24 to \$95,535,000. The increase was seasonal, but much less than the expansion of \$23,000,000 which occurred in the same period of 1929, and was due almost entirely to larger holdings of acceptances. Bills discounted for member banks fell off in the early part of the month and on September 17, at \$11,810,000, were lower than at any time since November, 1917. In the following week they increased to \$15,173,000, and compared with \$82,135,000 one year ago.

In three of the past four years bills discounted reached their low point in August (in 1926 it occurred in July) and then expanded in the following months. This year the decline has continued well into September, the low point so far being on September 17. The accompanying chart shows the course of bills discounted for the past four years and also how demand from member banks for accommodation has declined since the beginning of 1930. Increased holdings of government securities (which are twice as large as a year ago) and acceptances, have released enough credit so that, because of the smaller demand for commercial credit and currency, member banks have not found it necessary to increase their indebtedness at the reserve bank as in past years at this season.

#### CORPORATION EARNINGS

(161 identical Industrials)

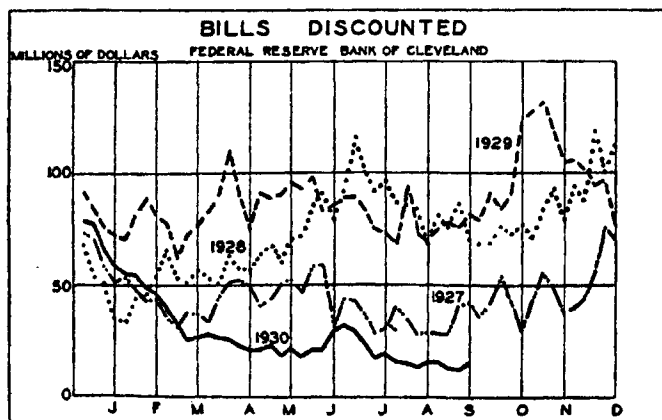
(In thousands of dollars)

	1930 2nd Quarter	1930 1st Quarter	1929 2nd Quarter	1928 2nd Quarter	1927 2nd Quarter	1926 2nd Quarter
5 Build. & Supp.	2,044	1,713	5,257	3,189	3,804	4,247
7 Chemicals.....	14,238	14,910	16,115	13,071	11,354	8,689
5 Cigars.....	1,964	1,416	3,296	2,700	2,664	2,027
4 Coal.....	1,673	1,763	2,292	1,185	1,436	1,369
5 Equip.-R. R. ....	7,313	6,442	6,366	5,201	5,261	5,285
14 Foods.....	33,374	28,325	33,797	32,571	31,418	30,778
8 Mch'y. Tools.....	2,052	2,139	3,850	2,665	2,893	3,065
12 Mining.....	6,671	11,976	17,854	11,709	7,308	7,799
13 Motor.....	73,932	54,329	134,626	131,646	110,745	99,063
15 Motor Acry.....	5,009	4,519	10,635	9,438	6,715	7,867
17 Oil.....	18,035	7,085	36,065	18,452	11,204	34,901
12 Steel.....	47,210	55,562	85,793	41,307	40,325	43,860
4 Restaurant.....	1,456	1,750	1,524	2,104	1,352	1,433
40 Miscellaneous.....	40,881	40,111	47,979	39,898	33,390	29,954
161 Total.....	255,852	232,040	405,449	315,136	269,809	280,337

Second quarter net earnings of the 161 identical industrial concerns (whose quarterly earnings are available since 1925) included in this bank's tabulation, totaled \$255,852,000, an increase from the first quarter of 1930 of ten per cent. This was much smaller than the average increase of 21 per cent reported from the first to the second quarters in the five years 1925-29. In 1929 the increase was 24 per cent. Earnings of these concerns were smaller in the second quarter and also the first six months of this year than in corresponding periods of any year since 1925.

Although earnings in the second quarter were 37 per cent smaller than in the same period of 1929, the total is nevertheless large for a period of severe general business recession and indicated that a majority of concerns, despite reduced operations, were still able to operate at a profit. Of the 161 concerns only 25 showed a net loss for the period, while 35 companies reported larger earnings in the second quarter of this year than in 1929.

In the individual groups, railroad equipment concerns reported larger earnings in the second quarter than for any corresponding period on record. Chemical, food, restaurant, and miscellaneous groups showed the smallest declines from the second quarter of 1929.



## MANUFACTURING, MINING

**Iron,  
Steel**

A reversal in the trend of steel production was reported about the middle of August, and although the upward movement was interrupted by a drop in the first week of September, operations in mid-September were at a definitely higher rate than on August 15.

This expansion resulted in an increase in steel production in August as compared with the July rate, the first to be reported since February. The daily rate in August was 119,050 gross tons, which compared with 112,823 tons in July and 182,932 tons in August, 1929. In the first eight months of this year steel ingot production amounted to 29,821,892 tons; in the same period of 1929 it totaled 38,825,943 tons.

While the increase of five per cent from July, which was larger than has been experienced at that time in most years, probably indicates that steel production reached its low point in that month and is now rebounding, new orders have not been received in enough volume to maintain backlogs. The unfilled tonnage statement of the United States Steel Corporation declined 441,851 tons in August, the largest drop for any month since 1928 and the largest decline for that month since 1923. While less significance has been attached to these figures in recent years, they at least clearly point to the fact that the increase in steel operations did not result from a change in demand for most types of steel.

Failure of the automotive industry to increase operations in August after the July shut-downs was disturbing to sheet, strip, bar and alloy mills of the Fourth District. Tin-plate mills found that drought damage had been exaggerated in some sections and were compelled to make rush shipments; in early September they were operating at about 70 per cent of capacity, almost 15 per cent above the District mill average. (Mills outside the District were producing at higher rates than locally.) Structural mills have been operating at better levels than shape or bar mills, chiefly for building outside the District. One structural mill broke all production records in August. Pipe mills continue to receive a good volume of orders and the negligible railroad purchases were of less consequence to this section than to other steel centers.

Pig iron continued in August the decline which started last May, but lost some of its severity. August's daily rate of 81,585 gross tons compared with 85,110 tons in July and 120,845 tons last August. At the end of August there were 137 blast furnaces active, a net loss of seven for the month.

An indication regarded favorably by the industry was the increase in the price of scrap steel and the resistance of producers to further reduce prices which developed in September. A willingness also seems to have developed, on the part of some steel users who recently pressed for concessions, to continue current levels into the fourth quarter.

**Coal**

Coal production in the Fourth District in August did not show the seasonal increase, as compared with July, that has been experienced in former years. Output during the month totaled 14,810,000 tons, compared with 14,-

928,000 tons in July and 18,000,000 tons last August, a decrease of 18 per cent from last year. This downward trend was contrary to that shown in the entire country, for output in all bituminous fields amounted to 35,344,000 tons in August as against 34,715,000 tons in July, an increase of 1.8 per cent.

The falling-off in production in this District has been due to the decreased demand for steam coal, since orders for domestic coal have shown seasonal improvement, and prices have advanced. Lake coal shipments, relied upon by producers of this District to absorb production during the summer months when domestic demand is at low levels, although showing a decline of seven per cent in August as compared with the same month of 1929, in the first eight months of 1930 slightly exceeded shipments in the same period of last year.

Fourth District operators reported an increase in demand for domestic coal in early September, which was entirely seasonal, but noticed no change in orders for commercial or steam coal. Steam sizes and low-grade coal were hard to dispose of, and prices in August on these types declined. The Coal Age weighted average price of bituminous coal was \$1.77-3/5 in August compared with \$1.77 in August, 1929. Collections are slow. Stocks of coal in hands of industrial consumers are low.

**Automobiles**

Production of motor vehicles in the United States in early August showed some improvement from the low levels prevailing in July when several concerns were taking inventory and making model changes, but receded rather sharply in the latter part of the month. As a result, August total automobile output was only 223,046 units, the lowest for any month this year. This was a decline of 35,000 cars from July or 15 per cent, which compares with a seasonal decline in past years from July to August of about three per cent. In August, 1929, automobile production totaled 498,628 units, more than twice as large as this year's August output. The falling-off from July seems to have occurred chiefly in the small car field, one large manufacturer reporting a drop of over 33,000 cars in the month.

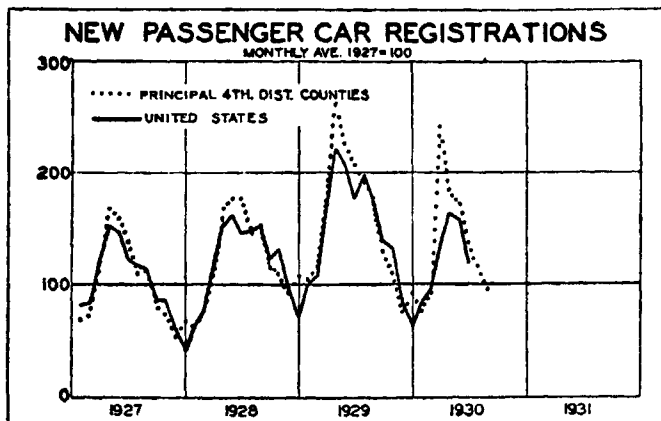
In the first eight months of this year 2,704,957 cars and trucks were manufactured as against 4,224,911 units produced in the same period of 1929, a decline of 36 per cent. The falling-off has been more pronounced in the passenger car field, which showed a drop of 36.5 per cent, than in truck production, which was down only 18.2 per cent.

Early September figures indicated no improvement from the low levels of August, in fact a further curtailment was reported at one large small-car factory. Orders for steel and parts have not been received in any volume which would indicate an early expansion.

The one bright spot in the entire automobile industry is the continued improvement reported in the dealer stock situation. The figures of the General Motors Corporation indicate that their retail sales have exceeded sales to dealers by nearly 40,000 cars in the past three months. The general stock position is much more favorable than it was a year ago and, with production still kept quite in line with sales, it is felt that any quicken-

ing in retail demand will soon be reflected in production schedules.

New passenger car registrations in principal counties of the District declined 11.7 per cent in August compared with July and were 46 per cent below August, 1929. The decline in local sales in August was not as sharp as the drop in production. The accompanying chart shows an index of new passenger car registrations for principal counties in this District, as compared with total registrations in the United States, both on a 1927 monthly average base. The Fourth District figures are available almost two months ahead of the country figures.



#### Rubber, Tires

Activity at rubber plants in this District showed no improvement in August or early September from the low levels prevailing in July. Employment declined three per cent from the preceding month and was 28 per cent below August, 1929. In past years there has been a slight increase from July to August.

Consumption of crude rubber in August was estimated at 30,575 tons, an increase of 4.6 per cent from July, but compares with 38,274 tons last year and 42,927 tons in August, 1928. Imports were 34,558 tons in August, 34,084 tons in July, and 38,292 tons in August, 1929. Domestic stocks of crude rubber were estimated at 158,178 tons on August 31 as compared with 90,769 tons one year ago.

The price situation, both of raw and finished goods has been very unfavorable. Crude rubber was quoted at eight cents a pound in September, the lowest price on record. Considerable price cutting is reported in tire prices.

#### Other Manufacturing

Activity at general manufacturing plants in the Fourth District declined further in August, continuing the downward trend of employment noticed for over a year. The index of the Bureau of Business Research of Ohio State University declined three per cent during the month to the lowest point since February, 1923, and 21 per cent below August last year. The decline is all the more significant when it is contrasted with the five-year average July-to-August increase of one per cent. There was a greater reduction in payrolls which indicated either wage

revisions or a reduction in the number of hours plants were in operation.

Since the first of September there seems to have been a reversal of trend and a slight improvement has been reported in a number of lines. Although this is entirely seasonal, manufacturers seem much more optimistic concerning general outlook than one month ago.

**Clothing.** Although a slight seasonal upturn was reported in the clothing industry between August 15 and September 15, the improvement was not up to expectations or to that experienced in past years. Manufacturers have delayed the opening of spring lines, partly because of the uncertainty in the textile industry which has also delayed the showing of spring fabrics, pending a clarification of the price situation. Employment is now lower than for many years past. Makers of knitted outer- and underwear have enjoyed a seasonal pick-up. The number of orders is large but the total volume has been reduced, reflecting a generally cautious attitude regarding commitments.

**Electrical Supplies.** Employment was two per cent smaller in August than in July and 26 per cent below last year. A slight increase in orders was reported in September, but the employment situation is still unchanged. Raw materials prices, especially copper, are very low. Wage rates have remained steady, but there has been a reduction in the number of hours worked.

**Glass.** There has been a slight improvement in the demand for glass products since the first of September. Prices generally have been maintained and no changes have been made in wage rates. The employment situation is unfavorable, and has shown little change in the past month. In August employment was about 20 per cent below August, 1929, and in the first eight months average 10 per cent under the corresponding period of last year.

**Hardware, Machinery.** The machinery and tool industry reported a decline in August, but in September new orders showed a slight improvement. Inquiries are numerous, but actual orders continue only for immediate delivery. Employment, based on reports of 104 concerns, was down 24 per cent in August and 13 per cent in the first eight months of this year as compared with corresponding periods of 1929. Wage rates continue unchanged.

**Metal Containers.** Tin-plate mills and makers of metal containers expanded operations in September in response to increased orders from the packing industry which had ceased buying following the reports of extensive drought damage. Other lines are not very active.

**Motor Accessory.** Activity at these plants declined seven per cent in August and was 27 per cent lower than last year. A few scattered orders were received in early September, but the industry as a whole continues in a depressed state.

**Paint.** Increased operations in September were reported at several large paint and varnish factories in the District. One of the largest concerns is now operating full-time in contrast to 45-60 per cent last month. Most

of this is seasonal, but there are indications that depleted inventories are being replaced. Prices have been reduced about six per cent, a result of lower raw material costs. Wages remain unchanged.

**Paper.** A smaller than seasonal increase was reported in early September. Employment at 41 concerns was only four per cent lower in August than one year ago.

**Shoes.** Shoe production increased 13 per cent in August as compared with July, but was still 13.8 per cent below the corresponding month of last year. Improvement has been shown from earlier months of this year, for, output in the first eight months was nearly 20 per cent below the same period of 1929. August retail shoe sales at department stores showed rather large declines, women's and children's shoes being off 14 per cent, while men's and boy's were down ten per cent. Leather prices have advanced. There has been no reported change in wage rates.

**Stoves.** Slight seasonal improvement was reported in September, but total volume is still very limited. Prices have remained steady and wages have shown no change.

**Watches, Jewelry.** Seasonal pick-up was shown in August and early September. Prices are steady and wages and employment show little change.

### RETAIL TRADE

The improvement reported in department store sales in the Fourth District in August was one of the most encouraging developments of the past month. The index of department store sales advanced from 92 in July to 96 in August after all corrections for seasonal variations were made. While this compared with 109 last year, the lower level of commodity prices accounted for a large part of the discrepancy.

Although improvement was experienced in August, dollar sales were still much smaller than one year ago. Sales on a daily average basis, (there was one less business day this year than in 1929) were 12.3 per cent under August last year, the largest decreases being reported in Toledo, Cleveland, Dayton, Akron and Wheeling. Cincinnati and Columbus only showed a slight falling-off in sales, less than the drop in commodity prices.

Stocks continue to show a downward trend and were 11.5 per cent smaller on August 31 than one year earlier. Should sales increase in the next few months, it is likely that department stores will have to expand their stocks somewhat.

Considerable variation is reported regarding accounts receivable and collections. Akron and Wheeling showed smaller outstanding balances than one year ago, but other cities report increases ranging from 0.5 per cent in Pittsburgh to 11.8 and 12.2 per cent respectively in Cincinnati and Columbus. The District as a whole showed an increase of 0.2 per cent. The decrease of 7.6 per cent reported in collections in August is not particularly alarming in view of the decline in total sales.

### BUILDING

Construction activity in the Fourth District exhibited no improvement in August or the first part of September.

Total contracts awarded, according to the F. W. Dodge Corporation, reached \$33,784,000 in August, a decline of \$14,000,000 from July and 45.6 per cent below the level of August, 1929. August was the first month to show a decline in total contracts which anywhere near approximated the falling-off in residential building. The drop in this latter type of construction from last year was 44.6 per cent, August's contracts totaling only \$8,003,000.

In the first eight months of 1930 total building in this District amounted to \$360,149,000, a drop of 16 per cent from the corresponding months of 1929. In this same period residential building totaled only \$79,670,000, a decrease of 33.5 per cent from one year ago. Prior to August, the total volume of construction was being maintained by public utility and industrial building under the stimulus of easy money and the desire to maintain employment by increasing construction, but these also seem to have declined during the past month.

The shortage of funds which had so much bearing on the decline in construction work in early 1929 has been materially relieved and money rates have been unusually low for some time. Rising bond prices have resulted in the issuance of new securities, the proceeds of which, in the majority of cases, will lead to new construction and improvement in industrial and commercial lines. But a somewhat overbuilt condition seems to prevail in the residential field in this District, and lower interest and material costs have not stimulated new home construction, as yet. Until the demand for homes shows some signs of improvement, the building industry, as a whole, cannot be expected to show any marked upturn.

A slight increase in demand for materials, entirely seasonal, but smaller than in past years, was reported by lumber dealers and manufacturers of the District. Prices are very low but seem to have ceased their decline. Wage rates, in general, have shown no change. Collections were reported fair.

### AGRICULTURE

The rains which occurred in the latter part of August proved of little benefit to crops in this District or the entire country and all crop prospects, as shown in the latest reports of the United States Department of Agriculture, declined 2.5 per cent in the entire country, and a greater, but undetermined amount in this District. Much of the latest damage occurred in the northern sections of Ohio and Pennsylvania, places where drought had not been so extensive prior to late August.

In the District the greatest reduction during the month occurred in the corn crop which declined from an estimated 121,828,000 bushels, based on the August 1 condition report, to 100,739,000 bushels on September 1. This was a drop in a single month of 17.3 per cent. In the same period corn prospects in the entire country declined only 10 per cent. The crop in the District is now 41 per cent smaller than the harvest of last year, which was not abnormal. Tobacco, hay and white potatoes also showed large declines during the month. Oat production estimates, on the other hand, were revised upward and 1930 production is now estimated at 81,332,000 bushels in this District, an increase of 26 per cent from the 1929 harvest. Like wheat and other early grains, oat production turned out to be much better than expected earlier this year.

A number of other important crops for which District figures are not available also declined; among them were buckwheat, soy beans, grapes, apples and canning vegetables.

The following table gives the estimated production of principal crops based on the 1930 September 1 condition report compared with the actual harvest of 1929 and the average harvest of the past five years.

#### FOURTH DISTRICT CROPS

(000 omitted)

	Estimate September 1, 1930	Crops Harvested 1929	% change 1930 Harvest compared with 1929	Average Harvest 1925-29	% change 1930 compared with average
Corn, bus.....	100,789	170,082	-40.8	184,000	-45.3
Wheat, bus.....	85,762	38,539	-7.2	82,275	+10.8
Oats, bus.....	81,832	64,458	+26.1	89,171	-8.8
Hay, tons.....	4,181	7,168	-41.7	6,320	-33.8
Tobacco, lbs.....	120,871	149,879	-19.4	130,169	-7.1
Potatoes, bus.....	12,281	19,695	-37.6	20,586	-40.2

Wheat is the only crop that is larger than average, but this is accounted for by the wheat crop failure in this District in 1928 when only 13,167,000 bushels were harvested, which naturally reduced the average figure.

That the effects of the drought were more serious in the Fourth District than in the entire country is brought out by the accompanying diagram which shows production of six principal crops for the District and the entire country, based on the September 1 condition reports, as a per cent of the average harvest of 1925-29. Compared with this average, estimated 1930 production of five of the six major crops in this territory make a much less favorable showing than does the entire country. The one exception, wheat, was due to the aforementioned small crop in 1928.

To some extent, as compared with earlier months of this year, the effect of the deterioration caused by the drought on total cash value of crops was offset by a rise in prices. Corn rose from about 75 cents in June to slightly above \$1.00 in August, but has since declined to about 94 cents. Wheat, following the rise in corn

prices, advanced from 82 cents to 96 cents, but declined to 86 cents on September 17. Despite this advance, which was a result of the unfavorable crop situation, present grain prices are much below those of last year. In September, 1929, corn averaged more than \$1.00 per bushel and wheat was quoted at \$1.30. Prices of other farm products have shown corresponding declines, and the Bureau of Labor's farm price index dropped from 107.1 in August, 1929, to 84.0 in August, 1930. Paralleling this drop was the decline in nonagricultural commodities, but this index only fell from 94.3 to 83.8 per cent of the 1926 average in the same period.

The present prospect is that the cash value of all important crops will be very much below 1929, due both to lower prices and to the anticipated smaller harvest. Based on the latest production estimates and the August prices, the cash value of the six important crops of this District was over 30 per cent smaller than one year ago. While a very large part of these crops is not sold for cash, but is used as feed there is little doubt but what the condition in local farm communities, so far as purchasing power is concerned, is much less favorable than one year ago. The shortage of feed crops and the poor condition of pastures, will necessitate early purchase of feed or the early disposition of stock at the present low values, either of which will probably affect repurchases of other goods. The indication of lower farm income has also further reduced the demand for farm labor and on September 1 it was only 71.8 per cent of normal, 14.6 points below last year. In Ohio the demand was stated to be 65 per cent of normal compared with 86 per cent in 1929.

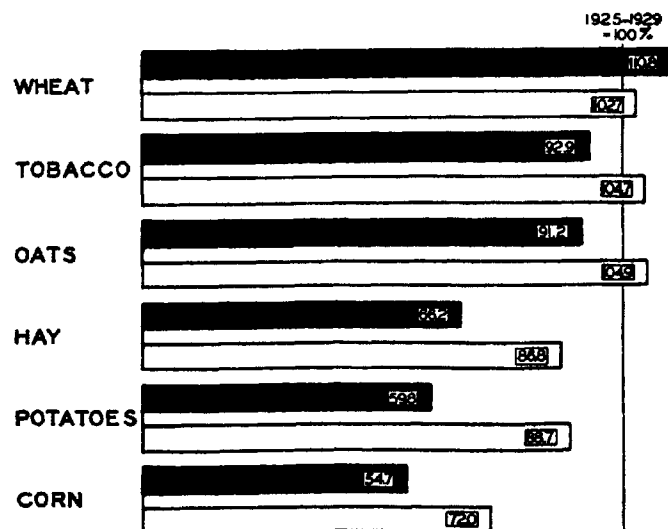
#### Tobacco

While estimates of total tobacco production were lowered slightly in August because of further damage in some sections from the drought, prospects declining 19 per cent in the Fourth District, most of this damage occurred in the early part of that month. Since that time the crop has shown some improvement, particularly in the burley sections, due to the fairly good rains and the cooler weather.

The early-planted fields in many instances were cut and housed before the rains occurred, but the late-planted crop, which prior to mid-August was very stunted, has shown steady growth since that time, and barring early frosts, gives promise of good development.

Notwithstanding this improvement, the outlook for the burley crop, the type grown most extensively in this section, is especially low. Production is forecast at 264,807,000 pounds, according to the Department of Agriculture. This compared with 334,619,000 pounds produced in 1929, and 291,073,000 pounds in 1928. Annual burley requirements are estimated by the University of Kentucky at about 290,000,000 pounds, so that the carryover last year, resulting from the large crop, will partly offset the effect of this year's sub-normal harvest.

Burley acreage was increased this year about 31,700 acres, which consequently lowered the yield comparison with former years since total production is so much reduced. It is estimated that yields will run from 300 to 600 pounds per acre with yields of 1,000 pounds extremely rare. In normal years yields of 1,800 to 2,000 pounds per acre are not uncommon.



— UNITED STATES — FOURTH DISTRICT

September, 1930 Estimates of Six Principal Crops in the Fourth District and United States compared with Average Harvest in the Five-Year Period 1925-1929.

## Fourth District Business Statistics

	(000 omitted)				
	August, 1930	% change from 1929	Jan.-Aug., 1930	% change from 1929	
Fourth District Unless Otherwise Specified					
Bank Debits—24 cities.....	\$ 2,709,000	-23.8	25,329,000	-11.7	
Savings Deposits—end of month:					
Ohio—36 banks.....	\$ 770,324	+ 0.7	770,229	- 0.2	
Western Pa.—25 banks.....	\$ 279,892	+ 1.3	276,953	- 0.1	
Total—61 banks.....	\$ 1,050,216	+ 0.9	1,047,182	- 0.2	
Postal Receipts—9 cities.....	\$ 2,665	-10.2	23,207	- 5.7	
Life Insurance Sales:					
Ohio and Pa.....	\$ 93,676	-11.0	958,246	+ 2.9	
Retail Sales:					
Department Stores—57 firms.....	\$ 19,549	-15.6	175,337	- 8.6	
Wearing Apparel Stores—16 firms.....	\$ 1,284	-17.2	11,303	- 9.8	
Furniture—50 firms.....	\$ 738	-44.5	6,426	-30.7	
Wholesale Sales:					
Drugs—13 firms.....	\$ 1,483	-16.4	12,775	-10.3	
Dry Goods—10 firms.....	\$ 1,343	-35.9	11,858	-18.2	
Grocery—41 firms.....	\$ 6,286	- 8.7	46,653	- 4.5	
Hardware—17 firms.....	\$ 1,684	-21.7	14,299	-16.9	
Building Permits—27 cities.....	\$ 16,492	-12.6	112,010	-23.3	
Building Contracts—Residential.....	\$ 8,003	-44.6	79,670	-33.5	
Building Contracts—Total.....	\$ 33,784	-45.6	360,149	-16.1	
All Classes.....	\$ 3,176	+57.1	29,413	+18.0	
Commercial Failures—Liabilities.....	\$ 145	+23.9	1,335	+ 4.2	
Commercial Failures—Number.....					
Production:					
Fig Iron, U. S..... Tons	2,527	-32.5	23,477	-20.0	
Steel Ingots, U. S..... Tons	3,095	-37.3	29,821	-23.2	
Automobiles—Pass. Cars, U. S.....	187,037	-57.6	2,304,502	-36.5	
Automobiles—Trucks, U. S.....	35,758	-37.1	395,442	-32.2	
Bituminous Coal..... Tons	14,810	-17.7	123,737	- 8.9	
Cement—O., W. Pa., W. Va. Bbls.	2,009	- 1.9	12,069	+14.3	
Elec. Power—O., Pa., Ky. k.w.h.	1,138	-10.0	8,511	- 0.8	
Petroleum—O., Pa., Ky. Bbls.	2,198	- 8.2	16,632	+14.2	
Shoes..... Pairs	a	-13.8	a	-19.7	
Bituminous Coal Shipments:					
Lake Erie Ports..... Tons	5,192	- 7.4	24,946	+ 0.8	
Iron Ore Receipts:					
Lake Erie Ports..... Tons	5,586	-25.7	21,683	-27.6	
a Monthly Average			4 Jan.-July		
a Actual Number			a Confidential		
a July					

## Wholesale and Retail Trade

(1930 compared with 1929)

	SALES August, 1930	Percentage Increase or Decrease First Eight Months	COLLECTIONS August, 1930
DEPARTMENT STORES (57)			
Akron.....	-19.8	-18.1	-13.9
Cincinnati.....	-2.3	-3.5	+ 1.9
Cleveland.....	-21.9	-10.5	-16.1
Columbus.....	-5.0	-2.0	-4.1
Dayton.....	-21.0	-10.5	.....
Pittsburgh.....	-10.6	-5.6	-3.1
Toledo.....	-30.0	-17.3	.....
Wheeling.....	-17.1	-10.5	-10.5
Other Cities.....	-22.9	-13.8	-12.4
District.....	-15.6	- 8.6	- 7.6
WEARING APPAREL (16)			
Cincinnati.....	-15.0	- 8.0	- 7.1
Cleveland.....	-20.6	-13.4	-10.3
Other Cities.....	-15.4	- 7.8	- 4.1
District.....	-17.2	- 9.8	- 7.2
FURNITURE (50)			
Cincinnati.....	-32.6	-25.2	-28.0
Cleveland.....	-43.1	-27.1	-30.2
Columbus.....	-44.5	-26.3	-27.9
Dayton.....	-41.2	-24.7	-37.4
Toledo.....	-60.7	-48.4	-46.5
Other Cities.....	-46.8	-33.3	-37.9
District.....	-44.5	-30.7	-34.0
CHAIN STORE*			
Drugs—District (4).....	- 5.8	- 0.6	.....
Groceries—District (6).....	- 0.7	- 1.9	.....
WHOLESALE GROCERIES (41)			
Akron.....	-26.9	-18.4	.....
Cincinnati.....	- 3.3	- 0.6	.....
Cleveland.....	-10.5	- 8.5	.....
Erie.....	-10.7	- 5.5	.....
Pittsburgh.....	- 1.1	- 3.9	.....
Toledo.....	- 7.4	- 4.1	.....
Other Cities.....	- 5.9	+ 0.7	.....
District.....	- 8.7	- 4.5	-16.9
WHOLESALE DRY GOODS (10).....	-35.8	-18.2	-27.8
WHOLESALE DRUGS (13).....	-16.4	-10.3	- 7.0
WHOLESALE HARDWARE (17).....	-21.7	-16.9	-20.8
WHOLESALE SHOES (5).....	-46.2	-30.2	-32.3

\*Sales per individual unit operated.

## Fourth District Business Indexes

(1923-1925 = 100)

	Aug. 1930	Aug. 1929	Aug. 1928	Aug. 1927	Aug. 1926
Bank Debits (24 cities).....	100	131	114	111	104
Commercial Failures (Number).....	99	80	107	119	95
(Liabilities).....	72	46	96	97	60
Postal Receipts (9 cities).....	103	114	110	111	104
Sales—Life Insurance (Ohio & Pa.).....	112	126	115	111	105
—Department Stores (55 firms).....	78	92	85	93	84
—Wholesale Drugs (13 firms).....	95	113	111	106	102
—Dry Goods (10 firms).....	61	95	95	102	87
—Groceries (41 firms).....	96	103	99	96	96
—Hardware (15 firms).....	71	90	87	93	95
—All (82).....	86	103	101	100	98
—Chain Drugs (3 firms)**.....	91	95	94	94	103
Building Contracts (Total).....	71	130	106	131	121
(Residential).....	47	84	83	114	98
Production—Coal (O., Wn. Pa., E. Ky.).....	82	100	89	88	101
Cement (O., Wn. Pa., W. Va.).....	167	170	182	164	152
Elec. Power (O., Pa., Ky.)*.....	136	151	123	120	117
Petroleum (O., Pa., Ky.)*.....	119	130	113	109	106
Shoes.....	99	115	130	140	110

\*July

\*\*Per individual unit operated.

†Includes 3 shoe firms.

## Debits of Individual Accounts

(Thousands of Dollars)

	4 weeks ending Sept. 17, 1930	% change from 1929	Year to Date, 1930 (Dec. 31, '29 Sept. 17, '30)	Year to Date, 1929 (Jan. 2, '29 Sept. 18)	% change from 1929
Akron.....	76,948	-22.4	855,184	1,029,434	-16.9
Butler.....	12,751	+ 5.1	109,670	108,833	+ 0.8
Canton.....	34,602	-30.4	403,326	481,194	-16.2
Cincinnati.....	299,800	-18.7	3,273,066	3,823,642	-14.4
Cleveland.....	615,835	-28.0	7,040,130	7,939,938	-11.3
Columbus.....	147,810	- 9.4	1,568,842	1,620,633	- 3.2
Dayton.....	73,475	-28.6	801,331	935,865	-14.4
Erie.....	36,016	-11.2	345,795	351,095	- 1.5
Franklin.....	4,354	-20.5	44,952	51,768	-13.2
Greensburg.....	21,187	- 4.4	166,214	185,146	-10.2
Hamilton.....	11,500	-32.8	126,938	150,274	-15.5
Homestead.....	4,420	+ 0.1	39,422	41,972	- 6.1
Lexington.....	18,104	- 9.0	220,835	250,423	-11.8
Lima.....	9,998	-42.0	109,083	138,738	-21.4
Lorain.....	5,665	-12.3	50,142	55,242	- 9.2
Middletown.....	8,759	-26.8	95,898	112,298	-14.6
Oil City.....	14,897	-16.9	144,534	165,849	-12.9
Pittsburgh.....	817,693	-13.5	8,622,382	9,453,884	- 8.8
Springfield.....	18,732	-15.9	200,888	213,737	- 6.0
Steubenville.....	10,271	-27.1	91,526	110,749	-17.4
Toledo.....	139,948	-24.8	1,575,195	1,982,325	-20.5
Warren.....	8,149	-53.9	103,132	133,161	-22.6
Wheeling.....	36,610	-19.0	383,756	437,824	-12.3
Youngstown.....	52,092	-28.9	595,698	688,431	-13.5
Zanesville.....	9,006	-22.4	86,817	112,306	-22.7
Total.....	2,488,622	-20.5	27,054,756	30,574,761	-11.5

## Building Operations

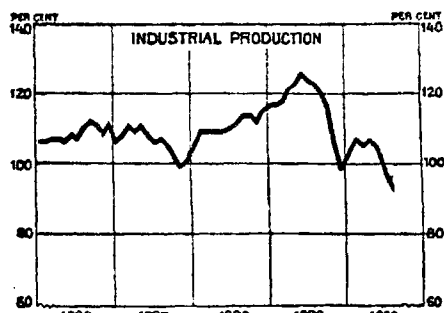
(Value of Permits)

	August, 1930	% change from 1929	Jan.-Aug., 1930	Jan.-Aug., 1929	% change from 1929
Akron.....	809,012	-42.1	8,265,931	14,288,568	-42.2
Ashtabula.....	28,122	+32.1	246,498	477,895	-48.4
Barberton.....	31,475	-52.6	202,192	820,218	-75.3
Canton.....	77,740	-67.7	1,209,367	2,871,235	-57.9
Cincinnati.....	3,305,325	-26.7	30,903,482	23,250,125	+32.9
Cleveland.....	2,833,250	+ 0.9	17,955,900	27,313,225	-34.3
Cleve. Suburbs:					
Cleve. Hgts.....	80,500	-62.8	2,172,145	1,974,995	+10.0
East Cleve.....	5,295	-85.1	771,701	1,615,151	-52.2
Euclid.....	58,200	-48.2	1,159,094	1,714,460	-32.4
Garfield Hgts.....	46,000	-55.5	450,300	910,650	-50.6
Lakewood.....	192,984	+244.5	1,295,631	1,234,438	+ 5.0
Parma.....	101,333	-75.0	1,016,854	1,937,332	-47.5
Rocky River.....	74,600	-38.7	863,513	1,192,674	-27.6
Shaker Heights.....	1,194,400	+148.2	4,135,575	4,303,650	- 3.9
Columbus.....	304,650	-55.7	3,801,850	7,483,450	-49.2
Covington, Ky.....	43,850	-55.9	498,400	953,775	-47.7
Dayton.....	279,331	-14.2	4,055,676	4,105,880	- 1.2
Erie, Pa.....	196,730	-63.0	3,237,127	5,143,466	-37.1
Hamilton.....	57,660	-52.0	1,016,686	1,317,313	-22.8
Lexington, Ky.....	233,140	+10.1	844,161	1,794,389	-53.0
Lima.....	13,240	-19.4	471,452	360,850	+30.7
Newark.....	14,020	-86.8	220,945	532,545	-58.5
Pittsburgh, Pa.....	5,586,084	+131.3	16,638,035	22,720,530	-26.8
Springfield.....	75,545	-42.5	588,510	1,518,276	-61.2
Toledo.....	584,172	-81.5	7,140,232	11,205,495	-36.3
Wheeling, W. Va.....	48,570	-59.1	639,003	1,257,305	-49.2
Youngstown.....	166,850	-49.4	2,209,286	3,708,398	-40.4
Total.....	16,492,078	-12.6	112,009,546	146,006,288	-23.3

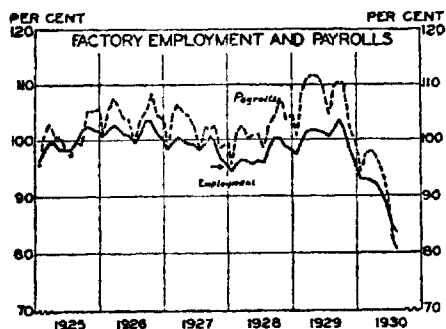


## Summary of National Business Conditions

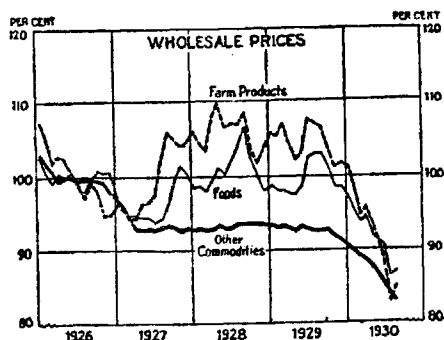
By the Federal Reserve Board



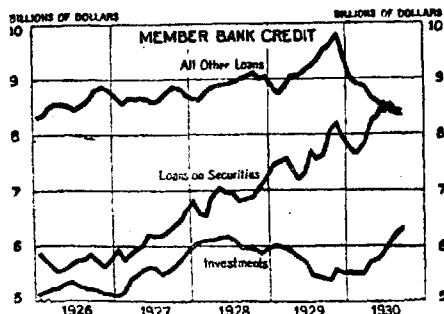
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure—August (preliminary), 92. July (corrected) 94.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-25 average = 100). Latest figures August, employment, 83.8, payrolls, 85.9.



Indexes of the United States Bureau of Labor Statistics (1926 = 100, base adopted by Bureau). Latest figures, August, farm products 84.9, foods 87.1, other commodities, 83.3.



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

Industrial production as a whole was in the same volume in August as in July, contrary to the usual upward trend at this season, although there were seasonal increases in activity in a number of basic industries. Factory employment and payrolls declined further. The general level of commodity prices at wholesale, which had declined continuously for a year, remained unchanged between July and August, advances in price being reported for certain important agricultural staples.

### Production

The Board's index of industrial production, which makes allowance for seasonal variations, continued to decline in August. Production of automobiles, pig iron, lumber and sugar decreased and there was a reduction in the consumption of cotton and wool. In the bituminous coal and silk industries, there was less increase than is usual at this season, while in steel, cement, flour and shoes the increase was slightly more than seasonal. During the first two weeks of September, activity at steel plants increased while a further reduction in output of automobiles was reported.

Building contracts awarded as reported to the F. W. Dodge Corporation were in slightly smaller volume during August, largely on account of reductions in educational and industrial construction projects. Residential building contracts continued small. During the first two weeks in September awards averaged about the same as in August.

At the middle of August, the latest date for which figures are available, the number of wage earners employed in factories and the volume of factory payrolls was smaller than in the middle of July. There were decreases in employment in the iron and steel, and cotton textile industries, and at foundries and machine shops, automobile plants and saw mills. Substantial seasonal increases occurred in the canning and preserving, bituminous coal mining and clothing industries.

### Agriculture

September first estimates by the Department of Agriculture indicate a corn crop of 1,983,000,000 bushels, about 700,000,000 bushels less than the five-year average; a spring wheat crop of 240,000,000 bushels, slightly larger than last year's unusually small crop, making the total wheat crop about equal to the five-year average; and a crop of oats of about the usual size. Condition of pastures on September 1 was reported to be unusually poor. The cotton crop is expected to be about 14,340,000 bales, nearly one-half million bales less than last year.

### Distribution

Volume of freight shipped by rail increased by slightly less than the usual seasonal amount during August. Sales of department stores were larger than in July, but continued considerably smaller than a year ago.

### Wholesale Prices

There were increases during August in prices of many agricultural products, especially meats, livestock and grains, while the price of cotton decreased. Prices of mineral and forest products and of imported raw materials and their manufactures, in general, declined, with the principal exception of silk. The Bureau of Labor Statistics index of wholesale prices showed no change from the preceding month.

During the first half of September, there were pronounced declines in prices of wheat, corn, hogs, pork and rubber. Prices of cotton and woolen textiles remained fairly stable, while those of hides and coffee increased.

### Bank Credit

Between August 20 and September 17 there was an increase in member bank holdings of investments and in their loans on securities, while all other loans, which include loans for commercial purposes, declined, contrary to the usual seasonal trend.

The volume of reserve bank credit outstanding showed a growth for the period, as is usual at this season, but the increase was relatively small owing to the fact that the seasonal demand for currency was smaller than in other recent years, and owing to an addition of \$15,000,000 to the country's stock of gold. The increase was in holdings of acceptances, offset in part by a further decline in discounts for member banks to the lowest level since 1917.

Money rates continued at low levels during August and the first half of September, and the yield on high-grade bonds declined further. Discount rates at the Federal Reserve Banks of Dallas and Minneapolis, the only banks which had maintained a 4 per cent rate were reduced to 3½ per cent during September.