



# MONTHLY BUSINESS REVIEW

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in the

**Fourth Federal Reserve District**

**Federal Reserve Bank of Cleveland**

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Business in the Fourth District was irregular in September and the first part of October with no definite trend clearly discernible. After allowing for seasonal variations, improvement was reported in retail distribution, coal and automobile production, particularly trucks, and many small manufacturers noticed an increase in the volume of orders, in some cases contrary to seasonal tendencies. Activity at textile factories also increased. Another favorable factor was the slight improvement in the employment situation, which, however, was entirely of a seasonal nature.

Iron and steel, shoe, rubber and tire production and building activity increased less than the usual seasonal amount, so that throughout September business in this District was still at low levels. In early October a slight upward movement was reflected in expanding commercial loans at reporting member banks in leading cities, the first persistent upturn in these borrowings for several months. Building activity also increased.

Looking back over the last year it is evident that a recession of serious proportions has been experienced by many of the principal industries of the Fourth District. Production of agricultural products and raw and manufactured goods has been sharply curtailed and distribution and consumption of most products has been materially reduced. However, the present state of general business is somewhat exaggerated by making comparisons with 1929 when operations were about as far above the average of past years as present conditions are below. Declining commodity prices have further complicated matters by distorting many comparisons which include dollar valuations.

## FINANCIAL

The only change of any particular consequence in financial conditions during the past month was the increase in commercial loans. Seasonal firming of money rates has not been evident so far this fall and demand for general bank accommodation, although showing a slight increase, is still below the average of past years. Such changes as have taken place have not altered the condition of relative ease, and evidence that the supply of credit exceeds current demands still prevails.

**Reserve Bank Credit.** A slight seasonal expansion in demand for commercial funds from member banks partly accounted for the increase in the volume of bills discounted during the past month. Rising from a low point

of \$11,810,000 on September 17 to \$27,049,000 on October 22, bills discounted showed an increase of approximately \$15,000,000 for the period. Last year, although the general level of discounts was materially higher than at present, in the corresponding period they increased from \$75,782,000 to \$90,945,000. In 1928 the seasonal expansion was somewhat smaller, being only \$7,000,000. The increase seems to have been quite well distributed between city and country banks.

Acceptances and government securities held were practically unchanged from a month ago. The combined volume, however, \$77,907,000 on October 22, was larger than total holdings of acceptances and government securities one year ago when they amounted to \$70,812,000. In 1928 and 1927 these holdings were \$71,498,000 and \$77,553,000 respectively, indicating that holdings of paper resulting from open market operations which tend to ease the credit situation, of this bank at least, were larger than in the past three years. The total volume of credit extended on October 22 was \$105,006,000, exceeding \$100,000,000 for the first time since early March. One year ago total bills and securities amounted to \$162,057,000.

Note circulation, after showing a slight spurt in early September has since declined.

**Member Bank Credit.** Notwithstanding an increase in commercial loans at reporting member banks in leading cities in the past month, total loans made by these banks in the Fourth District were \$5,000,000 smaller than in September and, at \$1,496,000,000 on October 22 were 4.2 per cent below last year at that time. In the entire country the decline from one year ago was three per cent. Loans on securities receded rather sharply in the last half of September and the first half of October, but showed a slight increase in the week of October 22. At \$727,000,000, the higher level, they were \$2,000,000 below one year ago. Banks in this District seem to have been liquidating their collateral loans at a more rapid rate than in the entire country, for, security loans at all reporting member banks in the United States are still five per cent larger than one year ago.

"All other" loans, usually considered commercial, have increased in the past four weeks, the upward movement being entirely seasonal. They are still 7.6 per cent below last year's level; the drop from 1929, however, is slightly less than the 9.6 per cent decrease shown for the country as a whole.

An interruption to the general upward trend of investments noticed in the first nine months of this year occurred in October, the recession from the high point of the year, (\$809,000,000 on September 24) to October 22 being \$21,000,000.

Deposits, both time and demand, declined in the past month, the former receding \$16,000,000 from the high point for all time reached on September 24, and the latter \$45,000,000 since September 10, at which time, however, they were slightly below the record high reached on July 16, 1930. This contraction of deposits has been proportionately greater than decrease in the total volume of credit extended, accounting for the increased discounts at the Reserve bank.

**Savings.** Interest in the trend of savings deposits in the past year has been quite marked. This is partly because they afford an indication of general prosperity and the ability or inability of persons to put aside systematically part of their regular earnings. It is natural to expect that, in periods similar to the past year, the growth of savings deposits would be retarded.

The accompanying chart shows the trend of savings deposits (excluding certificates of deposit and Christmas or other savings clubs which are only temporary in many cases) at 28 large savings institutions in the Fourth District from 1925 to date. These banks were selected so that mergers would not affect the figures. In a few instances where mergers have occurred the figures for the merging concerns for the entire period were obtained.

In the first four years under consideration savings deposits showed a steady upward trend, averaging about seven per cent a year. The only marked deviations from this upward movement occurred in January and July of each year except in the case of January, 1928. This is evidently caused by withdrawals for tax payments in both cases and vacations in the case of July and payment of Christmas bills in January. Even in 1929 and 1930 when savings deposits were not showing the usual upward trend, the same declines are noticed in these two months.

The general upward movement shown from 1925 to 1928 did not continue in 1929. In fact, savings deposits at the end of last year were smaller than in January. The seasonal falling-off in January, 1930, was not so pronounced as in three of the four preceding years, and since that time savings deposits have shown a slight upward tendency, being 0.7 per cent larger on October

1 than at the beginning of the year. While the accumulation of money in savings accounts has been retarded in the past two years, withdrawals apparently have not been as marked as might be expected in a period of severe business recession.

## MANUFACTURING, MINING

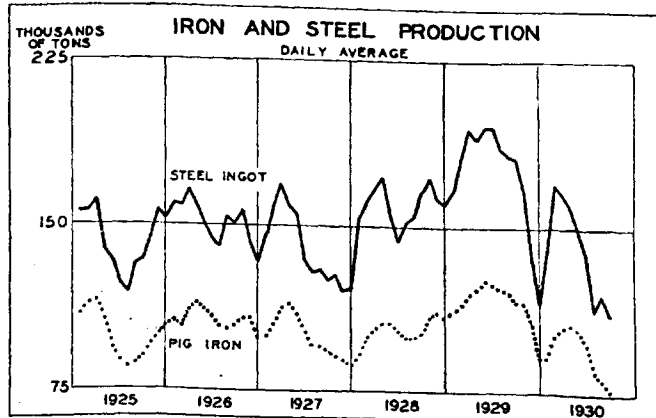
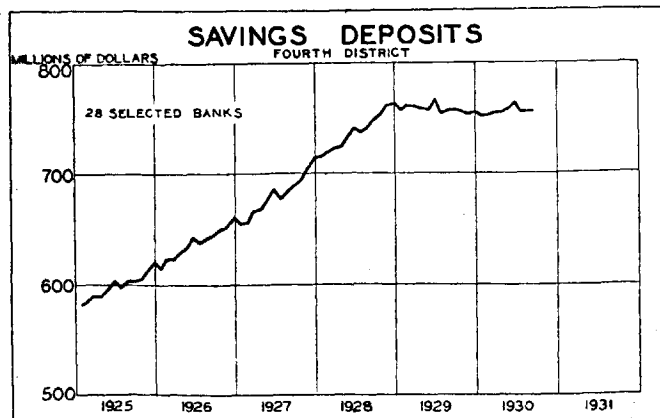
**Iron and Steel** Declines in both steel production and demand in the month ended October 15 branded the improvement reported in the first part of September purely seasonal in character, and less than seasonal in amount. So far demand underlying the market has changed little from early autumn.

September's daily ingot production rate was 110,307 gross tons, against 119,050 tons in August, a decline of seven per cent which contrasted with a gain of about one per cent shown for that month in past years. A seasonal improvement seemed to be developing in the first part of September, but contractions in the last half of the month more than wiped out the earlier gains. Mills were operating at only 55 per cent of capacity in September as against 59 per cent in August and 56 per cent in July. Operations in this District probably averaged 53 to 54 per cent.

Steel ingot production was at the lowest rate for any month since September, 1924, even falling below the low point reached last winter. Output in the first nine months of 1929 was 32,689,869 tons, compared with 43,353,830 tons in the same period last year. This was also the lowest nine-month output since 1924.

Pig iron output in September, at 75,893 gross tons a day, continued the downward trend which started last May. This compared with 102,100 tons last September and was also the lowest for any month since September, 1924. Nine months' output was 25,744,941 tons, against 32,682,700 tons in the same period last year. Only 126 blast furnaces were active on September 30, a decline of 11 for the month.

While the present lethargic situation contained nothing to indicate further marked contraction in demand, there was little to offer any hope for decided betterment in the remainder of the year. Automotive requirements in the month ended October 15, chiefly for sheet, strip, bar and alloy steel, showed little change from a month ago. Heavier specifications were released by one large small-



car manufacturer, mostly for delivery in early 1931, but easing-off at other plants neutralized this order.

Railroad orders for equipment continued negligible, being necessarily curtailed by the sharp drop in current earnings caused by the decline in carloadings. Inquiries for track material have expanded, but this had little effect on Fourth District mills. Pipe backlogs continued to grow lighter with no outstanding replacement orders visible. Structural steel requirements were still moderate, and also considerably below the level of other districts. Tin plate mills experienced a seasonal shrinking in specifications.

**Coal** Production of bituminous coal in the Fourth District in September, at 15,643,000 tons, showed a greater than seasonal increase from August of 5.6 per cent. Output, both for the month and the year-to-date was 10.5 and 9.1 per cent respectively below the corresponding periods of 1929. In the entire country coal production increased 8.2 per cent from August, but was still 14.5 per cent below September last year.

Mine operators and dealers in the District reported a seasonal increase in the demand for domestic coal, but little change in the commercial coal situation. Small-size industrial fuel is in little demand and the industry reports the lowest prices on these grades for years. The stock of coal above ground is stated to be somewhat lower than the average of past seasons.

**Automobiles** Automobile production in the United States continued to show pronounced curtailment in September and, based on weekly production schedules, presented no signs of improvement in the first part of October from the prevailing low levels.

Output in September, according to the Department of Commerce, amounted to 221,931 passenger cars and trucks, almost identical with the number manufactured in August, but only slightly more than half the 415,912 units produced in September, 1929. Although there is normally little change in the number of cars produced from August to September, the present volume is the smallest for that month since 1922 and, barring November and December, 1929, was the smallest for any month since October, 1927, which was unusually small because of abnormal conditions within the industry.

Production in the first three quarters of this year has amounted to only 2,927,891 cars and trucks as compared with 4,640,823 in the same period of 1929. Based on the experience of past years and present indications it seems reasonable to expect that total 1930 production will more nearly approach the number of cars produced in 1927 than in any other year since 1922.

Passenger car output has been more drastically curtailed than truck production. In September the number of passenger cars produced was 50.3 per cent below output in the same month of 1929. For the year-to-date the discrepancy between the two years was 37.8 per cent. Truck production showed a decided increase in September from the low level of August. Amounting to 41,975 units it was only 18.6 per cent below last year. In the first nine months the decline was 31 per cent.

Registrations in leading counties of this District in September were 22 per cent smaller than in August and 42.5 per cent below September, 1929. In the entire state of Ohio registrations declined 17 per cent from August, the average drop shown in the past five years.

### **Rubber, Tires**

Conditions in the rubber industry and centers relying on this type of work for the bulk of their employment continued at low levels in September. The number of men engaged in the manufacture of rubber products at 23 concerns declined six per cent from August to September, which was more severe than the average decrease for that season of two per cent. For the first nine months employment has averaged 23 per cent below the same period of 1929. This unfavorable situation is reflected in general conditions, particularly at Akron where department store sales in September were 25 per cent below the same month last year and the first three quarters of 1930 showed a drop of 19 per cent from the corresponding period of one year ago. Large declines are also reported in wholesale sales and bank debits.

The preliminary report of dealers' stocks of automobile tires as of October 1 for the entire country showed a decline from last year. Stocks at 23,971 dealers averaged 60.4 casings per dealer, as compared with 68.4 casings last year and 64.8 casings on October 1, 1928. Inventories at rubber factories have also declined since May and are now lower than at any time since October, 1928.

Production in August (the latest available) increased slightly, but was over 1,000,000 tires below output in August, 1929.

Imports of crude rubber in September amounted to 39,467 tons as compared with 32,515 tons last year. Imports in the first nine months were 377,954 tons as against 433,566 tons in the same period of 1929. Prices continue at very low levels, crude rubber being quoted at 8 $\frac{3}{8}$  cents on October 22, a slight increase from a month ago.

### **Clothing**

Operations in the textile industry in this territory showed an increase of two per cent so far as employment was concerned. This was just about the normal seasonal change reported for that period in the past five years and was in line with the experience of such factories throughout the country. Operations at factories engaged in the production of men's clothing were at a somewhat higher rate than at others.

One of the most favorable developments of the past month was the general improvement reported in the textile industries. Raw silk deliveries to mills were larger than one year ago and exceeded August by 33 per cent. Cotton goods sales also showed a much greater than seasonal improvement. With production sharply curtailed, this resulted in an increase in unfilled orders and a decrease in stocks. Cotton consumption also increased in September and demand for wool has been good. In the depression of 1921, improvement was first shown in the textile industries.

Manufacturers have experienced practically no forward buying. Although substantially smaller orders than

one year ago are still being received, indications here and there point to a slightly better condition than a month ago. Some of the retailers are reported to be quite concerned about the promptness of deliveries, indicating that stocks are low. This fact is also noticed at department stores where clothing stocks are from ten to twenty per cent smaller than one year ago.

**Shoes** Shoe production at 50 factories in the Fourth District in September showed a decline of 16.7 per cent from August and 25 per cent from September, 1929. The drop from the previous month was of a seasonal nature, but slightly more pronounced than in other recent years. In the eight years 1923 to 1930 the average August-to-September decline was 7.4 per cent, six of the eight years showing declines ranging from 1.3 per cent in 1925 to 25.8 per cent in 1923. In 1929 the falling-off was 4.2 per cent while in 1928 it was 15.4 per cent.

The greater than seasonal improvement shown in August proved to be only temporary and output for the first nine months of this year was 20 per cent below production in the same period of 1929, and also smaller than in any similar period of the past eight years.

Manufacturers report a decided decrease in the volume of orders received in the first part of October which is partly seasonal. Orders were slightly stimulated by the cold weather, but were only for immediate needs.

Little forward buying, prompted by the lower level of prices, has been noticed. Hide prices showed a slight increase in September, but have since declined. Sole leather prices, however, continued to decline, averaging 43 cents a pound in September. This compared with 56.5 cents last year and 68.2 cents in September, 1928.

**Other Manufacturing** Some slightly conflicting reports regarding the present state of manufacturing activity have been received in the past month, but in the main a slight improvement is shown from a month ago. Inquiries have been showing a moderate increase in the past few weeks in several lines and orders have expanded. Whether this improvement is generally more or less than seasonal is hard to ascertain.

**Clay Products.** The entire industry showed no change in employment in September as compared with August, but this condition was not general in the various branches of production. Makers of brick, tile, china and pottery increased the number of men in their employ. Glass manufacturers, however, registered a decline in employment of about nine per cent from August with operations in September 30 per cent below last year. A slight increase in inquiries at a few concerns was reported and some seasonal orders have been received, but there are few indications that forward buying is being done to any extent.

**Electrical Supplies.** Employment at 19 electrical machine and supply concerns increased two per cent in September which was about the normal increase shown at that time in past years. A larger number of inquiries were noticed in early October, at some centers, while others reported a falling-off in demand. Raw material prices

have not stimulated future buying to any extent. Copper has been selling near ten cents a pound as compared with 18 cents a year ago.

**Hardware, Machinery.** The machinery and tool industry reported a further drop in employment in September, in contrast with usual seasonal stability. A recurrence of spottiness developed in October, the slight increase in early September orders proving only temporary. A large number of inquiries for material has been reported, but few of these have definitely taken shape. Hardware manufacturers report stocks unusually low, but no change in demand for products.

**Metal Containers.** Demand for metal containers continues very favorable with some companies reporting larger sales in September than one year ago. Tin plate prices have been reduced. Little forward buying has been reported. Collections are good.

**Paint.** Demand for house paint, after showing a seasonal spurt in September, has again receded. This is partly seasonal, for inclement weather always affects paint sales materially. Orders for the next few months will be mostly for spring consumption; one large company reports less conservatism concerning these orders than was shown last year. Industrial and manufacturing demand is still spotty. The price situation has not as yet prompted any advance buying.

**Paper.** Operations in the paper and stationery industry showed a sharp decline in September contrary to the experience of past years when little change has been reported. Average employment for the first nine months of this year, nevertheless, was four per cent greater than for the same period of 1929. There seems to be a hesitancy about placing future orders despite low prices. Current orders continue unchanged, little seasonal improvement being noticed.

**Stoves, Equipment.** Conditions remain unchanged from a month ago. A slight increase in the number of inquiries was reported, but actual orders are small and only for present needs.

## EMPLOYMENT

Based on reports from State and Municipal Employment Bureaus in 13 cities of the Fourth District, general employment conditions showed almost seasonal improvement in September, the increase for the month being 5.3 per cent as compared with an average increase in September in the three years 1927-29 of 5.8 per cent. This estimate is based on the ratio of requests for workers to applications for employment at the various free employment bureaus throughout the District.

The ratio this year has remained at a considerably lower level than in the preceding three years. These figures, which represent the situation with regard to unskilled labor conditions more than do other general employment indexes, show that so far this year the ratio of demand for labor to the supply of workers has averaged over 20 per cent below the average of the first nine months of the three years 1927-29. The index of the Ohio State University Bureau of Business Research shows that employment in Ohio in the first nine months of this year averaged 16 per cent below the corresponding period of 1929. This latter index largely represents manufac-

turing employment. Possibly by using both indexes a better indication of the true unemployment situation in this District might be obtained.

Rather wide variations are shown in industrial employment in individual sections of the District. Cleveland, Cincinnati, Columbus, and Toledo showed increases in September, while Canton, Dayton and Youngstown reported declines. For the first nine months of this year employment has averaged eight per cent below the corresponding period of 1929 in Columbus, 10 per cent in Cincinnati and Youngstown, 12 per cent in Dayton, 13 per cent in Cleveland, 21 per cent in Akron and 37 per cent in Toledo.

Farm labor demand also has declined sharply this year, being 72 per cent of normal in Ohio in September and 79 per cent in Pennsylvania. The supply of such labor was reported to be 112 per cent of normal in Ohio and 102 per cent in Pennsylvania.

### BUILDING

Lumber dealers, both in this District and throughout the country, reported an improvement in the first part of October in the demand for building materials. Shipments from lumber mills and incoming orders have exceeded production in the past four weeks. There seems to be a more optimistic feeling existing in the lumber trade and a few concerns are reported to be buying some stock at the prevailing low prices. A seasonal increase in retail orders and inquiries has also been noticed.

Prices for building materials, in sympathy with the general trend of commodity prices, declined further during September, but despite the curtailment in building activity, are still above the level of prices in general. The Aberthaw Index of the Cost of Building declined in September to 185, the lowest since 1922.

Building activity in the first part of October in this District showed a favorable improvement from September, according to the F. W. Dodge Corporation. Contracts awarded averaged \$1,938,000 a day in the first three weeks of October, as compared with a daily average of \$1,470,700 in September. This was still below the volume reported in October, 1929, when contracts amounted to \$2,985,400 daily.

Operations in September, the latest month for which complete information is available, showed less than sea-

sonal improvement from August. Contracts awarded in the Fourth District in the month amounted to \$34,268,000, as compared with \$33,784,000 in August and \$64,140,000 in September, 1929. The decline from last September was 47 per cent. In the first nine months of this year new construction amounted to \$394,417,000 as against \$493,522,000 in the same period of 1929, a drop of 20 per cent. In the same period residential construction reached \$86,880,000 this year, while in 1929 it amounted to \$132,301,000. Although residential building in the entire country registered a gain in September over August, residential awards in September in this District showed a decline, and only amounted to \$7,210,000. Excluding December, 1929, this was the smallest amount reported since early 1922.

### TRADE

#### Retail Trade

During September the volume of retail trade as shown by reports from 57 large department stores in all parts of the Fourth District increased more than seasonally, rising from 96 in August to 98 per cent of the 1923-1925 monthly average. At this point it was still much below last year at this time when the index was 114. The seasonal adjustments do not allow for changes in commodity prices so that since commodity prices, both wholesale and retail, have declined sharply in the past year, a comparison of dollar volumes in the two years exaggerates the situation to some extent.

Considerable variation is reported in the individual cities, declines from a year ago of 25 and 20 per cent being reported at Akron and Dayton; 15 per cent at Cleveland and Toledo; 14 per cent at Wheeling and 5 per cent at Pittsburgh. Columbus and Cincinnati both showed gains from September, 1929, the increases being 0.6 per cent and 5.3 per cent, respectively.

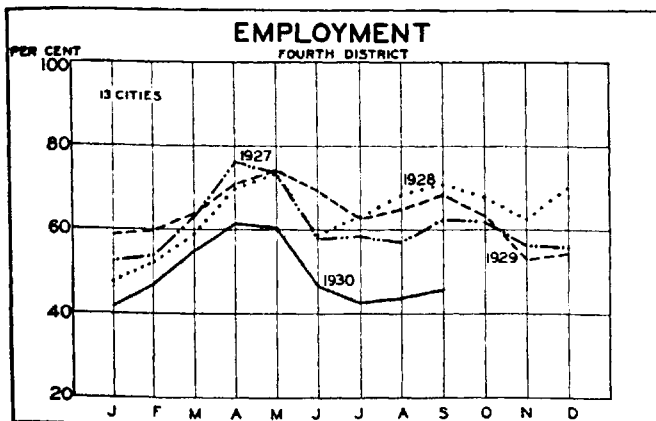
Stocks showed a seasonal increase from August, but are still below last year. Collections are holding up quite well; in September they were only 4.8 per cent below the corresponding month of 1929. This seems favorable in view of the drop in total sales. The ratio of charge to total sales was 64.3 per cent in September, while one year ago it was 65.1 per cent.

Furniture sales still show large declines, although the comparison of September this year with the same month of 1929 showed a smaller decrease than in August. Sales at 16 wearing apparel stores were off 9.9 per cent in September from the same month last year.

#### Wholesale Trade

All reporting wholesale lines showed rather sizeable gains in September from August, most of which were seasonal. The composite sales index of 82 firms advanced from 86.2 to 90.7. This was slightly greater than the increase for that month in the past two years, but less than the average increase of the five years, 1924-1929.

For the first nine months all lines reported decreases, the smallest being in grocery sales which were off 4.9 per cent. Drugs were down 10.2; hardware 17.1; dry goods 19.7 and shoes 31.3 per cent.



Ratio of Demand for Workers to Applications for Employment at 13 Public Employment Bureaus in the Fourth District, 1930 Compared with Previous Three Years.

## AGRICULTURE

The latest report of the Department of Agriculture shows that improvement in most crop prospects in September was quite general, composite yields increasing 1.9 per cent during the month.

## Composite Yields—All Crops

	Prospective Oct. 1 crop yields as % of 10-year average 1919-1928.	Change from Sept. 1
Ohio.....	76.6	+3.2
Pennsylvania.....	84.4	+1.6
Kentucky.....	57.2	+2.3
West Virginia.....	58.4	+0.6
United States.....	90.3	+1.9

The foregoing table shows that the improvement during September was better than average in Ohio and Kentucky, but less than for the entire country in Pennsylvania and West Virginia. Compared with the ten-year average, however, total crop yields in this District are much smaller than for the country as a whole. Kentucky and West Virginia with yields of only 57.2 and 58.4 per cent as large respectively as the ten-year average, showed the poorest prospects for the entire country, while Pennsylvania ranked thirty-fifth, and Ohio fortieth.

The improvement during September was caused by warmer than average weather and rains in most parts of the District, each of which was very beneficial to growing crops. Notwithstanding, the drought, so far as this territory is concerned, is far from broken and farmers in many sections are still faced with water shortages. Pastures have improved, but are much below normal and winter rations are being fed in many cases. A survey made in Ohio indicated that 550,000 tons of hay will have to be bought in the state to carry the livestock through the winter, despite the fact that Ohio farmers will keep 31 per cent fewer beef cattle, three per cent fewer dairy cattle, nine per cent fewer sheep and 20 per cent fewer hogs than they had last winter. While the entire country's feed supply is perhaps sufficient as a whole, a large volume must be transported into the deficit areas at an additional cost to the farmers affected by the drought. Partly compensating for this and the decrease in milk, butter and egg production which has resulted, prices of butter, eggs, and all meat animals, except lambs, were higher than one month ago.

**Corn.** The corn crop improved during September and production in the District was estimated on October 1 at 105,341,000 bushels, an increase during the month of 4,602,000 bushels, or 4.6 per cent. Compared with the harvest of 1929, however, a decline of 38 per cent is shown, and present prospects are 43 per cent below the average harvest of the past five years when 184,000,000 bushels were produced.

## Corn

	Condition October 1 (Per cent)		Yield per Acre (Bu.)	
	1930	1929	10-year average 1919-1928	Indicated Oct. 1, 1930
Ohio.....	56	73	83	24.5
Pennsylvania.....	45	68	84	22.0
Kentucky.....	39	78	80	10.0
West Virginia.....	39	75	85	14.0
United States.....	58.8	71.0	78.1	20.2

On the whole, yields in the Fourth District are not more than one-half those usually obtained. In many localities the entire crop was put into silos, too few of the ears having set to make husking profitable.

**Oats.** Production of oats was average or better in all but eight states in the country, three of which belong to this Federal reserve district. The harvest of this section, estimated on October 1 at 83,464,000 bushels, was about 29 per cent ahead of the small harvest of 1929, but compared with 89,171,000 bushels, the average harvest of the five years, 1925-29.

The total supply of feed grains (corn, oats, barley and grain sorghums) for the entire country, will be 15 per cent below that for the 1929-30 season and 18 per cent below the average supply for the past five years, according to the Department of Agriculture. The distribution in the individual states and localities varies widely, some being at or above average while others are far below normal. In Ohio the production of feed grain per animal was 31 per cent below the average production of the past five years. In Pennsylvania, Kentucky and West Virginia production of feed grains was 34, 56 and 55 per cent respectively below the five-year average.

**Hay and Pasture.** Hay production in the Fourth District is now estimated at 4,137,000 tons as compared with 7,168,000 tons harvested in 1929 and 6,326,000 tons, the five-year average. Pastures are still quite short, although improvement was quite general during September. Dairy farmers in many sections have had to use feed stored for winter use because of the poor pastures.

**Potatoes.** Improvement in many localities in the condition of the potato crop was attributed to the rains, and the crop of the District was estimated on October 1 at 14,539,000 bushels, as compared with 12,281,000 bushels on September 1. Total production is still much below the average of the past five years when 20,536,000 bushels were reported. In the entire country production was estimated to be eleven per cent below the average of the last five years.

**Tobacco.** General improvement was reported in the tobacco crop in September, the late-planted crop being greatly helped by rains.

## Tobacco

	Condition October 1 (Per cent)			Production (1000 lbs.)		
	1930	1929	10-year average 1919-1928	1930	1929	Average 1919-1928
Kentucky.....	63	76	78	321,850	389,277	330,997
Ohio.....	86	75	78	46,989	40,841	37,175
Pennsylvania.....	64	77	87	40,893	47,601	50,856
West Virginia.....	62	81	84	6,664	6,588	6,053
United States....	70	76	77	1,496,780	1,519,081	1,302,463

Although improvement was marked in Ohio and Kentucky, production in the latter state was over 9,000,000 pounds below the ten-year average and nearly 70,000,000 pounds below the harvest of last year. Much of this reduction has occurred in the burley crop, (grown mostly in eastern Kentucky) which was estimated on October 1 at 289,596,000 bushels as compared with 334,619,000 bushels harvested last year. This decline occurred despite an increase of 32,000 acres, or 16 per cent, in the area planted. The Ohio crop is larger than one year ago, with tobacco in the Miami Valley being better than for years. Considering the entire crop, it is thought that the percentage of good to fine grades will be small with the proportion of medium and common grades much larger than usual.

Fourth District Business Statistics

Fourth District Business Indexes

(000 omitted)

	Sept., 1930	% change from Sept., 1929	Jan., 1930	% change from Sept., 1929
<b>Fourth District Unless Otherwise Specified</b>				
Bank Debits—24 cities.....	\$ 2,880,000	-16.0	28,209,000	-12.2
<b>Savings Deposits—end of month:</b>				
Ohio—35 banks.....	\$ 774,920	+ 0.4	771,194 <sup>1</sup>	- 0.1
Western Pa.—24 banks.....	\$ 279,995	+ 1.5	277,291 <sup>1</sup>	+ 0.1
Total—59 banks.....	\$ 1,054,915	+ 0.7	1,048,485 <sup>1</sup>	- 0.04
Postal Receipts—9 cities.....	\$ 2,880	- 6.4	25,087	- 5.8
<b>Life Insurance Sales:</b>				
Ohio and Pa.....	\$ 83,530	-11.4	1,041,176	+ 1.5
<b>Retail Sales:</b>				
Department Stores—57 firms.....	\$ 22,848	-10.1	198,185	- 8.8
Wearing Apparel Stores—16 firms.....	\$ 1,432	- 9.9	12,735	- 9.8
Furniture—30 firms.....	\$ 718	-39.9	7,144	-31.7
<b>Wholesale Sales:</b>				
Drugs—13 firms.....	\$ 1,611	- 9.8	14,386	-10.3
Dry Goods—10 firms.....	\$ 1,688	-28.7	13,546	-19.7
Grocery—41 firms.....	\$ 6,265	- 7.7	52,917	- 4.9
Hardware—17 firms.....	\$ 1,767	-18.6	16,066	-17.1
Building Permits—27 cities.....	\$ 11,367	-31.1	123,376	-24.1
Building Contracts—Residential.....	\$ 7,210	-42.2	86,880	-34.3
Building Contracts—Total.....	\$ 34,268	-46.6	394,417	-20.1
Commercial Failures—Liabilities.....	\$ 2,738	-21.1	32,151	+13.2
Commercial Failures—Number.....	148 <sup>2</sup>	- 1.3	1,483 <sup>2</sup>	+ 3.6
<b>Production:</b>				
Pig Iron, U. S..... Tons	2,277	-34.6	25,745	-21.1
Steel Ingots, U. S..... Tons	2,868	-36.4	32,689	-24.4
Automobiles—Pass. Cars, U. S.....	180,547 <sup>2</sup>	-50.3	2,485,049 <sup>2</sup>	-37.8
Automobiles—Trucks, U. S.....	41,975 <sup>2</sup>	-18.6	437,420 <sup>2</sup>	-31.1
Bituminous Coal..... Tons	15,643	-10.5	139,380	- 9.1
Cement—O., W. Pa., W. Va. Bbls.	1,919	same	13,988	+12.1
Elec. Power—O., Pa., Ky., k.w.h.	1,148 <sup>3</sup>	-13.5	9,659 <sup>4</sup>	- 2.5
Petroleum—O., Pa., Ky. Bbls.	1,991 <sup>3</sup>	-13.3	18,623 <sup>4</sup>	+10.4
Shoes..... Pairs	3,348 <sup>5</sup>	-25.3	30,966 <sup>6</sup>	-20.6
Tires..... Casings	3,348 <sup>5</sup>	-23.7	30,966 <sup>6</sup>	-27.8
Bituminous Coal Shipments:				
Lake Erie Ports..... Tons	4,920	- 2.1	29,866	+ 0.3
Iron Ore Receipts:				
Lake Erie Ports..... Tons	4,721	-28.7	26,240	-28.3

<sup>1</sup>Monthly Average      <sup>4</sup>Jan.-August  
<sup>2</sup>Actual Number      <sup>5</sup>Confidential  
<sup>3</sup>August

(1923-1925=100)

	Sept., 1930	Sept., 1929	Sept., 1928	Sept., 1927	Sept., 1926
Bank Debits (24 cities).....	106	126	118	113	106
Commercial Failures (Number).....	101	103	109	102	106
(Liabilities).....	62	79	84	73	43
Postal Receipts (9 cities).....	111	119	110	117	116
Sales—Life Insurance (Ohio & Pa.).....	100	113	96	102	95
—Department Stores (55 firms).....	91	102	101	95	96
—Wholesale Drugs (13 firms).....	103	114	107	112	111
—Dry Goods (10 firms).....	77	108	106	104	108
—Groceries (41 firms).....	95	101	102	102	113
—Hardware (15 firms).....	74	91	94	100	103
—All (82).....	91	105	105	107	114
—Chain Drugs (3 firms)**.....	84	89	93	96	103
Building Contracts (Total).....	72	135	142	137	118
(Residential).....	42	73	94	125	96
Production—Coal (O., Wn. Pa., E. Ky.).....	87	97	87	88	106
—Cement (O., W. Pa., W. Va.).....	160	160	188	150	149
—Elec. Power (O., Pa., Ky.)*.....	137	158	135	123	123
—Petroleum (O., Pa., Ky.)*.....	108	124	115	114	105
—Shoes.....	82	110	110	122	126

\*August.  
\*\*Per individual unit operated.  
†Includes 3 shoe firms.

Debts to Individual Accounts

(Thousands of Dollars)

	5 weeks ending Oct. 22, 1930	% change from 1929	Year-to-date Oct. 22, 1930	Year-to-date Oct. 23, 1929	% change from 1929
Akron.....	113,851	-22.3	969,035	1,175,915	-17.6
Butler.....	16,790	- 5.2	126,460	126,545	- 0.1
Canton.....	45,349	-27.6	448,675	543,823	-17.5
Cincinnati.....	410,726	-22.7	3,683,792	4,354,730	-15.4
Cleveland.....	951,355	-18.6	7,991,485	9,108,321	-12.3
Columbus.....	220,094	- 8.4	1,788,936	1,860,993	- 3.9
Dayton.....	97,716	-19.9	899,047	1,057,812	-15.0
Erie.....	44,207	-13.0	390,002	401,909	- 3.0
Franklin.....	5,443	-32.7	50,395	59,851	-15.8
Greensburg.....	22,579	- 4.7	188,793	208,837	- 9.6
Hamilton.....	16,036	-21.5	142,974	170,714	-16.2
Homestead.....	5,684	-20.5	45,106	49,118	- 8.2
Lexington.....	24,453	-11.4	245,288	278,012	-11.8
Lima.....	14,284	-17.6	123,367	156,071	-21.0
Lorain.....	6,855	-22.0	56,997	64,036	-11.0
Middletown.....	12,084	-25.9	107,982	128,604	-16.0
Oil City.....	18,987	-27.9	163,521	192,183	-14.9
Pittsburgh.....	1,124,861	-15.8	9,747,243	10,790,356	- 9.7
Springfield.....	22,799	-17.7	223,687	241,435	- 7.4
Steubenville.....	10,384	-27.6	101,910	125,100	-18.5
Toledo.....	208,514	-17.8	1,783,709	2,236,137	-20.2
Warren.....	12,941	-32.4	116,073	152,299	-23.8
Wheeling.....	48,140	-29.3	431,896	505,913	-14.6
Youngstown.....	81,603	-19.7	677,301	790,050	-14.3
Zanesville.....	12,240	-21.8	99,057	127,966	-22.6
Total.....	3,547,975	-18.1	30,602,731	34,906,730	-12.3

Wholesale and Retail Trade

(1930 compared with 1929)

	Percentage Increase or Decrease		
	SALES Sept.-Sept.,	SALES First nine Months	STOCKS Sept.-Sept.,
<b>DEPARTMENT STORES (57)</b>			
Akron.....	-25.4	-18.9	-11.6
Cincinnati.....	+ 5.3	- 2.5	-13.3
Cleveland.....	-15.2	-11.2	-15.3
Columbus.....	+ 9.6	- 1.7	- 9.9
Dayton.....	-12.9	-11.6	-12.7
Pittsburgh.....	- 5.8	- 5.6	- 9.2
Toledo.....	-14.7	-17.9	+ 3.9
Wheeling.....	-13.7	-10.9	-14.5
Other Cities.....	-17.6	-14.3	-11.8
District.....	-10.1	- 8.8	-11.3
<b>WEARING APPAREL (16)</b>			
Cincinnati.....	- 0.5	- 7.2	- 0.2
Cleveland.....	-15.9	-13.7	- 5.9
Other Cities.....	-10.9	- 8.2	-10.2
District.....	- 9.9	- 9.8	- 6.0
<b>FURNITURE (50)</b>			
Cincinnati.....	-26.7	-25.4	.....
Cleveland.....	-37.6	-28.3	.....
Columbus.....	-48.5	-30.0	.....
Dayton.....	-27.3	-24.9	.....
Toledo.....	-48.9	-48.4	.....
Other Cities.....	-46.8	-34.7	.....
District.....	-39.9	-31.7	.....
<b>CHAIN STORE*</b>			
Drugs—District (4).....	+ 7.6	- 1.4	.....
Groceries—District (6).....	+ 6.2	- 1.1	.....
<b>WHOLESALE GROCERIES (41)</b>			
Akron.....	-25.1	-19.2	.....
Cincinnati.....	+ 5.6	+ 0.1	.....
Cleveland.....	-16.8	- 9.6	.....
Erie.....	- 2.8	- 5.2	.....
Pittsburgh.....	- 4.7	- 4.0	.....
Toledo.....	- 2.5	- 3.9	.....
Other Cities.....	- 1.5	+ 0.5	.....
District.....	- 7.7	- 4.9	- 1.0
<b>WHOLESALE DRY GOODS (10)</b>			
.....	-28.7	-19.7	-11.9
<b>WHOLESALE DRUGS (13)</b>			
.....	- 9.8	-10.2	.....
<b>WHOLESALE HARDWARE (17)</b>			
.....	-18.6	-17.1	-14.3
<b>WHOLESALE SHOES (5)</b>			
.....	-37.6	-31.3	-44.6

\*Sales per individual unit operated.

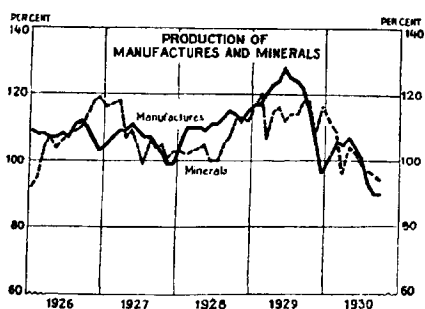
Building Operations

(Value of Permits)

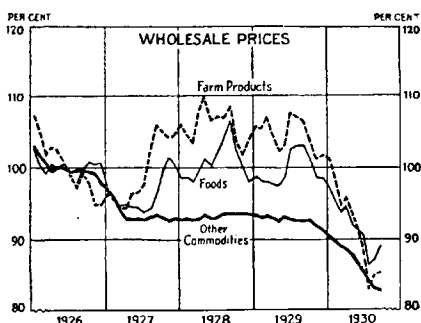
	% change from 1929	Jan.-Sept., 1930	Jan.-Sept., 1929	% change from 1929
Akron.....	-48.3	8,665,664	15,062,337	-42.5
Ashtabula.....	-19.9	288,923	530,837	-45.6
Barberton.....	-90.3	210,162	902,007	-76.7
Canton.....	-47.5	1,281,007	3,007,817	-57.4
Cincinnati.....	-66.4	32,627,512	28,388,540	+14.9
Cleveland.....	+104.9	22,232,875	29,400,475	-24.4
<b>Cleve. Suburbs:</b>				
Cleve. lights.....	+20.4	2,351,630	2,124,095	+10.7
East Cleve.....	-87.3	775,446	1,644,533	-52.8
Euchid.....	-78.4	1,225,661	2,022,532	-39.4
Garfield Hghts.....	-70.6	485,800	1,031,350	-52.9
Lakewood.....	-25.3	1,349,835	1,306,997	+ 3.3
Parma.....	-29.3	1,143,099	2,115,997	-46.0
Rocky River.....	-25.0	945,243	1,301,713	-27.4
Shaker Hghts.....	-75.9	4,320,900	5,071,150	-14.8
Columbus.....	-62.5	4,202,150	8,550,300	-50.9
Covington, Ky.....	-78.3	535,650	1,125,775	-52.4
Dayton.....	-76.3	4,234,734	4,862,600	-12.9
Erie, Pa.....	-39.9	3,480,213	5,548,156	-37.3
Hamilton.....	-16.8	1,057,801	1,366,742	-22.6
Lexington, Ky.....	+86.4	893,699	1,820,962	-50.9
Lima.....	+50.7	486,613	370,515	+31.2
Newark.....	-84.5	228,035	578,430	-60.6
Pgh. Pa.....	-76.7	17,304,754	25,581,207	-32.4
Springfield.....	-38.1	675,130	1,658,211	-59.3
Toledo.....	+204.0	9,098,059	11,849,451	-23.2
Wheeling, W. Va.....	+466.8	941,047	1,310,597	-28.2
Youngstown.....	-50.9	2,335,389	3,964,988	-41.1
Total.....	-31.1	123,376,431	162,498,314	-24.1

## Summary of National Business Conditions

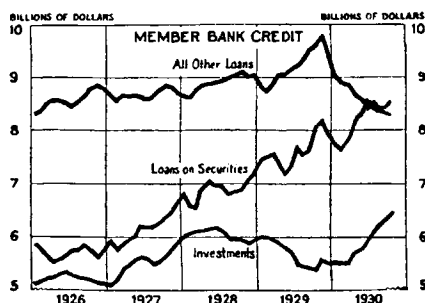
By the Federal Reserve Board



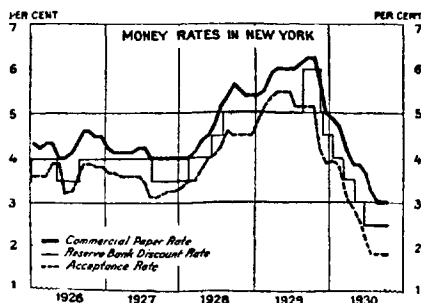
Index numbers of production of manufactures and mineral adjusted for seasonal variations (1923-25 average = 100). Latest figures September, manufactures 90, minerals 94.



Indexes of the United States Bureau of Labor Statistics (1926 = 100, base adopted by Bureau). Latest figures September, farm products 85.3, foods 89.2, other commodities 82.8.



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



Monthly rates in the open market in New York: Commercial paper rate on 4 to 6 month paper. Acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 21 days in October.

Volume of factory production increased by about the usual seasonal amount in September, while factory employment increased somewhat less than in other recent years. The general level of prices, which had advanced during August, declined during September and the first half of October. At member banks in leading cities there was a liquidation of security loans and a considerable growth in commercial loans and in investments.

### Industrial Production and Employment

Output of factories increased seasonally in September, while that of mines declined. The Board's seasonally adjusted index of production in factories and mines, which had shown a substantial decrease for each of the preceding four months, declined by about one-half per cent in September. Production of iron and steel, lumber and cement decreased and the output of automobiles continued to be in small volume. Activity in the textile industries including cotton, wool and silk increased substantially and stocks of cotton cloth were further reduced. At bituminous coal mines there was an increase in output of more than seasonal amount, output of copper was larger than in August and there was a further increase in stocks of copper. Anthracite coal and petroleum production and shipments of iron ore declined.

Employment in manufacturing establishments increased less than is usual at this season, the increase being chiefly in fruit and vegetable canning, and in clothing industries. While reductions in number of employees were reported for the iron and steel, automobile and lumber industries outside of factories, increased employment was reported in retail establishments and coal mines.

Residential building increased materially in September, contrary to the usual seasonal trend, while the volume of contracts for commercial buildings and public works and utilities decreased. Total value of building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change during the month. In the first ten days of October there was an increase in the daily average volume of contracts awarded.

Department of Agriculture estimates based on October 1 conditions indicate somewhat larger crops than the estimates made a month earlier for cotton, corn, oats, hay, potatoes and tobacco.

### Distribution

Freight car loading continued at low levels during September, the increases reported for most classes of freight being less than ordinarily occur in this month. Dollar volume of department store sales increased by nearly 30 per cent, an increase about equal to the estimated seasonal growth.

### Wholesale Prices

The index of wholesale prices on the average for the month of September as a whole, according to the Bureau of Labor Statistics, was at about the same level as in July and August. The movement of prices, however, was upward in August, reflecting chiefly advances in the prices of livestock and meats, while in September the movement was downward, reflecting declines in a large number of commodities, including grains, livestock, meats, cotton and copper. In the first half of October there were wide fluctuations in many agricultural prices, decreases in prices of non-ferrous metals and considerable increases in the prices of sugar and coffee.

### Bank Credit

Security loans of reporting member banks in leading cities increased in the latter part of September, but receded rapidly in early October, the decline reflecting a large volume of liquidation in loans to brokers and dealers in securities. Commercial loans, which up to the last week in September had not shown the usual seasonal growth, increased by \$150,000,000 in the following three weeks. The bank's holdings of investments continued to increase.

In response to the seasonal demand for currency, outstanding volume of reserve bank credit showed an increase of \$30,000,000 on the average between the weeks ending September 20 and October 18.

Money rates in the open market continued at low levels. The yield on high grade bonds declined further until early in October, when bond prices declined and there was a corresponding rise in yields.