



MONTHLY BUSINESS REVIEW

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Federal Reserve Bank of Cleveland

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Reports received from all parts of the Fourth District indicate that business in general continued in October and early November at the low levels which prevailed in early fall. Seasonal changes have been shown in some lines but as yet there has been no evidence of a revival in business activity.

Department store sales, which showed more than seasonal improvement in August and September, declined rather sharply in October after allowance for seasonal variations was made. Sales were ten per cent below October, 1929, and in the first ten months of this year were nine per cent under the same period of last year.

Activity at automobile parts factories in the latter part of November was somewhat stimulated by new model production by some of the auto manufacturers, although the volume of orders is still very small. Iron and steel production continues to lag, but operations at Cleveland furnaces increased in November. The industry as a whole is operating at about 45 per cent of capacity. Textile and clothing factories were more active seasonally than a month ago and were among the few groups to show an increase in employment in October. Employment and payrolls declined in October and the ratio of demand for labor to applications for work at 13 cities of the Fourth District declined to 40.0 per cent, compared with 63.2 last year and 67.7 in October, 1928.

Building activity in this District, both in October and the first half of November, showed a greater than seasonal increase. Although the expansion was shared by residential and non-residential building, the comparison with former years is still very unfavorable. Electric power production, despite the seasonal improvement and general upward trend, is below last year.

Life insurance sales in October were 16 per cent below the same month of 1929 and the first ten months showed a loss of 0.1 per cent. Commercial failures increased in October, both as compared with September and last year. Liabilities were also greater. Banks report Christmas savings deposits, now being released, almost as large as those paid out a year ago.

Crop yields, reported in October, were larger than anticipated a few months ago, but they are still much below the average of past years. Prices continue to sag, although the rate of decline has lessened.

FINANCIAL

Total volume of member bank credit declined in the month ended November 19, but changes at the Reserve

bank were relatively unimportant. Money rates declined slightly. Savings deposits at selected banks increased in October and were one per cent higher than a year ago.

Reserve Bank Credit. Relatively easy money conditions are still reflected in the position of the Federal Reserve Bank of Cleveland. Other than a further seasonal reduction in gold reserves in the four weeks ended November 19 and a contraction in member bank reserve deposits in the same period, the condition of this bank is practically unchanged from a month ago. Bills discounted, at \$27,905,000 (only \$856,000 higher than in October) were still unusually low for this season of the year, in fact lower than for any year since 1924. Reporting member banks in leading cities were borrowing only \$10,000,000 on November 19. Acceptances have not increased seasonally as much as in past years and were slightly lower than a month ago. The volume of government securities owned increased \$1,565,000 in the week ended November 19, the first change in this item since early August. These securities have made up the bulk of this bank's earning assets for the past seven months. Note circulation has changed but little in the past four weeks.

Member Bank Credit. In general, changes in bank credit reflected in figures of weekly reporting member banks in leading cities of the Fourth District show fluctuations somewhat similar to the changes occurring in all reporting member banks of the country, but in the past month the trend of loans and investments of the two groups has been opposite except in the case of collateral

FEDERAL RESERVE BANKS

	Federal Reserve Bank of Cleveland			Federal Reserve System		
	(In Millions)			(In Millions)		
	Nov. 19, 1930	Nov. 20, 1929	Oct. 22, 1930	Nov. 19, 1930	Nov. 20, 1929	Oct. 22, 1930
Gold Reserves.....	295	201	303	3,041	3,042	3,017
Discounts	28	118	27	205	900	192
Acceptances	19	39	20	178	284	177
U. S. Securities	59	16	58	596	327	602
Total Bills and Securities	106	174	105	985	1,530	977
Federal Reserve Notes in Circulation	184	175	182	1,284	1,925	1,869
Total Deposits	197	178	203	2,514	2,563	2,489

REPORTING MEMBER BANKS

	Fourth District			United States		
	(In Millions)			(In Millions)		
	Nov. 19, 1930	Nov. 20, 1929	Oct. 22, 1930	Nov. 19, 1930	Nov. 20, 1929	Oct. 22, 1930
Loans on securities.....	721	748	727	7,888	7,991	8,142
All other loans.....	768	843	769	8,532	9,871	8,578
Total loans	1,489	1,591	1,496	16,690	17,862	16,715
Investments	763	608	788	6,804	5,550	6,667
Demand Deposits	1,086	1,027	1,118	13,974	14,227	13,710
Time deposits	1,021	927	1,021	7,486	6,722	7,560

loans. Accompanying the rather sharp decline in stock prices, loans on securities at reporting member banks in this District have been reduced \$24,000,000 in the past two months, although on November 19 they were \$3,000,000 higher than on October 29, the lowest point since March. These loans were \$27,000,000 lower than one year ago.

"All other" loans, including loans made for commercial purposes, have fluctuated in rather narrow limits in the past few weeks, the general trend of the last two months being horizontal instead of showing the upward tendency that has characterized the fall season of the majority of the past ten years. At \$768,000,000 on November 19, these loans were about at the same level as in October and at the beginning of September, but were \$75,000,000 lower than last year at this time, and, barring the past few weeks, were lower than at any time since early 1928. In the entire country "all other" loans have been increasing since the beginning of September.

Investments at these same banks in the District have decreased \$25,000,000 in the past month and \$46,000,000 from the peak of September 24; on November 19, at \$763,000,000, they were still \$155,000,000 higher than last year at that time.

As a result of these aforementioned changes, Fourth District member bank credit extended has declined \$31,000,000 in the four weeks ended November 19 and has been accompanied by a drop of \$38,000,000 in total deposits, practically all of which was in demand deposits. These total deposits were still \$150,000,000 larger than in November, 1929, however, while total credit extended has increased only \$53,000,000 in the same period.

MANUFACTURING, MINING

Iron and Steel Steel specifications, production and prices in the month ended November 15 continued the gentle but steady decline which has characterized the market since early autumn. There was a distinct tendency on the part of producers to discount the remainder of the year and attempt to put prices on a more stable and remunerative basis.

This was accentuated early in November when makers of steel plates, shapes and bars imparted vigor to their stabilizing campaign, which was instituted in mid-October, and took a stand on 1.60 cents, Pittsburgh, for their products. Their lead was expected to be followed by producers of sheets, strip and wire products, in which pronounced weakness developed early in November.

The declines in pig iron in October appear to have stabilized this market. Beehive foundry coke was easier at \$2.50 to \$2.60. A downward movement in scrap prices was also evident in early November, carrying heavy melting steel as low as \$13 at Pittsburgh.

Requirements for new automobile models stimulated sporadic specifications for steel, but as a whole the releases from the automotive industry declined during the month. Line pipe mills, as for the past few months, operated almost entirely against backlogs.

Railroad purchases of track material, while helpful to order books of Pittsburgh mills, proved of little help to current rollings, most specifications being for 1931 delivery. Some assistance, however, was derived from re-

leases for car-building material. Outdoor construction, prolonged by mild weather, resulted in heavier consumption of building steel than anticipated. Low inventories, a strong point when consumption revives, led to slight improvement in steelmaking operations at Cleveland in mid-November, contrasted with a slightly easier position in the Pittsburgh and Youngstown districts. Cleveland operations, however, were at the abnormally low rate of 44 per cent of capacity while Pittsburgh and Youngstown mills were at 45 and 52 per cent respectively.

Reflecting the weak price situation, especially in sheets and wire, the market composite of STEEL declined from an average of \$32.26 in October to \$31.86 by November 15. This was a reduction of 14 per cent since the beginning of 1930, and a new low for the present decade.

Steel ingot production in October was at a daily average of 100,756 gross tons, compared with 110,307 tons in September and 167,983 tons last October. For the year to date the daily average rate is 136,193 tons, against 174,643 tons in all of 1930. The 35,410,283 tons of ingots produced in ten months indicates a 1930 output of about 42,350,000 tons. In record 1930, output was 54,313,845 tons; in 1928, 49,865,185 tons; in 1927, 43,397,743 tons.

October's daily pig iron rate was 69,851 gross tons, against 75,893 tons in September and 115,747 tons last October. Total production in October, 2,165,374 tons, brought the ten-month total to 27,910,315 tons, compared with 36,270,846 tons in the like period of 1929. Pig iron production in October was at 49.6 per cent of capacity.

Coal

Output of bituminous coal mines of the Fourth District increased 11.7 per cent in October as compared with September, which was slightly more than the average increase of the past seven years, but was less than the 1929 September-to-October increase of 16 per cent and also less than the increase of 14.8 per cent reported this year for the entire country. Compared with last year, coal production in the District showed a drop of 13.9 per cent for October and 9.6 per cent for the first ten months of 1930.

Cold weather in October stimulated demand for domestic coal, but the gain reported in that month was offset by the drop in orders which accompanied the unusually warm weather of November. Industrial demand, which usually absorbs the lower grades of coal, has been very much below the average of past years with a consequent decline in the price of these grades.

Stocks of coal in hands of industrial consumers on October 1 were smaller than on any corresponding date since 1922, but were seasonally higher than in August of this year. Consumption of coal in the third quarter of this year amounted to 7,370,000 tons a week as against 8,713,000 tons per week in the same period of 1929, a decrease in 15 per cent.

Automobiles

In most recent years there has been a falling-off in automobile production from September to October, but the decline in the past seventeen years has never been as great as was reported this year. Total production of passenger cars, trucks and taxicabs reached only 150,044

units, a drop of 31 per cent from September which was also a month of very limited production. Barring December, 1929, when output was sharply curtailed, production in October was the smallest for any month since December, 1921. The curtailment, although general, was somewhat accelerated by complete shut-downs in a few cases for new model changes. One of the largest makers of small cars was not producing most of October, but resumed operations in early November on rather an extensive scale.

Production of passenger cars has declined to a lower level than has demand, resulting in an improvement in the dealer stock situation which was distinctly unfavorable last year and the early part of 1930. New passenger car registrations for the country in the first three quarters of this year (the latest available) were 30 per cent below the same period of 1929. Output during this time declined 38 per cent with a further sharp reduction in October. In the past few months new domestic passenger car registrations and exports have exceeded production figures, showing that actual absorption has been greater than output. Members of the National Automobile Chamber of Commerce reported dealer stocks as of October 1 37 per cent below 1929.

New Passenger Car Registrations

(10 principal counties)

	October, 1930	% change from 1929	Jan.-Oct., 1930	Jan.-Oct., 1929	% change from 1929
Akron (Summit)	340	-54.5	7,702	14,932	-48.4
Canton (Stark)	220	-55.8	4,732	9,226	-48.7
Cincinnati (Hamilton)	804	-40.4	13,642	19,015	-28.3
Cleveland (Cuyahoga)	1,577	-46.9	31,597	47,524	-33.5
Columbus (Franklin)	462	-52.3	8,557	14,316	-40.1
Dayton (Montgomery)	267	-60.3	5,862	10,524	-44.3
Pittsburgh (Allegheny)	1,664	-40.0	30,963	36,949	-16.2
Toledo (Lucas)	324	-48.7	6,359	13,116	-51.5
Wheeling (Ohio)	84	-50.0	1,532	2,343	-34.6
Youngstown (Mahoning)	222	-64.4	4,484	8,366	-46.4
Total	5,964	-47.7	115,450	176,511	-34.5

Truck manufacturers, although sharing in the decline, have not curtailed output to the extent that passenger car production has been reduced. Output in October was 37,244 units, compared with 41,157 in September and 60,687 in October, 1929. The decrease from a year ago was 38.5 per cent. Production in the first ten months was down 32 per cent.

Makers of automobile parts and accessories, located in this District, reported a slight increase in orders for ma-

terial in October and November, all of which was seasonal and was in preparation for new model introduction in several cases.

Rubber, Tires

In the past year world stocks of crude rubber have increased steadily each month except May, 1930 when the tapping holiday temporarily retarded production. The cause of these generally increased stocks has been reduced consumption rather than increased output. Total world stocks of rubber on September 30, according to the Department of Commerce, were 470,000 long tons compared with 310,730 tons last year, an increase of 51 per cent. Proportionately more of this rubber has found its way to the United States than to other countries, stocks on hand on October 31 amounting to 184,701 tons as against 88,483 tons on the same date last year, an increase of 108 per cent.

This large increase in total stocks has had a very depressing effect on the market, the average price in October being 8.10 cents a pound as against 19.41 cents in October last year and 22.4 and 37.9 cents the average yearly price for 1928 and 1927. Current prices are lower than production costs and now that the possibility of government restriction of output has definitely been removed, an economic adjustment between production and demand would seem to be the only solution. Some of the plantations began to curtail tapping some months ago because of the low price, particularly in the Dutch East Indies, but many of the large estates in the Malay States, Ceylon, India and British Borneo up to August showed larger outputs than one year ago.

Consumption of crude rubber by United States manufacturers in October totaled 27,271 tons, an increase of eight per cent over September, but considerably below last October's consumption of 34,800 tons. Imports in October, at 43,729 tons continued to exceed consumption.

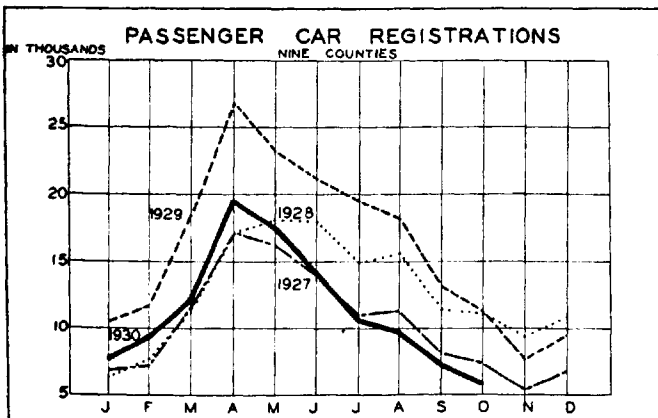
Production of tires in September (the latest available) was 24.7 per cent below last year and 24 per cent below August, but shipments exceeded production by 31 per cent, resulting in a further reduction of inventories to the lowest for any month since September, 1928.

Employment at rubber plants in October showed slightly more than the average decline of four per cent recorded for the past five years.

Clothing

Textile and clothing factory operations were among the few to show an increase in October. Employment at 39 concerns increased two per cent from September, 24 firms contributing to the expansion, while 14 reported a decline and one no change from a month ago. This was the second month to show an increase, the rate of gain being greater than was reported last year. The general level is still 16 per cent below October, 1929 and some factories are only on a part-time schedule.

This is usually the most active season of the year for the clothing industry, operations being accelerated by re-orders of winter goods and orders for spring delivery. Salesmen are now out meeting the trade, but orders are being received in reduced volume from last year at this time which was also a poor season. Retailers are buying below what was formerly their normal requirements. The



unusual degree of unemployment has created a feeling of fear and uneasiness in the minds of many people and extreme economy is being practiced on all sides, particularly with regard to clothing purchases. Retailers seeing the effect of this cautious attitude have reduced their commitments which is reflected in smaller stocks. At department stores in this District stocks of women's coats and dresses were 16 and 22 per cent smaller respectively than one year ago, while men's clothing was down 10 per cent. Part of this decrease is accounted for by the lower level of prices, but much of it is due to actually smaller stocks. The few orders that are being placed are for immediate delivery.

The entire cotton textile industry showed further improvement with regard to inventories in October. Production, although slightly above September, was kept below shipments and unfilled orders also increased to the highest level since April.

Other Manufacturing General manufacturing activity in the Fourth District continues very irregular with declining operations still predominating. Employment, in general, decreased further in October and the ratio of demand for labor to applications for employment fell more than seasonally in thirteen major cities of the Fourth District, despite the low level that has prevailed this year. Of the eleven major manufacturing groups, only three showed an increase from September, two of which were greater than the average of the past five years. One group showed a smaller than average decline. In Ohio, 886 firms reporting to the Ohio State Bureau of Business Research, reported a decrease of three per cent from September, in contrast with an average one per cent increase shown in the five years, 1925-29.

Canning. The canning industry appears to be feeling the effects of depression just as most other lines. The late, open season enabled canners to pack more tomatoes than last year and the corn pack is estimated to be only about 10-12 per cent short of 1929. These larger than anticipated packs have weakened the market generally. So far as can be determined stocks on retailers shelves are smaller than usual, but buying is still only for present needs.

Clay Products. Employment in the stone, clay and glass products industry increased one per cent in October, in contrast to stability shown from September to October in 1925-29. The present level is still 20 per cent below last year and 23 per cent below the 1926 monthly average. Demand for window glass showed seasonal improvement in the past month, but it is still far from normal. Sales of all window glass manufacturers in the first nine months of 1930 were about 23 per cent below 1929 and 46 per cent less than in the corresponding period of 1928. It is reported that stocks in hands of manufacturers and dealers have been decreasing slowly.

Electrical Supplies. Stimulated by the advance in copper prices, orders for electrical supplies and equipment increased in November. Except for copper, inventories, particularly of finished goods, are very low. Employment

declined sharply in October and was over 20 per cent below last year.

Hardware, Machinery. Operations in this industry in October continued the decline which started last spring, the drop in employment for the month being eight per cent. Of 106 concerns, 69 reported declines, 32 increases and five no change from September. Demand generally is very much below normal and the few orders that are placed are for immediate delivery. The fourth quarter is usually the duller of the year, and to this extent 1930 has not varied from past periods.

Paint. Stocks of paint are reported smaller than in periods of normal activity, but dealers are showing considerable hesitancy about restocking and current sales are much below one year ago. This is normally the duller season of the year with building paint in little demand but industrial orders have also receded sharply.

Paper. Production of paper mills in October was slightly higher than in September, but employment was unchanged. Orders received have shown a slowly rising tendency in the past few weeks, October sales of one large concern being ten per cent ahead of September. Stocks in distributors' hands are reported low.

Shoes. Shoe production in October, both in the Fourth District and the entire country, declined from September in contrast to the increase shown at that time in 1928 and 1929. Output of 50 factories was 9.5 per cent smaller than in September, considerably larger than the decline of 4.6 per cent reported for the entire country. Last year the September-to-October increase was 10 per cent in this District.

Comparison with corresponding periods of 1929 is very unfavorable, output in the past month being 35.6 per cent below October, 1929, and production for the first ten months showed a drop of 22.3 per cent.

Manufacturers at Cincinnati reported business at unusually low levels with very little buying being done. Hide and leather prices continue to drift downward, but the generally lower level has had no favorable effect on the shoe business.

Stove and Sheet Metal. Employment at sheet metal and stove and equipment factories declined only fractionally in October, but was more than 20 per cent below last year at that time. More concerns reported increases than decreases, but buying is at a very low level.

Watches, Jewelry. Seasonal changes have been noticed in volume of sales, but general level is subnormal. Dealers are buying much more conservatively than in past pre-holiday seasons.

BUILDING

Building activity in this territory in the first half of November was proportionately greater, as compared with October, than in the entire country. Contracts awarded averaged \$2,022,800 a day for the first three weeks as against a daily average of \$1,865,700 in the entire month of October and \$1,070,100 in November, 1929. In the 37 eastern states the daily average of contracts let in this same period was seven per cent smaller than the

daily average of October and 23 per cent below the daily average of November, 1929. The average decline from October to November in past years was 13 per cent.

October contracts awarded in the Fourth District were decidedly ahead of September, both in residential and non-residential lines. Total contracts awarded in October amounted to \$41,342,000 as against \$34,268,000 in September, an increase of 21 per cent. In only two of the past ten years, 1920 and 1925, have larger September-to-October increases been reported and seven of the ten years have shown decreases for the period. The comparison with preceding periods is still very unfavorable, total building for the first ten months being 23 per cent below the same period of 1929, with residential building registering a drop of 34 per cent. Contracts awarded for residential construction amounted to only \$7,872,000 in October, which brought the total for the ten-month period to \$94,752,000.

Lumber dealers report little change from one month ago. A few reported an increase in inquiries, but actual orders are very scarce. Prices continue to show little resistance to the downward movement, the stabilizing efforts being more effective in the western states than locally.

TRADE

Retail Trade Fourth District department store trade, after increasing more than seasonally in August and September, showed rather a sharp decline in October. Sales at 55 stores, on a daily average basis, increased less than the usual seasonal amount and the adjusted sales index declined from 98 in September to 91 in October. Sales at all cities except Cleveland were larger in October than in September, but compared with October, 1929, rather wide variations are noticed. Declines of one per cent were shown at Cincinnati, four per cent at Pittsburgh, eight per cent at Columbus and Wheeling, 15 per cent at Toledo, 16 per cent at Cleveland and 21 per cent at Akron.

Although stocks have been increasing for the past two months in preparation for Christmas selling, the dollar volume on October 31 was 13 per cent below one year ago. Part of this decrease is due to lower retail prices, but much of it represents a real contraction in stocks. The stock turnover rate for October was the same as one year ago and for the first ten months was 2.75 as against 2.78 in the same period of 1929.

The ratio of installment sales to total sales at department stores in this District has been showing seasonal fluctuations and in October, at 5.9 per cent, was only slightly higher than in 1929 when it was 5.6 per cent. Collections on these accounts have been well maintained. The ratio of all credit sales to total sales is about the same as in 1929 and collections have held up quite well, the ratio of collections during October to accounts outstanding on September 30 being 34.9 this year as against 36.8 one year ago.

Wholesale Trade

All reporting lines of wholesale trade except drugs and shoes showed some seasonal improvement in October, but in most cases this was less than has been experienced at this season of past years. Compared with October, 1929, large declines are reported in all branches of trade, drugs being off 13.7 per cent, dry goods, 20.4, groceries, 16.9, hardware, 21.9 and shoes 31.5 per cent. The drop in grocery sales was unusually large, increasing the discrepancy between the first ten months of 1930 and the same period of 1929 to 6.4 per cent. Stocks in all lines except groceries were lower than in 1929 and collections have shown a sharper falling-off than have accounts receivable.

AGRICULTURE

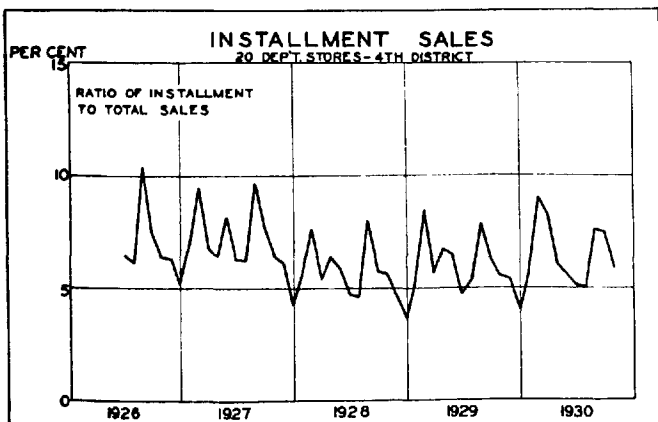
Harvesting of late crops has been completed in this District, but final crop figures are not yet available. The November report of the Department of Agriculture showed rather general improvement in yields of 44 major crops, the harvest of the country increasing 0.8 per cent for the month. In spite of this, yields per acre are still expected to be 5.4 per cent below the rather low yields of last year and 8.9 per cent below the average yields of the preceding ten years.

In Ohio, crop yields increased 2.5 per cent in October, but were over 20 per cent below the ten-year average. In Pennsylvania the increase for the month was 1.9 per cent, with prospective yields 14 per cent below the 1919-28 average. Kentucky and West Virginia also reported improvement in the month, but total yields were over 40 per cent below the preceding ten years.

Yields in the Fourth District were above the expectations of a month ago. The corn crop which has nearly all been husked, was estimated to be 109,408,000 bushels as against last year's harvest of 170,082,000 bushels, and 184,000,000 bushels, the average harvest of the past five years. Potatoes also improved and are yielding better than was expected in all parts of the District. The November 1 estimate was 17,094,000 bushels as against 19,695,000 bushels in 1929, a drop of 13 per cent. In the entire country the potato crop was estimated to be 2.4 per cent larger than in 1929, but 6.2 per cent below the average production of the previous five years.

The apple crop is also larger than was anticipated a month ago, but is still below the ten-year average. The quality of grapes is the highest since 1923 in Pennsylvania, but three points below average in Ohio. Yield in both states, while about six points below average, was considerably better than in 1929.

One of the most discouraging factors in the entire agricultural situation is the water shortage, still acute



in most sections. The drought, which has prevailed all year, was not mitigated to any extent by the rains in September. Farmers in many sections are hauling water, both for livestock and household use and pastures and fall-sown grains are in very poor condition. Wheat in some sections has been maintained by the little surface moisture, but in other sections seed was not up four to six weeks after planting.

Prices The rise in the index of the price of farm products which occurred in September proved only a temporary improvement, for, a drop from 111 in September to 106 per cent of the five-year average 1909-14 occurred in October. At this point the index compared with 140 in October, 1929, a drop for the year of 24.3 per cent. It was also the lowest for any month since February, 1916. The chief cause of the extreme drop in the past year was the sharp declines in grains, cotton and cottonseed. The index of the former dropped from 128 in October, 1929, to 92 this year, while the latter fell from 141 to 76 per cent of the pre-war average in the same period.

A comparison of other commodity prices reveals that the farm producer has not been the only one affected, but the drop in the past year in the price of non-agricultural products has only been 12.2 per cent. On the other hand, the drop in the prices paid by farmers for goods has only been about four per cent, so that the ratio of the prices received to prices paid dropped from 90 last year to 71 in October, 1930.

This sequence has followed in previous periods of falling prices. Farm products and raw material prices have declined faster and farther than manufactured goods and both have receded faster than retail prices.

Tobacco Interest in the tobacco sections of this District is now centered on the market opening in early December; all growers and warehouse men are anxiously awaiting to see what prices will be offered on the loose-leaf floors. As to the probable price of the market opening, nothing can be said with certainty, but a review of the flue-cured

markets in the southeastern states, which opened earlier, may throw some light on the situation.

According to the Georgia State Department of Agriculture, 106 million pounds of tobacco were sold at an average of 9.86 cents a pound. This compared with 91 million pounds at 18.37 cents in 1929. In North Carolina sales in October reached 158 million pounds at an average of 14.92 cents a pound, as against 155 million pounds last year at 19.91 cents a pound.

While the average auction price in these two districts has been considerably below last year, much of the discrepancy can be attributed to the lower average quality of the crop. Prices on certain of the better grades appear to be fully as high as in 1929, but the poorer grade tobacco, of which there seems to be an abundance this year, has been substantially lower-priced.

Last year the burley crop brought, on an average, 21.7 cents a pound. The present supply of burley tobacco (stocks in hands of dealers and this year's crop) is just about the same as one year ago, the large increase in carryover being offset by the drop in production. The determining factor in the price obtained will undoubtedly be the quality of the crop, on which opinion is divided. About 25 per cent of the burley crop was cut prior to the fall rains. Much of this is of good quality, but very light weight, so that per acre return will be reduced. The late-cut burley, in general, is of mediocre quality, and some seems to have cured green. The drought has not yet been broken and because of the dry weather little tobacco has been stripped.

The latest estimate of the Department of Agriculture showed rather a large increase during October in total burley tobacco production. On November 1 the total burley crop was estimated at 305,089,000 pounds as against 334,619,000 pounds harvested in 1929. The Kentucky burley crop, however, does not make such a favorable showing, being estimated at 202,300,000 pounds as against 242,440,000 pounds harvested in 1929. Other types raised in this District show up more favorably than burley, and the tobacco crop for the entire country was estimated at 1,518,781,000 pounds as compared with 1,519,081,000 pounds last year, and 1,302,463,000 pounds, the average annual harvest of 1924-1928.

Fourth District Business Statistics

(000 omitted)

	October, 1930	% change from 1929	Jan.-Oct., 1930	Jan.-Oct., 1929	% change from 1929
Fourth District Unless Otherwise Specified					
Bank Debits—24 cities	\$ 3,144,000	-21.8	31,353,000	36,134,000	-13.2
Savings Deposits—end of month:					
Ohio—35 banks	\$ 783,200	+ 1.3	772,747 ¹	771,971 ¹	+ 0.1
Western Pa.—24 banks	\$ 279,283	+ 1.6	277,491 ¹	276,910 ¹	+ 0.2
Total—59 banks	\$ 1,062,483	+ 1.4	1,050,238 ¹	1,048,881 ¹	+ 0.1
Life Insurance Sales:					
Ohio and Pa.	\$ 94,409	-16.0	1,136,185	1,137,952	- 0.2
Retail Sales:					
Department Stores—57 firms	\$ 26,580	-10.0	224,693	246,823	- 9.0
Wearing Apparel—16 firms	\$ 1,747	-12.0	14,481	16,099	-10.1
Furniture—31 firms	\$ 772	-43.7	8,440	12,743	-33.8
Wholesale Sales:					
Drugs—13 firms	\$ 1,592	-13.8	15,976	18,773	-10.6
Dry Goods—10 firms	\$ 1,898	-20.4	15,444	19,249	-19.8
Groceries—41 firms	\$ 6,354	-16.9	59,271	63,296	- 6.4
Hardware—17 firms	\$ 1,974	-21.9	18,040	21,900	-17.6
Building Permits—27 cities	\$ 15,092	-25.3	138,469	182,692	-24.2
Building Contracts—Residential	\$ 7,872	-35.3	94,752	144,474	-34.4
Building Contracts—Total—All Classes	\$ 41,342	-44.4	435,759	567,829	-23.3
Commercial Failures—Liabilities	\$ 3,476	- 3.5	35,627	30,010	+18.7
Commercial Failures—No. Production:	185 ²	+40.2	1,668 ³	1,563 ³	+ 6.7
Fig Iron, U. S. tons	2,165	-39.7	27,867	36,267	-23.2
Steel Ingots, U. S. tons	2,720	-40.0	35,410	47,888	-26.1
Automobiles—Pass. U. S.	112,209 ²	-64.8	2,592,022 ²	4,310,954 ²	-39.9
Automobiles—Trucks, U. S.	37,244 ²	-38.5	473,834 ²	695,426 ²	-31.9
Bituminous Coal, tons	17,466	-13.9	156,846	173,542	- 9.6
Cement—O., W. Pa., W. Va. bbls.	1,655	- 4.4	15,643	14,208	+10.1
Elec. Power—O., Pa., Ky. k.w.h.	1,164 ³	-11.3	10,823 ⁴	11,221 ⁴	- 3.5
Petroleum—O., Pa., Ky. bbls.	2,067 ³	- 7.0	20,690 ⁴	19,089 ⁴	+ 8.4
Shoes, U. S. casings	2,706 ³	-24.7	33,672 ⁴	46,456 ⁴	-27.5
Bituminous Coal Shipments: Lake Erie Ports, tons	4,575	- 7.2	34,441	34,713	- 0.8
Iron Ore Receipts: Lake Erie Ports, tons	4,011	-33.7	30,251	42,628	-29.0

¹Monthly Average
²Actual Number
³September

⁴January-September
⁵Confidential

Wholesale and Retail Trade

(1930 compared with 1929)

	Percentage Increase or Decrease		
	SALES Oct.-Oct.	SALES First ten Months	STOCKS Oct.-Oct.
DEPARTMENT STORES (57)			
Akron	-21.2	-19.2	-17.0
Cincinnati	-1.0	- 2.3	-10.3
Cleveland	-15.7	-11.7	-16.1
Columbus	- 7.6	- 2.5	- 8.9
Pittsburgh	- 4.1	- 5.4	-10.2
Toledo	-15.4	-17.4	-10.4
Wheeling	- 7.8	-10.5	-15.6
Other Cities	-17.2	-13.8	-14.9
District	-10.0	- 9.0	-12.6
WEARING APPAREL (16)			
Cincinnati	-10.8	- 7.7	-10.5
Cleveland	-14.9	-13.8	- 7.4
Other Cities	-10.4	- 8.4	-10.0
District	-12.0	-10.1	- 9.2
FURNITURE (51)			
Cincinnati	-24.4	-25.3	.....
Cleveland	-49.0	-33.2	.....
Columbus	-34.7	-30.5	.....
Dayton	-43.4	-26.6	.....
Toledo	-53.4	-49.0	.....
Other Cities	-34.2	-34.7	.....
District	-43.7	-33.8	.....
CHAIN STORES*			
Drugs—District (4)	- 4.7	- 1.8	.....
Groceries—District (6)	- 2.1	- 1.2	.....
WHOLESALE GROCERIES (41)			
Akron	-31.8	-20.6	.....
Cincinnati	- 9.9	- 1.1	.....
Cleveland	-24.2	-11.5	.....
Erie	-14.5	- 6.2	.....
Pittsburgh	-11.2	- 4.9	.....
Toledo	-13.5	- 5.0	.....
Other Cities	-11.1	- 0.9	.....
District	-16.9	- 6.4	- 0.3
WHOLESALE DRY GOODS (10)			
.....	-20.4	-19.8	-12.0
WHOLESALE DRUGS (13)			
.....	-13.7	-10.6	.....
WHOLESALE HARDWARE (17)			
.....	-21.9	-17.6	-16.3
WHOLESALE SHOES (5)			
.....	-31.5	-31.3	-56.9

*Sales per individual unit operated.

Fourth District Business Indexes

(1923-1925=100)

	Oct., 1930	Oct., 1929	Oct., 1928	Oct., 1927	Oct., 1926
Bank Debits (24 cities)	116	148	136	119	116
Commercial Failures (Number)	127	90	111	120	114
(Liabilities)	79	36	54	159	58
Sales—Life Insurance (Ohio and Pa.)	113	134	130	108	108
—Department Stores (55 firms)	106	118	112	113	118
—Wholesale Drugs (13 firms)	102	118	114	111	111
—Dry Goods (10 firms)	86	109	106	98	111
—Groceries (41 firms)	97	113	109	102	110
—Hardware (15 firms)	83	107	103	108	112
—All (82) [†]	94	115	111	106	114
—Chain Drugs (3 firms)**	87	89	90	96	104
Building Contracts (Total)	87	156	120	103	113
(Residential)	46	71	102	101	93
Production—Coal (O., Wn. Pa., E. Ky.)	97	112	106	87	118
—Cement (O., W. Pa., W. Va.)	138	144	176	145	149
—Elec. Power (O., Pa., Ky.)*	139	156	135	121	125
—Petroleum (O., Pa., Ky.)*	112	120	105	110	104
—Shoes	74	115	120	114	112

*September

**Per individual unit operated.

†Includes 3 shoe firms.

Debits to Individual Accounts

(Thousands of Dollars)

	4 weeks ending		Year-to-Date		Year-to-Date	
	Nov. 19, 1930	% change from 1929	Nov. 19, 1929	Dec. 31, 1929	Nov. 20, 1929	% change from 1929
Akron	76,531	-29.9	1,045,566	1,285,082	1,285,082	-18.6
Butler	11,840	-18.6	138,300	141,099	141,099	- 2.0
Canton	34,690	-29.5	483,365	593,001	593,001	-18.5
Cincinnati	327,242	-33.3	4,011,034	4,845,511	4,845,511	-17.2
Cleveland	699,146	-30.0	8,690,631	10,107,696	10,107,696	-14.0
Columbus	169,084	- 8.7	1,958,020	2,046,273	2,046,273	- 4.3
Dayton	65,536	-34.5	964,583	1,157,842	1,157,842	-16.7
Erie	30,265	-28.7	420,267	444,348	444,348	- 5.4
Franklin	3,965	-36.7	54,360	66,110	66,110	-17.8
Greensburg	18,779	- 3.5	207,572	228,290	228,290	- 9.1
Hamilton	11,088	-35.8	154,062	187,987	187,987	-18.0
Homestead	3,789	-35.0	48,895	54,944	54,944	-11.0
Lexington	19,152	-17.1	264,440	301,112	301,112	-12.2
Lima	10,238	-25.6	133,605	169,828	169,828	-21.3
Lorain	5,277	-11.4	62,274	69,993	69,993	-11.0
Middletown	8,738	-31.3	116,720	141,315	141,315	-17.4
Oil City	14,136	-27.8	177,657	211,756	211,756	-16.1
Pittsburgh	863,314	-29.7	10,610,557	12,018,392	12,018,392	-11.7
Springfield	17,003	-24.5	240,690	263,954	263,954	- 8.8
Steubenville	8,066	-28.9	109,976	136,442	136,442	-19.4
Toledo	149,238	-35.4	1,932,947	2,467,301	2,467,301	-21.7
Warren	9,613	-28.1	125,686	165,676	165,676	-24.1
Wheeling	36,698	-29.4	468,594	557,928	557,928	-16.0
Youngstown	53,610	-34.2	730,911	871,558	871,558	-16.1
Zanesville	8,982	-28.9	108,039	140,595	140,595	-23.2
Total	2,656,020	-29.5	33,258,751	38,674,033	38,674,033	-14.0

Building Operations

(Value of Permits)

	% change		% change		
	October, 1930	from 1929	Jan.-Oct., 1930	Jan.-Oct., 1929	
Akron	355,310	-69.4	9,020,974	16,221,788	-44.4
Ashtabula	25,698	-41.2	314,621	574,527	-45.2
Barberton	9,205	-79.0	219,367	945,932	-76.8
Canton	83,857	-67.6	1,364,864	3,266,980	-58.2
Cincinnati	3,491,265	-23.3	36,118,777	32,940,945	+ 9.6
Cleveland	7,073,175	+25.3	29,306,050	35,045,600	-16.4
Cleve. Suburbs:					
Elev. Hghts.	81,450	-43.1	2,433,080	2,267,140	+ 7.3
East Cleve.	12,685	-92.0	788,131	1,803,400	-56.3
Euclid	62,905	-61.4	1,288,566	2,185,347	-41.0
Garfield Hghts.	23,500	-69.7	509,300	1,108,850	-54.1
Lakewood	64,517	-11.0	1,414,352	1,379,507	+ 2.5
Parma	105,820	-40.9	1,248,919	2,294,978	-45.6
Rocky River	51,700	-35.1	996,953	1,381,378	-27.8
Shaker Hghts.	323,235	-44.0	4,644,135	5,648,850	-17.8
Columbus	949,000	-27.9	5,151,150	9,866,550	-47.8
Covington, Ky.	70,800	-62.0	606,450	1,312,025	-53.8
Dayton	291,109	-71.1	4,525,843	5,869,220	-22.9
Erie, Pa.	356,860	+18.8	3,837,073	5,848,661	-34.4
Hamilton	67,763	-88.4	1,125,564	1,948,870	-42.2
Lexington, Ky.	171,611	+20.9	1,065,310	1,962,882	-45.7
Lima	9,914	-50.8	495,927	390,665	+26.9
Newark	2,725	-94.4	20,760	627,480	-63.2
Pittsburgh, Pa.	806,088	-60.6	18,110,842	27,628,884	-34.4
Springfield	51,345	+46.8	726,475	1,693,191	-57.1
Toledo	224,405	-75.5	9,322,464	12,765,097	-27.0
Wheeling, W. Va.	73,606	+ 5.9	1,016,653	1,381,986	-26.4
Youngstown	250,700	-31.6	2,586,089	4,331,648	-40.3
Total	15,092,248	-25.3	138,468,689	182,692,381	-24.2

Summary of National Business Conditions

By the Federal Reserve Board

Volume of industrial production and factory employment declined in October, and there was a further downward movement of commodity prices. Volume of sales by department stores increased by more than the usual seasonal amount. There was a considerable inflow of gold from South America and the Orient, and a further slight easing of money rates.

Production and Employment

Industrial production, including both factories and mines, decreased by about three per cent in October, according to the Federal Reserve Board's index, which makes allowance for usual seasonal changes. This decline reflected chiefly a further decrease in output of steel ingots, contrary to the usual seasonal movement, and a larger than seasonal decline in the output of automobiles. Output in the shoe industry was also curtailed. Consumption of cotton by domestic mills showed a further increase of slightly more than the usual seasonal amount, and stocks of cotton cloth were further reduced; increased activity was also reported for the silk industry. Output of coal was in substantially larger volume than in September, while production of copper and petroleum declined.

Number of workers employed showed a decrease for the month in foundries and in the automobile, machine tool, woolen, and shoe industries, while increases were reported in number of persons employed in the production of silk goods, hosiery, and radios. Employment at coal mines increased considerably, partly in response to seasonal influences.

Value of contracts for residential building, as reported by the F. W. Dodge Corporation, which had shown a growth in September, increased further in October, but by an amount smaller than is usual for that month. Contracts for public works and utilities also increased somewhat, reflecting a larger volume of awards for pipe lines. Owing to a substantial decrease in contracts for industrial building, however, there was little change in the total value of building contracts awarded.

Distribution

Volume of distribution of commodities by rail showed a decline from September to October. Retail trade, however, as indicated by sales of department stores, increased by considerably more than the seasonal amount, according to preliminary reports to the Federal Reserve System.

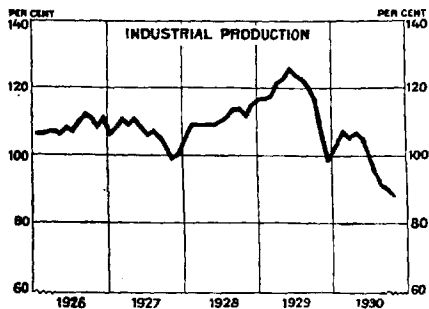
Wholesale Prices

The general level of wholesale prices, as measured by the Bureau of Labor Statistics Index, declined in October, and the decline continued in the first half of November. Further decreases in the prices of many agricultural products, including grains, livestock and meats, were accompanied by reduction in the prices of hides, tin, petroleum and gasoline, while sugar and copper advanced. The price of cotton rose considerably at the end of October from the low level prevailing early in the month.

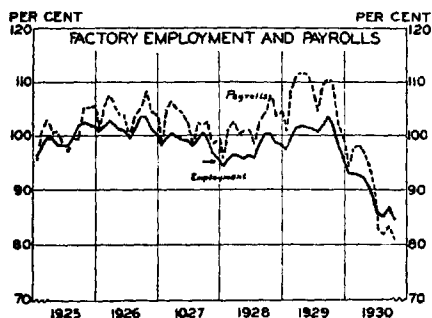
Bank Credit

Total volume of credit at reporting member banks in leading cities showed relatively little change for the four-week period ending November 12. Loans on securities declined further by \$350,000,000 reflecting reductions in loans to brokers and dealers in securities, while all other loans increased by \$150,000,000, partly on account of purchases of acceptances by the member banks. The banks also increased their holdings of investments. The volume of reserve bank credit in use showed little change between the middle of October and the middle of November. There was a further addition of \$30,000,000 to the stock monetary gold and a decline of \$20,000,000 in money in circulation, while member bank reserve balances increased. No material change in the composition of the reserve bank portfolio was shown for the month.

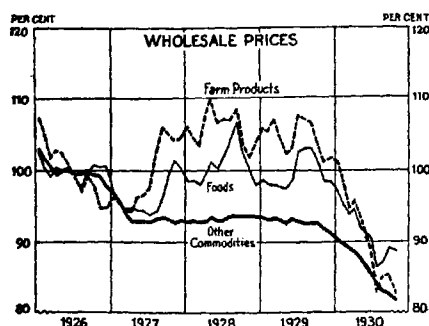
Money rates in the open market have eased slightly since the middle of October. The rate on prime commercial paper declined from 3 per cent to a range from 2½ to 3 per cent and there was a reduction in the rate of bankers' acceptances of the longer maturities. Long time money rates, as measured by yields on United States Government securities, declined slightly.



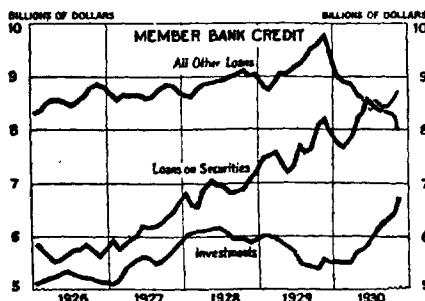
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 = 100). Latest figure October, 88.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations. (1923-1925 average = 100). Latest figures October, employment, 84.3, payrolls, 80.8.



Indexes of the United States Bureau of Labor Statistics, (1926 = 100, base adopted by Bureau). Latest figures October, farm products, 82.6, foods, 88.6, other commodities, 81.5.



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