



MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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No. 1

Conditions in the Fourth District are still quite depressed and after allowing for seasonal changes are little different from a month ago. Many concerns reported decreases in operations and employment in November and early December, and are now operating in many cases at levels which have not prevailed since 1921.

There have been a few brighter spots, however, such as Christmas buying, which in the first three weeks of December compared more favorably with the same period of 1929 than did November sales. Purchases this year were reported to be of the more practical things, but sales of so-called luxury goods have also held up rather well. Savings deposits at selected banks continued to increase, being 0.5 per cent larger on December 1 than a month earlier. They are now 2.2 per cent larger than in December, 1929. A few orders for automotive material aided steel mills at Cleveland and various parts and accessory factories. Tire production expanded in early December.

On the other hand textile and clothing factories curtailed production sharply and shoe production was off much more than seasonally in November. Coal production failed to show the full seasonal improvement and sales of life insurance were 20 per cent below November, 1929. Commercial failures were smaller in November than in the previous month, but were 40 per cent larger than in 1929. Liabilities in November were 18 per cent higher than in November one year ago.

Bankers reported little change in credit conditions. The demand for money has been subnormal and interest rates remain at unusually low levels.

REVIEW OF 1930

General business conditions in the Fourth District in 1930 were similar to those prevailing throughout the country, although the decline has been slightly more precipitate than in some other sections.

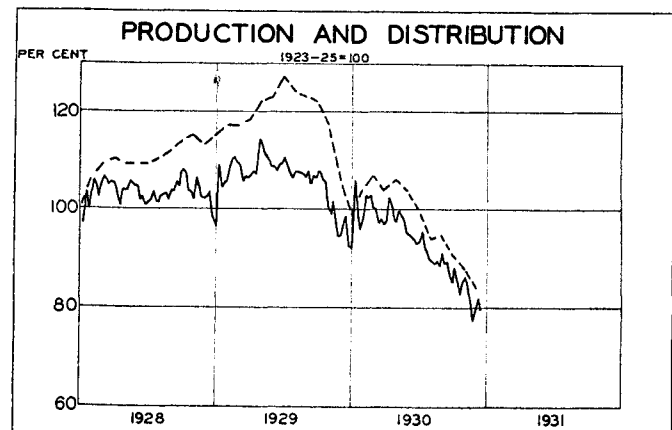
The world-wide depression, beginning in the summer of 1929, had reached major proportions by the spring of 1930. Based on the Federal Reserve Board's index of industrial production, which is corrected for seasonal variations, business declined from 127 per cent of the 1923-1925 average in June, 1929, to 95 per cent in December and then advanced to 106 in April of the next year. Following this upswing operations again turned sharply downward in May, the index falling to 84 in

November, the lowest point reached by this index, which does not make allowance for the long-time trend, since 1924. This bank's seasonally adjusted index of freight carloadings, which reflects business indirectly through the general distribution of commodities, has declined to the lowest level reached since 1921.

Accompanying this falling-off in production and distribution declines of major proportions have also been recorded in commodity and stock prices and in employment and payrolls. Corporation earnings and wage rates have also dropped. Interest rates have been unusually low for over a year and investments of banks have increased rapidly.

Business in the Fourth District has declined somewhat farther than in the entire country because of its highly industrialized make-up. With steel, automobile, tire and building operations receding most of the year, and with farm income substantially reduced by price declines and crop failures, individual buying has been sharply curtailed.

The District's basic industry, iron and steel, reduced operations very materially. For the entire country, output in the first eleven months of 1930 was at 65 per cent of capacity, while in the same period of 1929 operations averaged 92 per cent of capacity. Local mills, being very dependent on the automobile industry for their market, up until the past month carried the brunt of



Solid line—weekly index of car loadings, Federal Reserve Bank of Cleveland. Latest figure: Week ending December 13, 79.7. Broken line—Federal Reserve Board's monthly index of industrial production. Latest figure, November, 84. Both curves seasonally adjusted (1923-1925=100.)

the decline. Some of the large orders for pipe to be used in western projects benefited Youngstown mills, but they have now about disappeared. With building, railroad equipment and general manufacturing purchases very much reduced, the steel industry experienced the effects of a typical buyer's market. Prices declined sharply, the Steel composite average falling to \$31.68, the lowest since 1915, as against \$35.95 last year.

The automobile companies have had a very bad year. Production was 39 per cent lower in the first eleven months of 1930 than in the same period of 1929, but at present the industry is in much better shape than at the end of 1929, at which time it was confronted with large stocks of both new and used cars. This reduction of automobile production had a very depressing effect on the numerous parts and accessory firms located in this District. Many factories shut down entirely or were operating on very limited schedules for much of the year.

This also had its effect on the rubber and tire industry so far as demand for new-car tires was concerned. The decline, however, in the demand for replacement tires has also been great, somewhat of a paradox to the industry. In 1929 renewal tire sales were estimated by the Department of Commerce at 47,053,000 units while in 1930 the maximum estimate of renewal sales is placed at 40,000,000 tires. In addition to this, the industry has suffered heavy financial losses from the decline in crude rubber and cotton prices.

Building, one of the few industries which did not make a particularly impressive showing in 1929, continued to decline at a rapid rate in 1930. Although decreases have been recorded in all types, the greatest falling-off in this District has been in residential building.

Clothing manufacturers have been hampered by unseasonable weather to quite an extent and by the fact that dealers were somewhat overstocked with goods at the beginning of last year. Declining prices have also had a deterring effect. The shoe industry also has experienced a decided downward trend in both production and profits.

Farmers have been confronted with many difficulties. Drought damage to crops, particularly corn, was very severe. Composite crop yields were over 20 per cent below the preceding ten-year average in this District.

Accompanying this there has been a decided drop in agricultural prices. These two declines have greatly affected total farm income.

The dollar volume of retail trade was about ten per cent below 1929, based on the reports received from department stores throughout the District. How much of this reduction was due to the lower retail prices prevailing in 1930 can only be estimated, but there seems to be no doubt but what a rather large part of the falling-off in sales can be explained in this way. Wholesale firms reported large decreases in most lines. Chain store operations held up rather well.

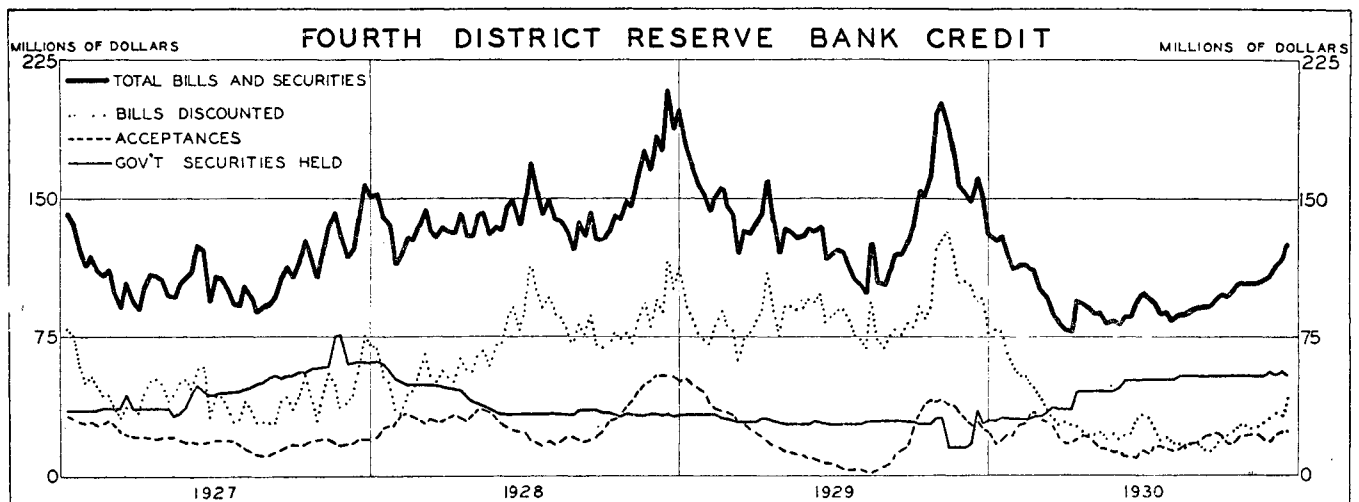
Coal production was affected by the drop in manufacturing activity, 1930 output in this District being about ten per cent below 1929. Cement production increased about six per cent, output being stimulated by the large amount of public utility and road construction. Most of the smaller industrial concerns, including paint, glass, tool and equipment, hardware, etc., were operating at lower levels in 1930 than in 1929.

FINANCIAL

The month ended December 23 was featured by less than seasonal changes in the demand for bank credit, for accommodation at the Reserve bank, in interest rates, and money in circulation. A reduction in deposits at reporting member banks was accompanied by a further contraction in investments.

Member Bank Credit. The general level of money rates at banks in larger centers on December 15 was slightly lower than a month earlier, contrary to the general tendency at this season of the year. At reporting member banks in leading cities loans and discounts, other than security loans, which generally reflect commercial borrowing, were unchanged on December 17 from a month earlier. With the exception of temporary upswings these loans have been declining almost continuously since November, 1929, and are now about \$160,000,000 lower than a year ago. Since mid-November they have shown only minor fluctuations.

Loans secured by stocks and bonds, with the exception of the week ended December 17, exhibited only a slight upward movement, but in the latest week increased \$11,-



000,000 and were \$14,000,000 higher than on November 19. These collateral loans are still slightly below the same date of the preceding year. The relatively high level at which they have remained in contrast to the drastic decline in the total of brokers' loans is largely the result of a shift from non-banking lenders to the banks.

The contraction in the investment accounts of member banks which began in late September continued in November and the first two weeks of December, the total reduction in this period amounting to \$74,000,000. This was the sharpest contraction since these figures have been compiled and was in contrast to the trend in the entire country where investments continued to increase. In the week ended December 17 investments increased \$9,000,000.

The precipitate reduction in investments no doubt was due in part to the contraction in both demand and time deposits. Demand deposits fell \$21,000,000 from November 19 to December 17, but at \$1,067,000,000 on the latter date compared with \$1,009,000,000 one year ago. These deposits have been declining since July 16, the total loss for the five months being \$103,000,000 or 8.8 per cent. Time deposits reached their high point in mid-September, but have since declined \$32,000,000 to \$1,005,000,000 on December 17.

Savings deposits at selected banks increased 0.5 per cent in November and on December 1 were 2.2 per cent larger than one year earlier.

Reserve Bank Credit. Bills discounted by the Federal Reserve Bank of Cleveland increased from \$27,905,000 on November 19 to \$42,225,000 on December 17, resulting in part from the increased demand for currency which always accompanies the expanded retail trade prior to Christmas and in part from demand for cash from banks for ready funds. Last year discounts declined about \$23,000,000 in this same period because of the very unusual conditions then prevailing, but in 1928 the increase was \$22,000,000.

Of the other types of Reserve bank credit, government securities owned remained practically unchanged from November at \$58,892,000 on December 17. In the previous week, at \$61,139,000, they were higher than at any time since December, 1927. Acceptances increased about \$5,000,000 in the five weeks, but at \$23,565,000 they were below the level at that time in 1929 or 1928. With short term interest rates at very low levels, the

Reserve banks have not been offered acceptances in the usual volume, despite the fact that, barring 1929, the volume outstanding is much larger than in any previous year.

As a result of these changes total Reserve credit increased about \$20,000,000 in the period. At \$125,683,000 on December 17 it was \$42,000,000 higher than at the low point of the summer season on August 6 just before the fall upturn began. This increase, as shown on the chart, was much smaller than occurred in the preceding three years; in fact it was below the average increase of \$51,000,000 from the first week of August to mid-December in the seven years 1923-1929.

The less-than-seasonal demand for Reserve bank credit this fall has reflected in part less than normal expansion in currency circulation, which in turn is a result of smaller payroll disbursements and of the sharp drop in commodity prices. This has made the currency requirements much smaller than in other recent years. Federal Reserve notes in circulation on December 17 totaled \$193,712,000, an increase from November 5 of about \$14,000,000 and compared with an average increase of over \$19,000,000 in note circulation in this District in the same period of the preceding three years.

A reduction of one-half per cent in the discount rate of the Federal Reserve Bank of Cleveland on December 29 brought the rate to three per cent, the lowest on record.

MANUFACTURING, MINING

Iron and Steel

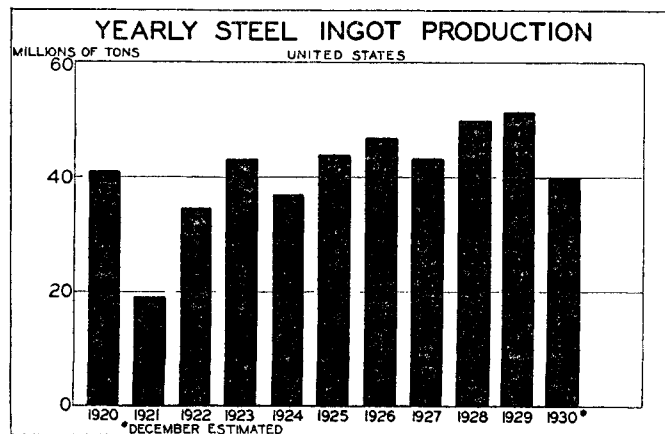
Iron and steel production, which was declining all year save for slight rises in February and August, had settled by mid-December to the lowest point since the summer of 1924, and except for the mild dip in that year to the lowest level since 1921.

Pig iron was produced in November at the daily rate of 62,180 gross tons, compared with 69,851 tons in October and 106,081 tons in November, 1929. November registered the full effect of the blowing-out of 15 stacks in October and 11 in September, while during November itself the net loss was only four stacks.

On this basis, it is estimated that December's daily rate was approximately 60,000 tons. Not since August, 1924, when the rate was 60,741 tons, has production been at such an ebb. Over 1921, however, the current rate of activity is indubitably better. For all 1921 the average daily rate was only 45,223 tons, the high month of the year being January with 77,895 tons and the low month July with 27,892 tons. Thus, pig iron currently is being produced at about the lowest rate of 1924 and over twice the lowest month of 1921.

Giving December an estimated 1,860,000 tons of pig iron, the 1930 total approximates 31,635,000 gross tons. This compares with an actual 42,270,183 tons in 1929, which was the record, 37,831,741 tons in 1928 and 33,289,112 tons in 1927. The 1930 total will be the lowest since 1924.

Open-hearth and bessemer steel ingot daily production in November was 89,379 gross tons, compared with 100,756 tons in October and 135,430 tons in November, 1929. This was the lowest for any month since July, 1924, and



the lowest November since 1921. December's daily rate is estimated at 80,000 tons, making the 1930 total about 39,725,000 tons. This would compare with the all-time record of 54,313,845 tons in 1929, 49,865,185 tons in 1928, and be the lowest total for any year since 1924. The year 1930 will have a daily average rate of about 130,000 tons, compared with 174,643 tons in 1929, 117,984 tons in 1924 and 61,814 in 1921.

From November 15 to December 15 a spotty situation existed both in production and prices on iron and steel products in the Fourth District, but with the trend downward. Scattering automobile releases, especially for sheets for 1931 models, lent a semblance of activity. In heavy steel, semifinished steel, pig iron and coke, consumers were indifferent to commitments beyond their scanty immediate requirements. Scrap, however, fell to such a low level that some consumers increased their accumulations. From mid-November to mid-December steelmaking operations at Pittsburgh and Youngstown declined from somewhat under 50 per cent to a little below 40 per cent. Cleveland remained at about 48 per cent of capacity.

Efforts to stabilize prices were successful to the extent of warding off further reductions. Heavy steel was first stabilized at 1.60c, Pittsburgh, then increased to 1.65c for first quarter, but it appeared that 1.60c would govern many first quarter contracts. Sheet prices were continued. Wire and nails were off \$2. Strip prices were extended. Semifinished steel prices were adjusted to finished material and declined \$1. Pig iron was unchanged, with consumers displaying confidence in the market and contracting fairly liberally for the first quarter.

The market price composite of STEEL, formerly Iron Trade Review, reveals a progressive, unbroken decline through 1929. From an average of \$35.56 for January this index, based upon 25 iron and steel products, receded to \$31.68 on December 17.

Coal Production of bituminous coal in the Fourth District declined more than seasonally in November and, at 14,838,000 tons, was 14.5 per cent below November, 1929. In view of the fact that over 80 per cent of all bituminous coal mined is used in the industrial field it is not surprising that coal production in the first eleven months of 1930 was 10 per cent below the same period of 1929. On the basis of the first eleven months, more coal was mined in the Fourth District in 1930 than in 1928, but slightly less than in 1927.

Prices have declined moderately from the 1929 levels, the Coal Age average price in November being \$1.77 a ton, f.o.b. mines, as compared with \$1.87 in November, 1929. Prices in 1929, however, were inadequate and in some cases below the cost of production.

The lake-coal-shipping season closed with November loadings about 17 per cent below the same month of 1929. Total loadings for the year were 38,075,000 tons, only 2.6 per cent below the previous year and, barring that period, the highest on record.

Automobiles Production of automobiles in November and early December did not record the full seasonal contraction due to increased operations at some of the smaller-car factories

where the manufacture of new models was begun somewhat earlier than usual. Output in November was reported to be 129,437 cars and trucks, according to the Department of Commerce. This represented less than the seasonal decline from October when production was 150,044 units, but compared with 226,997 cars and trucks produced in November, 1929 and was smaller than for any corresponding month since 1922.

The level to which automobile production has fallen in 1930 can be seen from the accompanying table. Output in the first eleven months was 39 per cent below the same period of 1929 and in the entire year 1930 output will more nearly approximate that of 1927 than any other recent period. Three years ago production of automobiles was sharply curtailed on account of model changes in the small-car field and because of the mild recession in general business.

Automobile Production (U. S. Only)
(In Thousands of Cars)

	1930	1929	1928	1927
January	275	401	232	239
February	347	466	324	305
March	401	586	413	395
April	443	622	410	406
May	417	605	426	406
June	385	546	397	324
July	262	501	392	269
August	223	499	461	310
September	223	416	415	260
October	150	380	397	219
November	129	215	257	134
December .....	.....	120	234	134
		5,360	4,358	3,501

Early December schedules were slightly above those of the previous year when total output fell to 120,000 units. Some plants were reported closed in the third week of December for the usual inventory taking.

All during the year, while production was declining, sales were holding up proportionately better and surplus stocks of dealers were being reduced. In October, the latest available new passenger car registrations were 150,219 while production of passenger cars for both domestic sales and exports reached only 112,209 units. In the first ten months registrations were off 31.5 per cent from the same period of 1929 while production in the same interval was down 39.9 per cent. For every month since June, registrations and exports of passenger cars have exceeded production, and stocks were continually reduced.

Encouraging orders for automobile parts, steel and equipment have been received by manufacturers in this District in the past few weeks. Quite a sizeable tonnage of steel orders was placed in mid-December by automotive consumers, those for body sheets being larger than for some time.

Rubber Tires Expanding operations at rubber factories were reported in early December, the first upturn since April. In some cases this has resulted in only a change in the number of hours worked, but in others the actual number of men employed has increased. This is more or less of a normal procedure, for in many cases under the "spring dating plan" orders are placed as early as November for delivery the following spring. It was reported that the volume of these orders received so far has been quite satisfactory. Since it has been known for some

time that dealers' stocks were low, it is quite natural that orders should expand at this time.

Tire production increased six per cent in October, the latest available, as compared with September, but was still 23 per cent below October, 1929. Output in the first ten months was down 27 per cent from the same period of the preceding year. In this period, however, shipments have exceeded production and inventories as a result have been reduced to the lowest point in over two years. The entire rubber industry is in a much better position than one year ago. Stocks have been reduced, and inventories of high-priced raw material have been largely worked off and, although this is the dull season, the potential demand for tires is stated to be greater than it has been for over a year.

Imports of crude rubber declined sharply in November, both as compared with October and one year ago. Total imports for the first eleven months of 1930 were 12 per cent below the same period of 1929. Despite this decline imports have greatly exceeded consumption, a condition which has had a very depressing effect on the price of crude rubber. After a slight improvement in November weakness again developed and the price fell below nine cents a pound in early December.

Other Manufacturing There is normally a contraction in manufacturing activity in the Fourth District in November and December and the fact that operations have been at very low levels most of the year seems to have had little effect on this seasonal movement. Total manufacturing employment in November dropped about four per cent from October in contrast with an average decrease of about three per cent reported for past years. Based on reports received covering the first half of December, a further contraction was experienced in that month.

Payrolls, based on the Department of Labor's figures, declined faster than employment, indicating a further contraction in the number of hours worked or a reduction in actual wage rates. Up until just recently reports of wage reductions have not been very prevalent, but in the last month or so more and more wage reductions have come to light. These are somewhat expected in periods of rapidly falling prices and reduced output.

The stone, clay, and glass products industry reported no change, in the aggregate, in employment in November, but operations were over 20 per cent below last year and at about the lowest level since 1921. Inventories have been considerably reduced. Demand for molded glass is much below normal. Hardware and machine tool concerns reported a decrease in November operations which continued in early December. Electrical machinery and apparatus manufacturers also reported a falling-off, both in demand and operations. The paper trade has experienced the usual seasonal recession, owing to the general practice of letting stocks run low during the inventory period.

A few automobile parts orders resulted in expanding operations at some accessory and parts concerns in the District, but production is still much below other recent years. Paint companies reported a slight demand for automobile paint which was not present last year. Other industrial demand is very poor and sales of goods for

retail shelves have been slow. On the average the paint business is reported to be about 20 per cent below last year. Stove and equipment and sheet metal concerns showed little change in the past month. Manufacturers of metal containers reported business holding up fairly well, though below one year ago.

Operations at clothing and textile concerns were sharply curtailed in November. Employment at 44 factories declined 14 per cent and was 25 per cent below 1929. In the past five years the average drop in employment from October to November was only two per cent. This sharp falling-off was caused by one large concern shutting down entirely, but 25 of the reporting factories showed decreases. Clothing buying has been curtailed for some time, department stores reporting decreases from a year ago ranging from 15 to 25 per cent, only a part of which are due to lower retail prices. Some manufacturers, particularly of women's wear, however, report that ordering of spring goods is being done in fairly satisfactory volume. One company states that the unit value of their products has been reduced ten per cent. Knit wear and underwear concerns reported business very "dull."

While this is usually the slack season in shoe production, operations in November and early December were considerably lower than in any corresponding period of recent years. Orders of spring merchandise began in early December but the volume was reported quite small. Dealers are very cautious and prefer to wait until after the turn of the year before making many commitments.

Production in November declined seasonally from October, but to a much greater extent than usual. Output of Fourth District factories was 57 per cent below November, 1929.

Retail Trade Although there was one less business day in November this year than a year ago, dollar volume of department store sales, on a daily average basis, at 57 stores throughout the Fourth District was 14 per cent smaller than in November, 1929. The decrease from October was greater than seasonal, the index of sales on a 1923-1925 monthly average base falling from 91 in October to 86 in November, after all allowances for seasonal variations were made. For the first eleven months a drop of 9.8 per cent has been experienced in the aggregate volume of sales.

The greatest falling-off was reported at Cleveland where November sales were down 24.9 per cent from 1929. Toledo experienced a loss of 24.1 per cent, Akron 16.6, Wheeling 14.0, Columbus 13.7, Pittsburgh 12.1 and Cincinnati 9.3 per cent from the previous year.

Sales in early December showed some improvement and in the first three weeks compared more favorably with the same period of 1929, than did November sales, but Christmas buying has been on a more conservative scale this year than in past seasons. Price reductions have also lowered the dollar figures considerably. The ratio of credit to total sales in November was 64.8 per cent as compared with 63.7 per cent in November, 1929, indicating that only a trifle more is being bought on credit than one year ago.

In the District, stocks on hand at the end of November

were 11.3 per cent lower than one year earlier, but a seasonal gain of three per cent was exhibited during the month.

Accounts receivable on November 30 were 5.1 per cent smaller than one year ago and collections in November were down nine per cent. The ratio of collections in November to accounts receivable on October 31 was 35.1 while in 1929 it was 37.3, indicating a slight falling-off in collections.

Wearing apparel sales have been in very much reduced volume. In November they were about 20 per cent below November, 1929 at department stores while at 16 wearing apparel stores sales were off 16 per cent.

Wholesale Trade

The volume of wholesale sales, based on reports received from about 80 concerns in the Fourth District representing five lines, was proportionately smaller, as compared with a year ago, than was the volume of retail sales. This in part might be due to the decline in commodity prices which usually occurs faster in wholesale than in retail goods and in part to the reduced buying of retailers. November wholesale grocery sales were down 20 per cent from November, 1929; hardware was off 22 per cent, dry goods 24 per cent, drugs 13 per cent and shoes 35 per cent. Declines for the first eleven months ranged from eight and ten per cent in groceries and drugs to 18, 20 and 32 per cent respectively in hardware, dry goods and shoes.

BUILDING

Total building activity in the Fourth District in November showed a decline of nine per cent from October, less than the average decrease for that period of past years. Compared with November, 1929, building showed a gain of over 50 per cent. This unusual situation existed, however, because of the sharp falling-off in construction work in November and December, 1929, awards dropping from \$75,307,000 in October to \$23,950,000 in November.

Building operations in November were held up by a rather large volume of commercial and educational building. Contracts for commercial buildings amounted to \$9,253,700, the largest for any month since February. Educational building contracts totaled \$8,010,000, the largest since June and barring that month the largest in the past

three years. Public construction contracts fell off seasonally.

All construction activity in the first eleven months of 1930 was 20 per cent below the same period of 1929 in this District. While all types of building except educational construction were below 1929, the declines were by no means regular. As shown on the accompanying chart residential building declined sharply in 1930, being 34 per cent below 1929 in the first eleven months, the drop being about evenly distributed between single and multiple dwellings. Public construction in the same period of 1930 amounted to nearly \$160,000,000 as compared with \$164,000,000 in the same period of the previous year. Much stress has been placed on this type of construction this year as a means of relieving unemployment.

All other awards, which include commercial, industrial, educational and other building, have also held up rather well, eleven months' contracts amounting to \$229,000,000 in 1930 as against \$288,000,000 in the same period of 1929. Industrial building (which is included in all other building on the chart) in 1930 showed the greatest decrease of all the various classes, the falling-off in the eleven months from the same period of 1929 being 42 per cent.

This partly explains why conditions in the lumber industry have been so unsatisfactory. Although building in the aggregate has been only about 20 per cent below 1929, the types of construction upon which the lumber industry relies have declined to a much greater extent. One of the largest outlets for building materials is for remodeling, additions, etc., very little of which has been done recently because of the employment situation or the fear of unemployment which has confronted many small home owners.

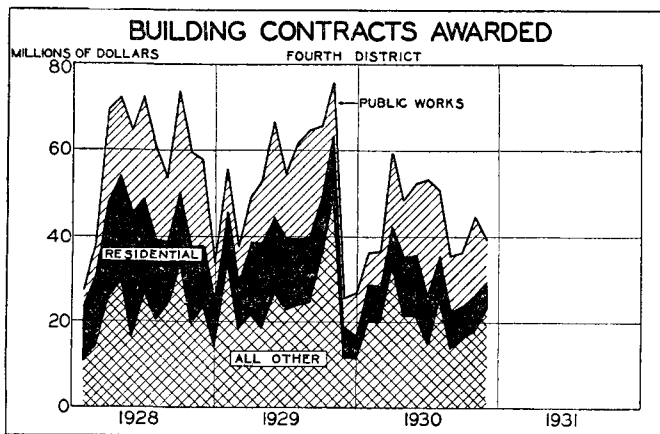
AGRICULTURE

Tobacco

The tobacco selling season was inaugurated in the second week of December with a large volume of sales, the Lexington market, the largest in the country, receiving an enormous quantity of tobacco. Much of this was of rather mediocre quality and prices showed the usual wide range. The first week's sales averaged about 20 cents a pound as against 22 cents in 1929 and 31 cents in 1928. The 1928 price was unusually high as was the volume of sales in the opening week of that year. The average price on the opening week's sales in the seven years 1923-1929 was 22.9 cents a pound.

Considering the generally poorer quality of the tobacco this year, the average price seems about as high as at the opening of last year's selling season. In some cases buyers are reported to have paid more for the 1930 burley crop, grade for grade, than they paid for that of 1929.

One complaint that has been heard, which was also made last year, is that the highest quality of tobacco is not bringing as much more than the common grades as growers have been accustomed to expect.



Fourth District Business Statistics

(000 omitted)

	November, 1930	% change from 1929	Jan.-Nov., 1930	Jan.-Nov., 1929	% change from 1929
Fourth District Unless Otherwise Specified					
Bank Debits—24 cities	2,606,000	-27.6	33,959,000	39,732,000	-14.5
Savings Deposits—end of month:					
Ohio—35 banks	786,973	+ 2.2	774,047 ¹	771,815 ¹	+ 0.3
Western Pa.—23 banks	280,457	+ 2.2	277,060 ¹	274,442 ¹	+ 1.0
Total—58 banks	1,067,430	+ 2.2	1,051,107 ¹	1,046,257 ¹	+ 0.5
Life Insurance Sales:					
Ohio and Pa.	90,992	-20.5	1,227,177	1,252,455	- 2.0
Retail Sales:					
Department Stores—57 firms	22,530	-17.4	247,222	274,107	- 9.8
Wearing Apparel—16 firms	1,463	-15.4	15,959	17,830	-10.5
Furniture—51 firms	727	-36.7	9,499	14,399	-34.0
Wholesale Sales:					
Drugs—13 firms	1,447	-13.1	17,423	19,538	-10.8
Dry Goods—10 firms	1,475	-23.8	16,920	21,185	-20.1
Groceries—41 firms	5,195	-20.6	64,466	69,837	- 7.7
Hardware—17 firms	1,678	-22.3	19,711	24,059	-18.1
Building Permits—27 cities	7,981	-46.2	146,450	197,551	-25.9
Building Contracts—Residential	5,782	-18.7	100,534	151,584	-33.7
Building Contracts—Total All Classes	37,488	+56.5	473,247	591,779	-20.0
Commercial Failures—Liabilities	4,057	+17.6	39,684	33,460	+18.6
Commercial Failures—No. Production:	169 ²	+40.8	1,837 ²	1,683 ²	+ 9.2
Pig Iron, U. S.	1,867	-34.2	29,733	42,277	-29.7
Steel Ingots, U. S.	2,235	-36.5	37,645	51,268	-26.6
Automobiles—Pass., U. S.	97,528	-41.9	2,689,550	4,478,800	-39.9
Automobiles—Trucks, U. S.	31,300	-34.9	505,134	743,507	-32.1
Bituminous Coal	14,838	-14.5	171,684	190,892	-10.1
Cement—O., W. Pa.	1,085	-29.4	16,728	15,745	+ 6.2
Electric Power—O., Pa., Ky.	1,260 ³	- 8.8	12,083 ⁴	12,602 ⁴	- 4.1
Petroleum—O., Pa., Ky.	2,164 ³	-14.4	22,854 ⁴	21,617 ⁴	+ 5.7
Shoes	5	-57.6	5	5	-25.2
Tires, U. S.	2,884 ³	-22.6	36,556 ⁴	50,180 ⁴	-27.2
Bituminous Coal Shipments:					
Lake Erie Ports	3,634	-17.3	38,075	39,105	- 2.6
Iron Ore Receipts:					
Lake Erie Ports	1,634	-47.6	31,780	45,747	-30.5

¹Monthly Average
²Actual Number
³October

⁴January-October
⁵Confidential

Wholesale and Retail Trade

(1930 compared with 1929)

	Percentage Increase or Decrease		COLLECTIONS Nov., Nov.
	SALES Nov., Nov.	SALES First 11 Months	
DEPARTMENT STORES (57)			
Akron	-16.6	-19.0	-22.7
Cincinnati	-9.3	-3.1	+ 1.9
Cleveland	-24.9	-13.0	-11.3
Columbus	-13.7	-3.6	+ 2.4
Pittsburgh	-12.1	-6.1	- 4.6
Toledo	-24.1	-18.0	- 8.0
Wheeling	-14.0	-10.9	-11.3
Other Cities	-25.1	-14.9	-19.4
District	-17.4	- 9.8	- 8.3
WEARING APPAREL (16)			
Cincinnati	-16.6	- 8.5	- 2.1
Cleveland	-10.1	-13.5	-10.1
Other Cities	-19.1	- 9.3	- 5.1
District	-15.5	-10.5	- 6.2
FURNITURE (51)			
Cincinnati	-26.0	-25.3	-19.1
Cleveland	-40.6	-33.8	-33.8
Columbus	-32.1	-30.7	-41.7
Dayton	-37.5	-27.4	-47.5
Toledo	-46.2	-48.8	-38.5
Other Cities	-25.7	-34.0	-38.1
District	-36.7	-34.0	-36.7
CHAIN STORES*			
Drugs—District (4)	- 5.5	- 2.1	.....
Groceries—District (6)	- 4.5	- 1.4	.....
WHOLESALE GROCERIES (41)			
Akron	-32.1	-21.6	.....
Cincinnati	-11.8	- 2.1	.....
Cleveland	-26.7	-13.0	.....
Erie	-20.9	- 7.6	.....
Pittsburgh	-22.6	- 6.6	.....
Toledo	-13.5	- 5.8	.....
Other Cities	-17.0	- 2.4	.....
District	-20.6	- 7.7	-21.1
WHOLESALE DRY GOODS (10)	-23.8	-20.1	-20.0
WHOLESALE DRUGS (13)	-13.1	-10.8	-12.1
WHOLESALE HARDWARE (17)	-22.3	-18.1	-23.2
WHOLESALE SHOES (5)	-35.5	-31.6	-32.7

*Sales per individual unit operated.

Debits to Individual Accounts

(Thousands of Dollars)

	4 weeks ending Dec. 17, 1930	% change from 1929	Year-to-Date (Dec. 31, 1929)	Year-to-Date (Jan. 2, 1929)	% change from 1929
Akron	78,199	-18.6	1,123,765	1,381,092	-18.6
Butler	10,800	-13.3	149,100	153,552	- 2.9
Canton	33,620	-25.3	516,985	638,012	-19.0
Cincinnati	312,795	-14.3	4,323,829	5,210,471	-17.0
Cleveland	716,796	- 9.2	9,407,427	10,897,015	-13.7
Columbus	159,244	+ 4.6	2,117,264	2,213,218	- 4.3
Dayton	67,587	-22.1	1,032,170	1,244,617	-17.1
Erie	31,646	- 9.8	451,913	479,450	- 5.7
Franklin	4,195	-26.4	58,555	71,813	-18.5
Greensburg	18,387	+ 6.5	225,959	245,562	- 8.0
Hamilton	11,092	-24.6	165,154	202,707	-18.5
Homesstead	3,787	-14.5	52,682	59,371	-11.3
Lexington	19,809	-17.2	284,249	325,024	-12.5
Lima	9,699	-20.8	143,304	182,080	-21.3
Lorain	4,946	-13.8	67,220	75,730	-11.2
Middletown	8,962	-20.8	125,682	152,635	-17.7
Oil City	12,429	-17.6	190,086	226,837	-16.2
Pittsburgh	862,259	-11.6	11,472,816	12,993,513	-11.7
Springfield	19,025	-11.8	259,715	285,518	- 9.0
Steubenville	8,550	-21.0	118,526	147,265	-19.5
Toledo	152,572	- 7.8	2,085,519	2,632,867	-20.8
Warren	8,362	-25.9	134,048	176,967	-24.3
Wheeling	41,453	- 7.0	510,047	602,519	-15.3
Youngstown	51,758	-29.1	782,669	944,604	-17.1
Zanesville	8,986	-14.3	117,025	151,076	-22.5
Total	2,656,958	-12.0	35,915,709	41,693,515	-13.9

Fourth District Business Indexes

(1923-1925 = 100)

	Nov., 1930	Nov., 1929	Nov., 1928	Nov., 1927	Nov., 1926
Bank Debits (24 cities)	96	133	122	110	108
Commercial Failures (Number)	116	82	92	101	92
Liabilities (Liabilities)	92	78	59	78	63
Sales—Life Insurance (Ohio and Pa.)	109	137	122	106	115
—Department Stores (55 firms)	90	109	110	112	114
—Wholesale Drugs (13 firms)	92	106	109	106	109
—Dry Goods (10 firms)	67	88	97	97	101
—Groceries (41 firms)	79	98	98	99	103
—Hardware (15 firms)	71	91	96	98	106
—All (82)†	78	98	101	102	107
—Chain Drugs (3 firms)**	84	88	83	90	99
Building Contracts (Total)	79	50	119	82	75
(Residential)	34	41	78	96	82
Production—Coal (O., Wn. Pa., E. Ky.)	82	96	97	77	127
—Cement (O., W. Pa., W. Va.)	90	128	132	128	96
—Elec. Power (O., Pa., Ky.)*	150	164	150	134	136
—Petroleum (O., Pa., Ky.)*	117	137	116	110	105
—Shoes	37	88	79	96	91

*October.

**Per individual unit operated.

†Includes 3 shoe firms.

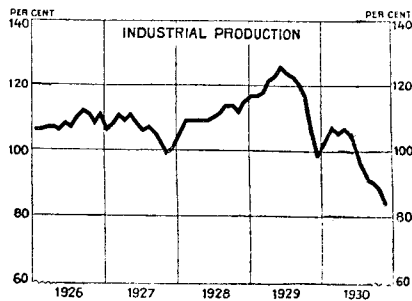
Building Operations

(Value of Permits)

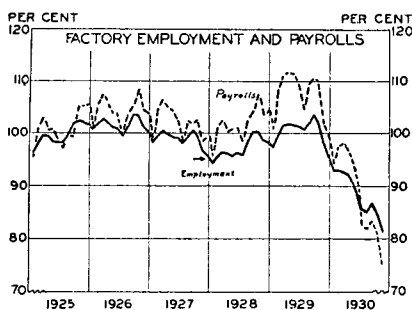
	Nov., 1930	% change from 1929	Jan.-Nov., 1930	Jan.-Nov., 1929	% change from 1929
Akron	\$187,059	-94.1	\$9,208,033	\$19,385,642	-52.5
Ashtabula	31,150	+50.9	345,771	595,172	-41.9
Barberton	4,539	-92.0	223,906	1,002,554	-77.7
Canton	195,799	+23.4	1,560,663	3,425,627	-54.4
Cincinnati	1,811,230	+20.0	37,930,007	34,450,440	+10.1
Cleveland	2,491,700	+38.0	31,797,750	36,850,900	-13.7
Cleve. Suburbs:					
Cleve. Heights	35,200	-66.0	2,468,280	2,370,730	+ 4.1
East Cleveland	8,302	-96.2	796,433	2,019,735	-60.6
Euclid	33,770	-60.7	1,322,336	2,271,327	-41.8
Garfield Heights	24,700	-61.2	534,000	1,172,550	-54.5
Lakewood	83,705	-83.5	1,498,057	1,886,837	-20.6
Parma	71,310	-48.4	1,320,229	2,433,248	-45.7
Rocky River	18,050	-50.2	1,015,093	1,417,653	-28.4
Shaker Heights	278,585	-51.4	4,922,720	6,221,950	-20.9
Columbus	275,500	-51.0	5,426,650	10,429,250	-48.0
Covington, Ky.	29,400	-72.1	635,850	1,417,225	-55.1
Dayton	149,679	-28.9	4,675,522	6,079,737	-23.1
Erie, Pa.	125,210	-39.6	3,962,283	6,056,046	-34.6
Hamilton	217,913	+279.9	1,343,477	2,006,230	-33.0
Lexington, Ky.	51,404	-27.2	1,116,714	2,033,517	-45.1
Lima	3,482	-62.4	499,409	399,915	+24.9
Newark	1,900	-93.3	232,660	655,965	-64.5
Pittsburgh, Pa.	1,296,990	-52.8	19,407,832	30,375,581	-36.1
Springfield	27,720	-24.7	754,195	1,730,021	-56.4
Toledo	239,281	-54.0	9,561,745	13,285,217	-28.0
Wheeling, W. Va.	71,022	-80.0	1,087,675	1,735,244	-37.3
Youngstown	216,260	-85.5	2,802,349	5,822,543	-51.9
Total	7,980,860	-46.2	146,449,639	197,530,856	-25.9

Summary of National Business Conditions

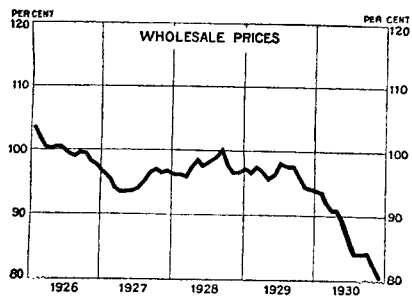
By the Federal Reserve Board



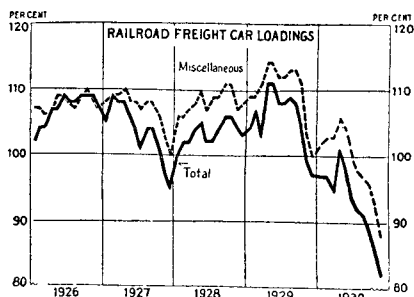
Index number of production of manufactures and minerals combined, adjusted for seasonal variations. (1923-1925 average = 100.) Latest figure, November, 84.



Index number of factory employment and payrolls, without adjustment for seasonal variations. (1923-1925 = 100.) Latest figures, November, employment 81.1, payrolls 75.1.



Index of United States Bureau of Labor Statistics. (1926 = 100, base adopted by Bureau.) Latest figure, November, 80.4.



Cars of revenue freight loaded as reported by the American Railway Association. Index numbers adjusted for seasonal variation. (1923-1925 average = 100.) Latest figure, November, total 82, miscellaneous 88.

Volume of industrial production and factory employment decreased further in November and wholesale commodity prices continued to decline. Distribution of commodities by department stores increased less than is usual for November.

Production and Employment

Industrial production declined by about four per cent in November according to the Federal Reserve Board's seasonally adjusted index. Output of iron and steel decreased further while the number of automobiles produced per working day continued at a low level. Daily average cotton consumption increased further by somewhat more than the usual seasonal amount and activity at silk mills continued to increase, while wool consumption decreased by an amount substantially larger than usual in November. Production at cement mills was reduced considerably, daily output at meat packing establishments increased less than the usual seasonal amount, and output of minerals declined.

Factory employment and payrolls showed decreases in November, reflecting in part changes of a seasonal character. The number employed in the clothing and shoe industries decreased by more than the usual amount, while employment at silk mills showed an increase contrary to the ordinary seasonal movement. In the industries producing building materials, including lumber, cement and brick, declines in employment exceeded the usual seasonal proportions. In the automobile industry employment declined further, but by an amount considerably smaller than is usual in November.

Value of contracts awarded for residential building and for public works and utilities, as reported by the F. W. Dodge Corporation, declined in November and contracts for commercial and industrial building continued at the low levels of other recent months. In the first two weeks of December the daily average of total contracts awarded was somewhat smaller than in November.

According to the December crop report of the Department of Agriculture, output of corn in 1930 was 2,081 million bushels, about 500 million less than last year and 600 million less than the five-year average, while the total wheat crop of 851 million bushels was about equal to the 1924-1928 average. The cotton crop of 14,243,000 bales was slightly smaller than in the two previous seasons. Total crop production was about five per cent smaller than a year ago.

Distribution

Freight car loadings decreased further in November by more than the ordinary seasonal amount. Expansion of department store sales from October to November was smaller than usual, following a growth in October that was larger than usual.

Wholesale Prices

The general level of wholesale commodity prices declined further in November, according to the Bureau of Labor Statistics, and there were additional price declines in the first half of December, when several commodities, including silver and cotton, reached new low levels. From the end of October to the middle of December there were substantial decreases in prices of many other commodities, including corn, hogs, pork, hides, tin and coffee while prices of copper and rubber fluctuated widely, declining at the end of the period.

Bank Credit

Loans and investments of reporting member banks in leading cities declined by about \$250,000,000 during the three week period ending December 10, reflecting a further reduction of \$69,000,000 in loans on securities, and a decline of \$196,000,000 in all other loans, off-set in part by a further small increase in investments. There was also a decline in time deposits, reflecting in large part withdrawal of Christmas funds.

In the following week, December 10 to December 17, changes in the figures for reporting banks reflected in part the closing of a large reporting bank in New York City. This resulted in a decline in the reported assets and liabilities of New York City banks.

Reserve bank credit outstanding increased by about \$294,000,000 during the four weeks ending Dec. 17, and there was also an addition of \$30,000,000 to the country's stock of gold. Discounts for member banks increased by \$126,000,000, acceptance holdings of the reserve banks by \$74,000,000 and their holdings of United States securities, including one-day Treasury certificates issued in connection with December 15 fiscal operations, by \$96,000,000. The increase in reserve bank credit outstanding reflected a large growth in the demand for currency by the public and by banks, resulting in part from the currency requirements for the holiday trade and in part from demand for cash from banks and from the public in regions where important bank failures occurred during the period.

During November and the first two weeks of December money rates continued fairly steady at extremely low levels, with prime commercial paper at a range of 2 $\frac{3}{4}$ -3 per cent, and bankers' acceptances at 1 $\frac{7}{8}$ per cent. In the third week of December there was a slight increase in rates for call and time loans on the New York Stock Exchange. The yields on high-grade bonds increased during the latter part of the period.