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Some expansion of a seasonal nature in principal industries of the Fourth District in January and early February has contributed to a further improvement in business sentiment, despite the fact that changes in this period, except for a few instances, were smaller than the average of past years at that time.

Iron and steel production increased more than seasonally in January and continued to improve in February, though at a reduced rate so far as mills in this District were concerned. Mills in the southern part of this territory were operating at much higher rates in mid-February than in other steel centers because of the heavy demand for tin plate, but Pittsburgh, Cleveland and Youngstown mills were slightly below the average for the entire country on account of slackness in automobile and pipe demand. The entire industry in the third week of February was operating at only 53 per cent of capacity as against 81 per cent in the same week of 1930. Possibly of more significance was the increase in blast furnace operations in January, a net gain of seven being shown for the month, and a further gain being reported in February.

The employment indexes at present are not particularly reliable indicators of current operations since "stagger systems" have been used so extensively during the past year. A considerable increase in production at many factories could develop with no expansion in the number of men employed simply by increasing the time worked. The decrease of five per cent in the Ohio employment index in January (based on reports from over 700 concerns), in contrast to an average decline of one per cent for that period in the preceding five years, therefore was not particularly encouraging.

Automobile production which had expanded in December contrary to the usual seasonal movement of past years, increased less in January than in the corresponding period of other recent years. Building activity expanded slightly, contrary to the trend of past years, but the total volume is still so small that seasonal changes have little significance. cement production was 30 per cent below January, 1930. Shoe production increased seasonally, but was still about 25 per cent below last year.

New life insurance sales were about 20 per cent smaller in January than in the corresponding period of 1930 and commercial failures, both number and liabilities, were unusually large.

Retail trade in January was somewhat irregular. Sales of department stores were only six per cent smaller

than in January a year ago, but the index of sales which makes allowance for seasonal variations declined eight points from December. Wholesale trade was quite depressed.

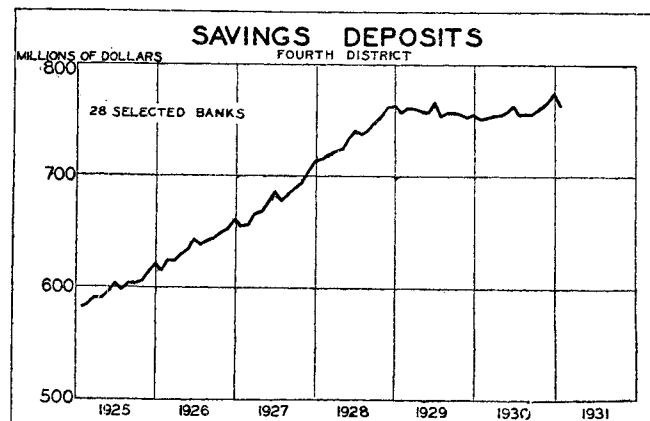
FINANCIAL

Savings Deposits

Savings deposits at 28 representative savings banks in the Fourth Reserve District decreased in January, a reduction of 1.7 per cent being recorded in the month. While this was partly seasonal, the drop from December was larger than in any similar period of the past five years. Since withdrawals in Cleveland were particularly heavy, some of the recent reduction apparently is accounted for by the lowering of the rate paid on savings deposits from 4 to 3½ per cent effective January 1. Savings at these 28 banks, which were selected so that increases resulting from consolidations would not affect the total, were still 1.5 per cent larger than one year ago. At the beginning of 1930 they were smaller than in early 1929. As noticed on the accompanying chart, however, the rate of gain in the past year has been much smaller than in preceding periods, excluding 1929.

Member Bank Credit

The sharp downward trend of collateral loans noticed at the beginning of the year at reporting member banks in leading cities of the Fourth District continued in the first three weeks of February, a decrease of \$14 million occurring in the three weeks ended February 18. Of this amount about \$5 million represented declines in loans to brokers, chiefly in New York, but the rest indicated an actual contraction in



individual collateral loans. Since December 18, loans on securities have declined \$53 million, or seven per cent, and are lower now than at any time since early 1929. On February 18 they were \$41 million below one year ago.

"All other" loans receded in the closing week of January to \$743 million, but increased in the week ended February 4 to \$750 million and remained at that level in the two ensuing weeks. Compared with one year ago these loans, the bulk of which are considered commercial, were down six per cent. Total loans of reporting banks were approximately 5.5 per cent smaller than in February, 1930.

As in early January, member banks continued to purchase government securities in the past month, an increase of \$23 million being noticed in the four weeks ended February 18. Purchases of other securities totaling \$10 million in the same period expanded the investment accounts of these reporting member banks to \$786,000,000 as compared with \$735,000,000, the December low point. Total investments were still \$25 million below the high level of last September, but were \$176 million above one year ago. Only part of this gain in investments has been offset by the decline in loans and total credit extended by these banks was \$92 million higher than one year ago. At the same time borrowings of these same banks have decreased \$23 million or 70 per cent from early 1930.

Despite the contraction in loans during the past year, demand deposits have increased over \$100,000,000 in the period, \$23,000,000 of the increase occurring since January 1. Time deposits also have increased, a gain of \$46,000,000 being shown for the year and \$9,000,000 since mid-January.

Reserve Bank Credit

The seasonal contraction in total credit extended by the Federal Reserve Bank of Cleveland continued with only a slight interruption in the month ended February 18. The total decline, however, amounted to only \$14,000,000 in four weeks, over \$8 million of which was in holdings of acceptances and therefore had little effect on credit conditions in this District since the maturity of these acceptances in most cases affects the New York market. The rest of the contraction was due to a reduction in bills discounted for member banks. The rate of decline in credit extended in the first part of February was somewhat slower than was evident in January as a slight increased demand for funds from both city and country banks was noticed. Borrowings of banks in leading cities on February 18, however,

amounted to only \$10 million as against \$31 million one year ago, while banks outside principal cities were borrowing \$14 million this year against \$18 million in February, 1930. Although there has been a slight seasonal decline in borrowings of so-called country banks in the past month, the demand for credit accommodation from this source has not shown the contraction evident in the past year in city bank borrowings.

Holdings of government securities, as shown by the chart, continue at relatively high levels, amounting at present to 65 per cent of the total credit extended by this bank. Last year at this time government securities represented only 27 per cent of all bill and security holdings while two years ago they were only 20 per cent of the total.

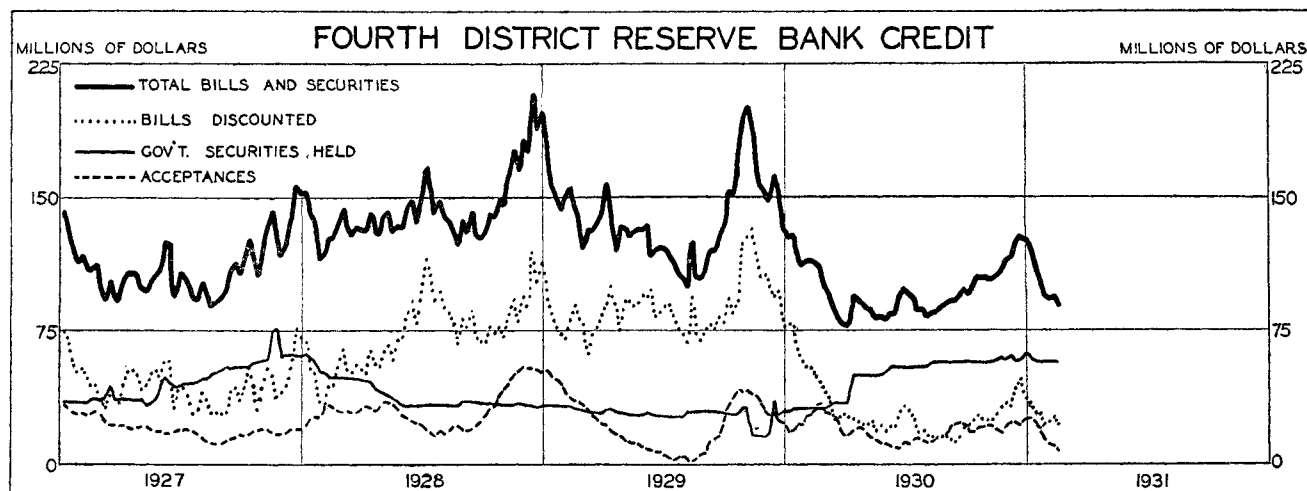
Combined holdings of acceptances and government securities on February 18 were \$66,696,000 (74 per cent of total bill and security holdings) while one year ago they equaled \$63,143,000 (56 per cent of the total) and in 1929 amounted to \$66,397,000 (43 per cent of all bills and securities). The differences between the foregoing percentages and 100 per cent represent that portion of the earning assets of the Federal Reserve Bank of Cleveland which resulted from actual credit demand from member banks within the Fourth District in mid-February and in the corresponding period of the past two years. Local credit demand has declined appreciably as compared with 1930 and 1929, but in mid-February the amount of open market credit held by this bank, resulting from operations of the Open Market Committee, was slightly above the level for that season of the past two years.

Note circulation on February 18 was \$180,095,000, only slightly below one month ago and about \$5 million higher than last year at that time. Compared with early 1929 when business was operating at very high levels and the demand for currency for payrolls and trade was unusually great, note circulation was about 12 per cent or \$20,000,000 higher than at present.

MANUFACTURING, MINING

Iron and Steel

Although iron and steel producers of the Fourth District registered moderate gains in both production and shipments from the third week of January to the third week of February, this improvement lagged slightly behind the entire iron and steel industry.



For the entire country, steelmaking operations advanced from 47 to 53 per cent in this period. Meanwhile, Youngstown mills rose from 48 to 50 per cent and held that rate, Cleveland mills went from 50 to 53 per cent and dropped back to 50, while Pittsburgh operations expanded from 45 per cent to 47 per cent of capacity.

This lag, in large measure, is accounted for by the slowness of the automotive industry to come back. Orders for material have been very light since the first of the year, but prospects in mid-February appeared somewhat brighter than in the previous months.

In tin plate the improvement in production was more marked than in other products, and by late February a rate of 70 per cent was attained. Railroad equipment specifications have been light, but by mid-February the ordering of track material had quickened perceptibly. Structural material was moving slowly. Pipe was probably the slowest of the finished lines.

In the raw materials the demand for pig iron was the most active, but even it was irregular. In the lake district shipments to the automotive foundries were improving in mid-February, forerunning the slightly better situation reflected by the larger releases of finished steel. Scrap steel was only in moderate demand because of relatively large stocks. In the foregoing, most emphasis was placed on production and shipments, for in both pig iron and finished steel most consumers had made commitments covering first quarter needs late in the fourth quarter when the price advance was made; hence the matter of bookings was secondary.

Price changes, except on pig iron, have been relatively unimportant in the past month. In finished steel there was virtually no change. Pig iron at Pittsburgh and in the Mahoning valley, however, receded 50 cents a ton in late February, generally described as a delayed adjustment, the narrow market of December and January not having reflected the reductions made in many other lines in late 1930. This reduction brought STEEL'S market composite in February to \$31.61, a new alltime low, which compared with \$31.71 in January.

Steel ingot production in January improved for the first time since last August. The daily rate of 91,971 gross tons contrasted with 77,222 tons in December and 140,596 tons in January, 1930. The expansion from the unusually low level of December was greater than seasonal, the advance in the daily rate being 19 per cent in contrast to an average seasonal gain for this period of 12.8 per cent. Unfilled orders

of the U. S. Steel Corporation also increased more than the usual amount so that the greater production apparently was not at the expense of backlogs.

Pig iron production made its first gain in eight months in January when the daily rate was 55,525 gross tons, compared with 53,732 tons in December and 91,573 tons in January, 1930. A net increase of seven blast furnaces in operation in January brought the active list to 102 out of 309 in the country. This was the first increase in blast furnace activity since March, 1930.

Coal

Production of bituminous coal in the Fourth District in January was 14,936,000 tons compared with 15,121,000 tons in December, a decline which was contrary to the experience of past years. Total output was over 18 per cent below production in the same month of 1930 and was smaller than in any similar period of the preceding eight years.

Output of Fourth District mines was proportionately higher than in other parts of the country, for total January coal production in the United States was 22 per cent below last year and 2.4 per cent below December.

In addition to very little industrial demand for coal, moderate winter weather reduced the domestic consumption of all types of fuel and the situation was further complicated by the fact that many people have found it necessary to be very conservative in their fuel consumption because of widespread unemployment. Dealers report collections rather slow, but some improvement was noticed in January.

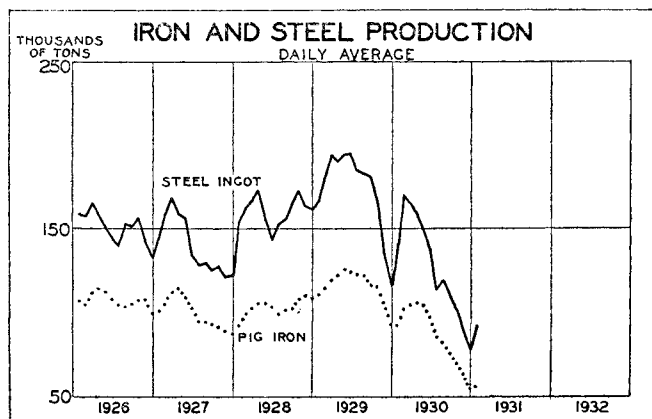
Consumers stocks of bituminous coal on January 1 were estimated by the Department of Commerce to be 37,200,000 tons, smaller than on any corresponding date since 1923. There was a slight increase in stocks in the closing quarter of 1930 as the effects of reduced industrial demand became more noticeable.

Automobiles

After increasing in December contrary to the experience of preceding years, output of automobiles in January, although being slightly larger than in December, failed to show the usual sharp upward movement that has occurred in that month in the past and the Board's index of automobile production, which is corrected for seasonal variations, declined from 85 per cent of the 1923-'25 average in December to 65 per cent in January. At this level it compared with 97 in January, 1930.

The increase from December was almost entirely in the passenger car field for truck production, at 31,577 units, was only slightly greater than in December and was 14.7 per cent below January, 1930. Output of passenger cars in January was about 14 per cent greater than in December, according to the report of the Department of Commerce, but this gain was much below the experience of past years and production was 40.6 per cent below January, 1930, and more than 200,000 cars smaller than in the first month of 1929.

Automobile manufacturers have been very cautious about increasing schedules so far this year and demand for parts and steel has been quite small. Recently a few orders have been reported which might indicate some improvement at auto factories, but so far this has been less than seasonal in most cases. According to Cram's report, production in mid-February was at about 50,000 cars a week as compared with 82,000 cars at the same factories in the corresponding week of last year and 119,000 in 1929. The increase since



the first of the year has been smaller than the average seasonal improvement of the past years.

Although new car sales in January, based on preliminary registration data from 30 states, increased about 23 per cent from December, they were still considerably below one year ago. Registrations in the ten principal counties of the Fourth District were 23.5 per cent smaller in January than in December and were 36 per cent below January, 1930. The ratio of sales to production in January, although slightly below the closing months of 1930, was still relatively high.

New Passenger Car Registrations
Ten Principal Counties

| | | | | % Change | |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| | Jan., 1931 | Jan., 1930 | Dec., 1930 | Jan., 1931 | Jan., 1930 |
| Akron (Summit) | 295 | 656 | 474 | -55.0 | -37.8 |
| Canton (Stark) | 178 | 349 | 284 | -49.0 | -37.3 |
| Cincinnati (Hamilton).... | 725 | 939 | 1,152 | -22.8 | -37.1 |
| Cleveland (Cuyahoga)..... | 1,271 | 2,084 | 1,669 | -39.0 | -23.8 |
| Columbus (Franklin)..... | 521 | 761 | 617 | -31.5 | -15.6 |
| Dayton (Montgomery)..... | 421 | 615 | 383 | -31.5 | + 9.0 |
| Pittsburgh (Allegheny)... | 1,006 | 1,522 | 1,184 | -33.9 | -15.0 |
| Toledo (Lucas)..... | 318 | 469 | 441 | -32.2 | -27.9 |
| Youngstown (Mahoning)... | 157 | 331 | 248 | -52.3 | -36.7 |
| Wheeling, W. Va. (Ohio) | 107 | 115 | 81 | - 7.0 | +32.1 |
| Total | 4,999 | 7,841 | 6,533 | -36.2 | -23.5 |

Rubber, Tires

Considerable variance of opinion seems to exist as to changes in the rubber and tire industry in the month ended February 15. In reply to inquiries, some concerns stated a slight improvement was made, others said that operations declined, while still others said there had been no change. The reports of expanding employment in January were not general in the entire industry and employment at 19 concerns dropped four per cent from December. This contrasted with relatively no change on the average of the past five years. In January the number of persons on payrolls was 25 per cent below one year ago.

The drop in the demand for tires appears to have been closely paralleled by declines in sales of other rubber products. The falling-off in the demand for sundry rubber articles was somewhat slower developing, however. Exports of manufactured rubber goods from the United States in 1930 amounted to \$62,423,293, a decline from 1929 of 23 per cent, but only a 16 per cent decrease from 1928. Exports of automotive rubber goods, amounting to \$35,284,000, were off 10 per cent during the year, while footwear and mechanical goods each declined 25 per cent.

Production of pneumatic casings in December, (the latest available) exceeded the November output for the first time since 1926 and was only eight per cent below the number manufactured in December of the preceding year. Shipments during the month exceeded production by 19 per cent, and inventories were reduced for the seventh consecutive month. At the close of 1930 they were lower than for any month since September, 1926. Based on current demand, however, they appear to be quite adequate, amounting to 2.7 month's supply.

Imports of crude rubber continue to sag, amounting to 37,098 tons in January against 47,462 tons last year and 52,305 tons in January, 1929. Stocks of crude rubber in

the United States at the end of 1930 were 206,829 long tons compared with 122,062 long tons at the end of the preceding year. Owing to the low price of rubber many estates are now harvesting restricted crops. Crude rubber prices in January averaged \$.082 a pound as compared with \$.151 one year ago. The price was further reduced in early February and on the 20th of the month ribbed smoked sheets were quoted 7½ cents a pound.

Clothing

Operations at clothing and textile factories in the Fourth District improved decidedly in January, based on employment reports furnished to the Ohio State Bureau of Business Research. At 33 concerns employment in January increased 11 per cent from December, in contrast to relatively little change for this period in the past five years. The January improvement, however, appears in part to be a result of a resumption of operations which were drastically curtailed in November, for the number employed is still 16 per cent below one year ago.

There appears to be a difference between the demand for men's and women's clothing. Textile concerns making materials for women's clothing and manufacturers of women's wear state that the volume of business since the first of the year has not been particularly disappointing when allowance is made for the reduction in prices. Salesmen report less sales resistance than has been apparent recently. Clearance sales in January seem to have met with reasonable success and merchants are now beginning to stock in moderate amounts for the spring trade.

Makers of men's clothing report a much smaller demand for spring goods and most producers are waiting for the opening of the retail selling season for indications of a change in the general situation. Demand for knit goods improved slightly in January.

Considerable difficulty regarding collections on credit extended during the past year has been experienced by some firms, although little trouble in this direction is reported by others.

Other

Manufacturing

Some seasonal expansion in operations was reported in most important lines of business in the Fourth District in early February, although the current levels are very much below similar periods of past years. A quite optimistic feeling seems to prevail in most sections despite the very reduced operations. Inventories are reported much smaller than in other recent years.

Auto Parts and Accessories Slight increase in demand for products noted in the first part of February. Employment in January at 42 factories was one per cent less than in the previous month, in contrast to a December-to-January increase of 12 per cent last year and a five-year average increase of ten per cent. The number of men employed in January was 16 per cent below 1930 and about 50 per cent below January, 1929.

Brick and Tile. Of 20 reporting concerns, ten showed decreases, nine increases and one indicated no change in employment in January. The net change from December was a slight increase which compared favorably with a three per cent decline shown in the average of the past five years.

China, Pottery. It was reported that china and pottery manufacturers have received more orders in the past 30 days than during any similar period in the past six months. Employment at 31 concerns declined more than ten per cent from December and was about 20 per cent below January, 1930.

Electrical Equipment. Current operations continue to bear the same relation to the corresponding month of the preceding year as did those of the closing months of 1930, although some seasonal improvement was shown in January. Employment in January at 16 firms increased two per cent despite the fact that more firms reported decreases than increases. Copper prices advanced to 10¼ cents a pound and stocks were reduced slightly in the past month.

Glass. Plate and rolled glass makers reported an increase in demand in January and early February, with indications that the latter month would be about equal to February, 1930. Stocks continue very small. Molded glass demand has increased seasonally, but is still quite limited. Molded glass inventories have shown little change during the past few months, but are much lower than a year ago.

Machinery, Tools. January employment at 91 concerns was one per cent less than in December and 23 per cent below last year. Demand for special machinery and tools is limited although scattered orders and inquiries are encouraging. Actual orders from the automobile industry in early February were larger than in January.

Paint and Varnish. Sales of paint and varnish in January exceeded December and continued to improve in early February. The number of employees has shown little change in the past few months, but the number of hours worked has increased, and production rates have been stepped-up in anticipation of spring and summer demand. Prices continue low and competition is keen.

Paper. Paper and boxboard concerns in this District experienced an improved demand in January and early February. Employment at ten concerns was three per cent greater in January than in December, but was still four per cent below one year ago. The pulp market continues weak.

Sheet Metal, Etc. Other than seasonal changes, little of importance has occurred in the past month. Employment in January was 18 per cent less than a year ago.

Shoes. Production of shoes in factories of the Fourth District in January increased 49 per cent from December, considerably more than the average increase for that period of past years. Despite the expansion, the January level was still over 25 per cent below the corresponding month of 1930. Reports from manufacturers are quite varied, but most are in agreement that the slight improvement in orders is entirely seasonal.

TRADE

Retail Trade

Reporting department stores in principal cities of the Fourth District experienced a smaller decline in January as compared with the same month of the preceding year than has been shown in eight months. January sales at 57 large stores were six per cent below those of last year. The decline from December was greater than has been experienced in past years, the seasonally adjusted index of department store sales falling from 93 per cent of the 1923-'25 average in December to 85 per cent in January. The largest decline from a year ago was shown at Cleveland where sales were off 10 per cent. Wheeling and Toledo sales were off seven and six per cent; Pittsburgh and Cincinnati sales were down approximately five per cent. Youngstown sales declined about three per cent and those at Akron and Columbus were less than one per cent below January, 1930.

Response to year-end and clearance sales was apparently quite satisfactory; stocks at these stores were further reduced in January, being 8.3 per cent smaller than on December 31, 1930, and 13.3 per cent below last year.

Wearing apparel sales were only 1.6 per cent smaller in January than one year ago. Chain drug sales were 1.5 per cent larger in January than in the same month of 1930, but were 11 per cent below December. Chain grocery sales were off 5.3 per cent in January from one year ago.

Wholesale Trade

All reporting lines of wholesale trade declined in January, both as compared with December and January one year ago. Wholesale grocery sales were over 17 per cent smaller in January than in the same month last year, the declines ranging from ten per cent in Cincinnati to 28 per cent in Akron. Sales of reporting firms in Cincinnati and Pittsburgh were larger in January than in December, but all other cities showed declines, sales of the 40 stores being about five per cent smaller than in December. Dry goods sales were down 25 and 30 per cent respectively, from January and December, 1930, and hardware sales were down 25 and 23 per cent in the same periods. January drug sales were in slightly smaller volume than in December and were only five per cent below one year ago.

Wholesale stocks in all lines were considerably smaller than in the opening month of 1930 and many firms say collections are only "fair."

BUILDING

Building contracts awarded in the Fourth District fell off quite sharply in the last half of January, partly offsetting the slight gain made in the first two weeks of the year. Nevertheless awards were 9.1 per cent larger in January than in December, while in the 37 states included in the Dodge report a decline from December to January was evident. Building awards in most past years have been smaller in January than in December, but the volume of construction has been so reduced for some time that seasonal changes are of very little significance. The first two weeks in February showed a further falling-off in this section.

Total construction awards in January were \$17,971,000, about half as large as a year ago and compared with \$54,680,000 in January, 1929. Residential building accounted for only \$4,936,000 of the total or about one-fourth, whereas prior to the last two years residential building was about one-third of all construction. The volume of industrial and educational building was larger in January than in December and the latter type of construction was larger than a year ago. The volume of public work and utility contracts has receded quite sharply recently and was smaller in January than in any month of the past three years.

Dealers in lumber and building materials reported an increase in inquiries in January with a slight improvement in sales in a few cases. Some difficulty regarding collections was reported.

AGRICULTURE

The annual livestock survey of the Department of Agriculture as of January 1 showed that the number of all types of animals on farms in states comprising the Fourth District was nearly five per cent less than a year ago. In the entire country the number of animals was about the same as in early 1930. The value of these animals has declined drastically, however, a reduction of \$157,000,000 or 30 per cent in the value of horses, cattle, sheep and swine being shown in the past year in Ohio, Pennsylvania, Kentucky and West Virginia. In the United States a reduction of 26 per cent in the value of farm animals was shown from a year ago.

These enormous reductions in the value of livestock reflect strikingly the extent of the general decline in prices of farm products in the past year. In the entire country the January 1 value was the lowest since 1912. The following table reveals the number and estimated value of principal types of livestock on farms in the states of this District and the United States.

Livestock on Fourth District Farms

(000 omitted)

| | Number January 1 | | Total Value January 1 | |
|--------------------------|------------------|--------|-----------------------|-----------|
| | 1930 | 1931 | 1930 | 1931 |
| Horses and Colts | | | | |
| Ohio..... | 504 | 489 | \$53,579 | \$45,254 |
| Pennsylvania..... | 346 | 336 | 41,736 | 36,210 |
| Kentucky..... | 248 | 231 | 14,712 | 11,679 |
| West Virginia..... | 118 | 114 | 10,678 | 8,966 |
| United States..... | 13,364 | 12,803 | 944,709 | 785,624 |
| Cattle and Calves | | | | |
| Ohio..... | 1,670 | 1,637 | 120,224 | 76,485 |
| Pennsylvania..... | 1,440 | 1,411 | 125,318 | 90,361 |
| Kentucky..... | 995 | 879 | 48,155 | 28,605 |
| West Virginia..... | 531 | 499 | 31,916 | 18,735 |
| United States..... | 57,978 | 58,955 | 3,321,992 | 2,340,921 |
| Sheep and Lambs | | | | |
| Ohio..... | 2,105 | 2,021 | 17,911 | 9,219 |
| Pennsylvania..... | 467 | 481 | 4,483 | 2,829 |
| Kentucky..... | 996 | 936 | 10,354 | 6,043 |
| West Virginia..... | 629 | 654 | 6,298 | 3,941 |
| United States..... | 50,503 | 51,911 | 450,684 | 277,708 |
| Swine | | | | |
| Ohio..... | 2,078 | 1,974 | 25,630 | 19,822 |
| Pennsylvania..... | 615 | 578 | 8,951 | 7,281 |
| Kentucky..... | 661 | 529 | 6,366 | 4,123 |
| West Virginia..... | 173 | 142 | 1,924 | 1,291 |
| United States..... | 53,238 | 52,323 | 732,560 | 610,200 |

The index of all farm prices continued to decline in January, as a result of a sharp reduction in prices of poultry and dairy products and a slight drop in grains. The combined index in January was 94 per cent of the five-year pre-war average as against 134 in January, 1930. Dairy products, particularly butter and eggs, have declined sharply in recent months due to an increase in production.

General rains and showers in the first part of February have helped to relieve the drought as far as the precipitation deficiency is concerned, and have proved very beneficial to winter wheat and all lands in general so far as getting it in shape for spring plowing. This was the first break in the less-than-normal precipitation which has been experienced since February, 1930. In 1930 total precipitation in Ohio was 29 per cent below normal; while in Pennsylvania, Kentucky and West Virginia deficiencies of 32, 39 and 41 per cent respectively were reported.

Tobacco

The burley tobacco selling season has been about completed and the market interest consequently has been quite dull since early February. The needs of most tobacco buyers evidently were supplied earlier in the season when the better grades were being offered, for the market was much lower in the first two weeks of February than at the opening of the season. The average for this period was close to ten cents a pound, about half that received on the opening sales. Part of this decrease was due to the inferior grades recently offered for sale, but one authority stated that, "except for the very best grades, tobacco is now selling for 5 to 7 cents less a pound, grade for grade, than earlier in the year." It was estimated that approximately 315 million pounds of burley tobacco was sold on all markets prior to February 1. This compared with about 270,000,000 pounds sold in the same period of last year and 227,000,000 pounds in 1929.

More interest at present is centered in the probable acreage to be planted this year than in the closing of the selling season. According to the Bureau of Agricultural Economics, "The general market outlook for tobacco is less favorable than it was a year ago. The domestic demand has weakened and the foreign demand is only fair. Some decrease in acreage in 1931 from the indicated high total of 2,110,300 acres harvested in 1930, therefore, seems desirable. Reductions in the flue-cured and burley acreages appear especially desirable since stocks of these types are becoming burdensome."

Of much importance in this connection is the fact that cigarette consumption in 1930 increased only .5 per cent from 1929 as compared with increases from nine to twelve per cent each year in the preceding decade. Cigar consumption in 1930 continued to decline, but at a more pronounced rate than in other recent years.

No official estimates on burley acreage to be planted are available as yet, but reports from a reliable source indicate that in the central burley region of Kentucky the acreage is expected to approximate that of last year with increases in the mountain sections and in the dark-tobacco growing districts outside the Fourth District.

Fourth District Business Statistics

(000 omitted)

| Fourth District Unless Otherwise Specified. | January, 1931 | January, 1930 | % change from 1930 |
|---|-------------------------|----------------------|--------------------|
| Bank Debits—24 cities..... | \$ 3,305,000 | 3,431,000 | — 3.7 |
| Savings Deposits—end of month: | | | |
| 28 selected banks, O., W. Pa..... | \$ 763,825 ¹ | 750,808 | + 1.7 |
| Postal Receipts—9 cities..... | \$ 2,987 | 3,269 | — 8.6 |
| Life Insurance Sales: | | | |
| Ohio, Penna..... | \$ 90,869 | 114,773 | —20.8 |
| Retail Sales: | | | |
| Dept. Stores—57 firms..... | \$ 18,426 | 19,606 | — 6.0 |
| Wearing Apparel—13 firms..... | \$ 1,129 | 1,148 | — 1.6 |
| Furniture—51 firms..... | \$ 583 | 760 | —23.2 |
| Wholesale Sales: | | | |
| Drugs—13 firms..... | \$ 1,578 | 1,657 | — 4.8 |
| Dry Goods—11 firms..... | \$ 1,228 | 1,639 | —25.1 |
| Groceries—40 firms..... | \$ 4,731 | 5,739 | —17.6 |
| Hardware—17 firms..... | \$ 1,148 | 1,522 | —24.6 |
| Building Contracts—Residential..... | \$ 4,936 | 7,848 | —37.1 |
| Building Contracts—Total—All Classes..... | \$ 17,971 | 34,861 | —48.4 |
| Building Permits—41 cities..... | \$ 4,735 | 10,741 | —55.9 |
| Commercial Failures—Liabilities..... | \$ 11,952 | 6,101 | +95.9 |
| Commercial Failures—Number..... | 254 ² | 197 ² | +28.9 |
| Production: | | | |
| Pig Iron, U. S..... Tons | 1,714 | 2,827 | —39.4 |
| Steel Ingots, U. S..... Tons | 2,483 | 3,796 | —34.6 |
| Automobiles—Pass. Car, U. S..... | 139,814 ² | 235,226 ² | —40.6 |
| Automobiles—Trucks, U. S..... | 31,577 ² | 37,025 ² | —14.7 |
| Bituminous Coal..... Tons | 14,936 | 18,260 | —18.2 |
| Cement—O., W. Pa., W. Va..... Bbls. | 505 | 727 | —30.5 |
| Electric Power—O., Pa., Ky..... k. w. h. | 1,280 ³ | 1,351 ³ | — 5.3 |
| Petroleum—O., Pa., Ky..... Bbls. | 1,967 ³ | 2,363 ³ | —16.8 |
| Shoes..... Pairs | 4 | 4 | —25.6 |
| Tires..... Casings | 2,264 ³ | 2,474 ³ | — 8.5 |

¹New Series—Figures not distorted by mergers.²Actual Number.³December.⁴Confidential.

Wholesale and Retail Trade

(1931 compared with 1930)

| | Percentage Increase or Decrease | | |
|-------------------------------|---------------------------------|------------|--------------|
| | SALES | STOCKS | COLLEC-TIONS |
| | Jan., 1931 | Jan., 1930 | Jan., 1930 |
| DEPARTMENT STORES (57) | | | |
| Akron..... | — 0.3 | —11.4 | — 6.4 |
| Cincinnati..... | — 4.8 | —10.4 | — 1.3 |
| Cleveland..... | —10.0 | —13.0 | —12.1 |
| Columbus..... | — 0.7 | —13.2 | — 2.9 |
| Dayton..... | — 5.1 | —14.7 | —10.0 |
| Pittsburgh..... | — 6.4 | —10.6 | — 5.4 |
| Toledo..... | — 6.7 | —17.9 | —15.4 |
| Wheeling..... | — 3.2 | —18.0 | —13.5 |
| Youngstown..... | — 6.9 | —12.8 | —14.3 |
| Other Cities..... | — 6.0 | —13.3 | — 9.5 |
| District..... | | | |
| WEARING APPAREL (13) | | | |
| Cincinnati..... | — 3.2 | — 5.8 | —11.2 |
| Other Cities..... | — 0.7 | —12.3 | — 6.9 |
| District..... | — 1.6 | —10.4 | — 8.1 |
| FURNITURE (51) | | | |
| Cincinnati..... | — 6.5 | ..... | — 3.9 |
| Cleveland..... | —16.0 | ..... | —28.1 |
| Columbus..... | —11.1 | ..... | —20.7 |
| Dayton..... | —39.5 | ..... | —30.3 |
| Toledo..... | —44.8 | ..... | —32.3 |
| Other Cities..... | —20.1 | ..... | —32.6 |
| District..... | —23.2 | ..... | —26.3 |
| CHAIN STORES* | | | |
| Drugs—District (4)..... | + 1.5 | ..... | ..... |
| Groceries—District (6)..... | — 5.3 | ..... | ..... |
| WHOLESALE GROCERIES (40) | | | |
| Akron..... | —28.4 | ..... | ..... |
| Cincinnati..... | — 9.9 | ..... | ..... |
| Cleveland..... | —24.4 | ..... | ..... |
| Eric..... | —21.2 | ..... | ..... |
| Pittsburgh..... | — 8.9 | ..... | ..... |
| Toledo..... | —12.6 | ..... | ..... |
| Other Cities..... | —14.2 | ..... | ..... |
| District..... | —17.6 | — 3.8 | —19.0 |
| WHOLESALE DRY GOODS (11)..... | —25.1 | —28.3 | —24.8 |
| WHOLESALE DRUGS (13)..... | — 4.7 | ..... | — 5.1 |
| WHOLESALE HARDWARE (17)..... | —24.6 | —16.7 | —25.0 |

*Sales per individual unit operated.

Debits to Individual Accounts

(Thousands of Dollars)

| | 4 weeks ending Feb. 18, 1931 | % change from 1930 | Year-to-date Jan. 1 to Feb. 18, 1931 | Year-to-date Jan. 2 to Feb. 19, 1930 | % change from 1930 |
|-------------------|------------------------------|--------------------|--------------------------------------|--------------------------------------|--------------------|
| Akron..... | 70,169 | —21.8 | 133,117 | 174,020 | —23.5 |
| Butler..... | 7,754 | —22.9 | 15,549 | 20,034 | —22.4 |
| Canton..... | 33,199 | —21.3 | 64,319 | 84,032 | —23.5 |
| Cincinnati..... | 320,214 | — 8.8 | 622,338 | 681,729 | — 8.7 |
| Cleveland..... | 586,570 | —18.5 | 1,371,590 | 1,424,599 | — 3.7 |
| Columbus..... | 141,394 | —11.5 | 295,656 | 304,633 | — 2.9 |
| Dayton..... | 66,233 | —23.0 | 146,603 | 172,835 | —15.2 |
| Erie..... | 27,682 | —27.1 | 49,504 | 66,677 | —25.8 |
| Franklin..... | 3,312 | —23.7 | 7,036 | 9,214 | —23.6 |
| Greensburg..... | 7,178 | —59.5 | 19,931 | 31,736 | —37.2 |
| Hamilton..... | 10,475 | —27.0 | 18,471 | 25,173 | —26.6 |
| Homestead..... | 3,579 | —11.0 | 6,209 | 7,163 | —13.3 |
| Lexington..... | 27,223 | —30.1 | 53,220 | 74,837 | —28.9 |
| Lima..... | 9,836 | —11.1 | 20,691 | 23,523 | —12.0 |
| Lorain..... | 4,438 | —11.7 | 8,499 | 9,830 | —13.5 |
| Middletown..... | 9,386 | —11.6 | 18,050 | 20,777 | —13.1 |
| Oil City..... | 10,175 | —27.4 | 20,443 | 26,363 | —22.5 |
| Pittsburgh..... | 803,286 | — 5.7 | 1,408,656 | 1,551,025 | — 9.2 |
| Springfield..... | 16,439 | —21.3 | 33,264 | 41,548 | —19.9 |
| Steubenville..... | 7,468 | —20.0 | 13,517 | 17,409 | —22.4 |
| Toledo..... | 126,628 | —28.0 | 270,362 | 334,548 | —19.2 |
| Warren..... | 8,554 | —31.9 | 17,271 | 23,176 | —25.5 |
| Wheeling..... | 32,074 | —20.2 | 65,627 | 76,355 | —14.1 |
| Youngstown..... | 47,385 | —16.9 | 94,573 | 118,267 | —20.0 |
| Zanesville..... | 8,249 | — 7.3 | 16,561 | 16,820 | — 1.5 |
| Total..... | 2,388,900 | —14.5 | 4,791,057 | 5,336,323 | —10.2 |

Building Operations

(Value of Permits)

| | January, 1931 | January, 1930 | % change from 1930 |
|-------------------------|---------------|---------------|--------------------|
| Akron..... | \$ 113,419 | \$ 348,765 | —67.5 |
| Ashtabula..... | 4,437 | 15,830 | —72.0 |
| Canton..... | 33,525 | 506,590 | —93.4 |
| Cincinnati..... | 722,505 | 2,922,483 | —75.3 |
| Cleveland..... | 1,366,500 | 3,031,200 | —54.9 |
| Cleveland suburbs*..... | 501,740 | 1,253,030 | —60.0 |
| Columbus..... | 365,200 | 128,200 | +184.9 |
| Covington, Ky..... | 18,925 | 63,200 | —70.1 |
| Dayton..... | 73,869 | 307,947 | —76.0 |
| Elyria..... | 4,950 | 25,255 | —80.4 |
| Erie, Pa..... | 61,060 | 65,325 | — 6.5 |
| Hamilton..... | 22,390 | 83,058 | —73.0 |
| Lexington, Ky..... | 21,195 | 25,590 | —17.2 |
| Lima..... | 5,150 | 242,800 | —97.9 |
| Mansfield..... | 189,855 | 29,375 | +546.3 |
| Marion..... | 1,450 | 3,000 | —51.7 |
| McKeesport, Pa..... | 26,745 | 35,396 | —24.4 |
| Middletown..... | 2,320 | 21,890 | —89.4 |
| Newark..... | 5,060 | 18,725 | —73.0 |
| Pittsburgh, Pa..... | 581,335 | 672,140 | —13.5 |
| Portsmouth..... | 56,400 | 157,000 | —64.1 |
| Sandusky..... | 12,800 | 1,400 | +814.3 |
| Springfield..... | 3,685 | 56,075 | —93.4 |
| Steubenville..... | 8,100 | 48,250 | —83.2 |
| Toledo..... | 407,401 | 402,960 | + 1.1 |
| Warren..... | 10,367 | 42,130 | —75.4 |
| Wheeling, W. Va..... | 51,526 | 68,967 | —25.3 |
| Youngstown..... | 63,101 | 164,497 | —61.6 |
| Total..... | 4,735,010 | 10,741,078 | —55.9 |

*Includes Bay Village, Cleveland Heights, East Cleveland, Euclid, Fairview, Garfield Heights, Lakewood, Maple Heights, Parma, Rocky River, Shaker Heights, South Euclid, University Heights.

Fourth District Business Indexes

(1923-1925=100)

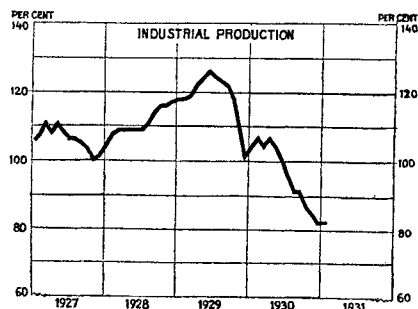
| | Jan., 1931 | Jan., 1930 | Jan., 1929 | Jan., 1928 | Jan., 1927 |
|--|------------|------------|------------|------------|------------|
| Bank Debits (24 Cities)..... | 122 | 127 | 136 | 127 | 126 |
| Commercial Failures (Number)..... | 174 | 121 | 134 | 184 | 151 |
| “ (Liabilities)..... | 271 | 138 | 105 | 136 | 69 |
| Postal Receipts (9 Cities)..... | 115 | 125 | 122 | 116 | 118 |
| Sales—Life Insurance (Ohio and Pa.)..... | 109 | 137 | 130 | 103 | 103 |
| “ —Department Stores (55)..... | 71 | 78 | 86 | 85 | 85 |
| “ —Wholesale Drugs (13)..... | 101 | 106 | 130 | 104 | 109 |
| “ —Dry Goods (10)..... | 48 | 62 | 70 | 73 | 69 |
| “ —Groceries (40)..... | 75 | 91 | 92 | 82 | 82 |
| “ —Hardware (15)..... | 48 | 65 | 75 | 75 | 82 |
| “ —All (78)..... | 69 | 83 | 90 | 82 | 83 |
| “ —Chain Drugs (4)**..... | 86 | 82 | 81 | 82 | 94 |
| Building Contracts—Total..... | 38 | 73 | 115 | 55 | 94 |
| “ —Residential..... | 29 | 46 | 66 | 74 | 79 |
| Production—Coal (O. W. Pa. E. Ky.)..... | 83 | 101 | 103 | 86 | 117 |
| “ —Cement (O. W. Pa. W. Va.)..... | 42 | 60 | 68 | 63 | 47 |
| “ —Petroleum (O. Pa. Ky.)*..... | 106 | 128 | 107 | 102 | 102 |
| “ —Elec. Power (O. Pa. Ky.)*..... | 152 | 161 | 149 | 145 | 140 |
| “ —Shoes..... | 66 | 89 | 104 | 105 | 92 |

*December.

**Per individual unit operated.

Summary of National Business Conditions

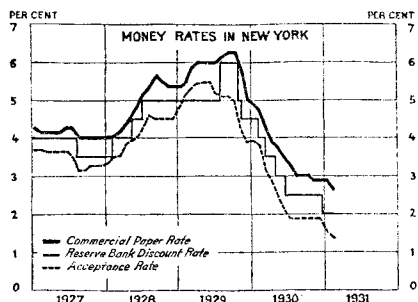
By the Federal Reserve Board



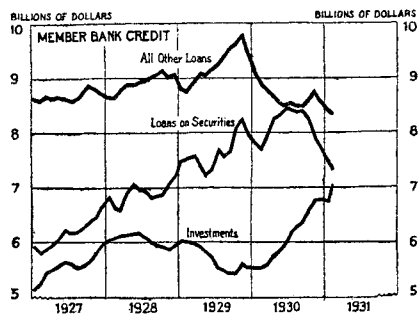
Index Number of industrial production, adjusted for seasonal variation. (1923-1925 = 100.) Latest figure, January, 82.



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 = 100.) Latest figure, January Employment, 76.4, Payrolls, 68.4.



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 nineteen days in February.



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

Industrial activity increased in January by slightly less than the usual seasonal amount, and factory employment and payrolls declined. Money rates in the open market declined further from the middle of January to the middle of February.

Industrial Production and Employment

The Board's index of industrial production, which is adjusted for seasonal variation, showed a decrease of less than one per cent in January, compared with declines of three per cent in November and in December. Activity in the steel industry, which was at a low level in December, increased during the following month by considerably more than the usual seasonal amount; output of automobiles, which had shown an unusual increase in December, increased less in January than in the corresponding month of other recent years. The cotton and wool textile industries were more active in January, while the output of copper, petroleum and coal declined.

The number of wage earners employed at factories was smaller in the payroll period ending nearest the 15th of January than in the preceding month, reflecting in part extended year-end shut-downs. There were large declines in employment at foundries and at establishments producing hosiery, women's clothing, lumber, brick, cement and tobacco products; employment in the men's clothing, leather and agricultural implement industries increased somewhat more than usual for the season. Factory payrolls were considerably reduced in January.

Value of contracts awarded for residential building continued to decline in January, according to the F. W. Dodge Corporation, while contracts for public works and utilities increased. In the first half of February the daily average of contracts awarded for residential building increased.

Distribution

Volume of freight carloadings was reduced further in January contrary to the usual seasonal tendency, reflecting decreases in shipments of coal, merchandise, and miscellaneous freight. Department store sales, which always show a sharp reduction from December to January, declined by less than the estimated seasonal amount.

Wholesale Prices

The general level of wholesale commodity prices declined further by two per cent in January, according to the Bureau of Labor Statistics. Prices of many leading agricultural products and of copper, and silver decreased substantially, while prices of cotton and silk advanced. In the first half of February the price of cotton continued to rise and in the middle of the month copper also advanced, while the price of silver declined to new low levels and prices of livestock continued to decrease.

Bank Credit

Volume of credit at member banks in leading cities showed little change from January 14 to February 11, further declines of \$200,000,000 in loans on securities and of \$115,000,000 in all other loans being largely offset by an increase of \$310,000,000 in the banks' holdings of investments. In the first three weeks of February bank suspensions declined sharply and a number of banks, previously suspended, resumed operations. Volume of reserve bank credit outstanding decreased by \$175,000,000 between the weeks ending January 17 and February 14, reflecting a reduction of \$70,000,000 in member bank balances and \$80,000,000 in money in circulation, together with an increase of \$25,000,000 in the stock of monetary gold. The principal reduction has been in acceptance holdings of the reserve banks.

Money Rates

Money rates in the open market continued to decline after the middle of January and by the middle of February were at new low levels. The prevailing rate on prime commercial paper declined to a range of 2½-2¾ per cent; and the rate on bankers' acceptances was reduced to 1¼ per cent, but subsequently advanced to 1½ per cent.