



MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

Vol. 10

Cleveland, Ohio, May 1, 1928

No. 5

The uptrend in general business in the Fourth District, so noticeable in the first quarter, has been less marked in April. Some seasonal gains have taken place, but outside of these, conditions are not much changed from a month ago. As for individual lines, the important iron and steel industry has maintained its first quarter pace throughout April, the steel market being supported principally by automotive demand. The tire industry has been adversely affected by the sharp drop in crude rubber prices. Building contracts awarded in March were unusually large, but cold weather in April has held back some new building. Motor and accessory concerns are doing well, particularly the latter. The clothing trade is fair to good, but shoe manufacturing operations have quieted down after the excellent showing of January and February. The coal industry remains depressed, although demand is slightly better. Retail trade showed up very well in March. The winter wheat crop in Ohio is the worst in forty years.

The first quarter was marked by a real upturn in business both in this District and in the country as a whole. The Federal Reserve Board's index of industrial production (adjusted for seasonal) rose from 99 in De-

ember to 106 in January and 110 in February, and also stood at 110 in March. Similar advances took place in this bank's weekly index of distribution (see chart above) and the Annalist's index of general business activity. A further proof is found in corporation earnings, shown below; the majority of concerns whose statements have been published so far report larger net profits than in the first quarter of 1927, the combined increase for 131 corporations being 10.8 per cent.

As for April, the general distribution of goods was lower in the first half of the month than in March. This bank's weekly index of car loadings (adjusted for seasonal) averaged 105.7 in March and stood at 105.1 on March 31. For the week ending April 7 the index declined to 103.5, and the following week it fell to 100.7.

CORPORATION EARNINGS

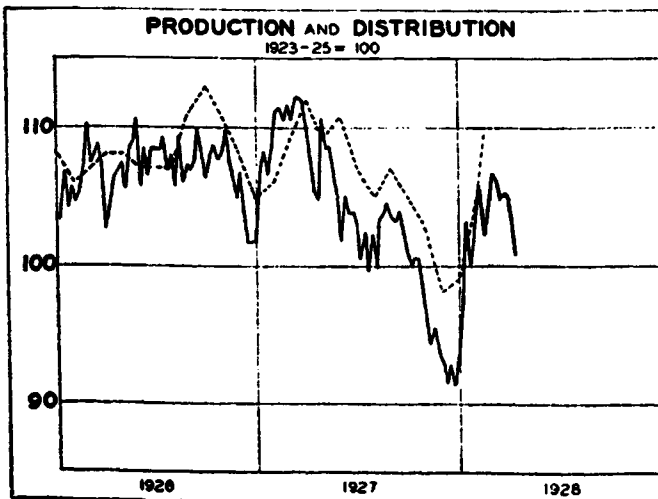
First quarter net earnings of 131 industrial corporations in the United States whose statements have so far appeared show a gain of 10.8 per cent over the same period in 1927, and a gain of 11.4 per cent over 1926. The increase over last year is particularly notable in that 81 out of the 131 concerns, or 61.8 per cent of the total, showed larger net earnings than a year ago. Most lines of industry shared in the gain, on the basis of figures already received. The steel group was an exception, although even here 8 out of 14 companies reported increases. The following table, although incomplete, furnishes a good comparison of net earnings in the first quarter of 1928 and 1927.

NET EARNINGS OF 131 INDUSTRIALS

	(In thousands of dollars)		% change	No. Incr.	No. Decr.	First Quarter 1926
	First Quarter 1928	First Quarter 1927				
5 Chemicals	\$ 10,826	\$ 9,586	+12.9	4	1	\$ 9,050
13 Food, Packing.....	24,145	23,504	+ 2.7	9	4	22,057
7 Mining	2,171	2,279	- 4.7	1	6	2,193
10 Motor						
General Motors	69,469	52,551	+32.2	1	0	40,645
Others	20,342	15,195	+33.9	7	2	21,133
Total	89,811	67,746	+32.6	8	2	61,778
9 Motor Accessory	4,474	3,542	+26.3	8	1	3,328
10 Oil	6,922	9,384	-26.2	3	7	16,702
14 Steel						
U. S. Steel.....	21,332	26,327	-19.0	0	1	26,075
Others	14,469	17,397	-16.3	8	5	19,334
Total	35,801	43,724	-18.1	8	6	45,409
4 Stores	3,435	2,829	+21.4	4	0	3,223
59 Miscellaneous	65,257	56,664	+15.2	36	23	53,670
131 Total	242,842	219,258	+10.8	51	50	217,915

FINANCIAL

Several important financial developments have occurred recently. Commercial loans have increased notice-



Solid line—Weekly index of car loadings, F. R. B. of Cleveland (1923-1925=100). Latest figure: Week ending April 14—100.7. Broken line—Monthly index of industrial production, F. R. Board (1923-1925=100). Latest figure: March-110. Both curves adjusted for seasonal variation.

ably; brokers' loans have made a new high; heavy gold exports took place in March; interest rates are noticeably higher, and five Federal Reserve banks had raised their rediscount rate up to April 30th.

Local money rates in mid-April were about the same as a month earlier, but there was a perceptible hardening of rates in the New York market. The rate on bankers' acceptances advanced from $3\frac{1}{2}$ to $3\frac{3}{4}$ per cent, and that on commercial paper from $4\frac{1}{8}$ to $4\frac{1}{4}$, while on the stock exchange, time money of various maturities advanced from $4\frac{3}{8}$ - $4\frac{1}{2}$ per cent to $4\frac{3}{8}$ - 5 . Call money rose from $4\frac{1}{2}$ per cent on March 15 to 5 on April 2, and on April 11 touched 6 per cent. By the 20th, however, it had fallen to $4\frac{3}{4}$, slightly higher than a month ago. On April 20 the Federal Reserve Banks of Boston and Chicago raised their rediscount rate from 4 to $4\frac{1}{2}$ per cent, followed by a similar raise by the St. Louis bank on April 23 and by Minneapolis and Richmond a day later.

One of the notable financial features of the past month has been the steady rise in "all other" loans of reporting member banks, including commercial loans. This item was almost stationary throughout 1927, but in the Fourth District has risen from \$766,000,000 on March 1 to \$779,000,000 on April 18, and in the United States, from \$8,672,000,000 to \$8,926,058,000. Loans secured by stocks and bonds have also increased sharply since the middle of March both in this District and the United States, while loans to brokers and dealers in securities in New York made a new high for all time on April 18.

While member bank credit has thus been expanding, further heavy gold exports have taken place, amounting to \$97,536,000 in March—the largest in one month for several years. The net loss in the nation's gold stock from September 1, 1927, to April 1, 1928, amounted to \$283,000,000. This loss of gold coupled with expanding member bank credit has had an undoubted effect in strengthening interest rates.

The Federal Reserve System continued to sell Government securities during the first part of April, holdings of the System falling from \$383,000,000 on April 4 to \$341,000,000 on the 18th, and of this bank from \$47,600,000 to \$42,978,000. The loss in Government securities has been accompanied by an increase in rediscounts, while acceptance holdings have also gained slightly since the middle of March.

Savings deposits of 68 banks in this District amounted to \$1,016,682,461 on March 31, a gain of 7.1 per cent for the year and of 0.5 per cent for the month.

Debits to individual account at 13 large centers in this District were \$2,649,641,000 in March, as compared with \$2,659,473,000 a year ago and \$2,375,108,000 in February.

Commercial failures as reported by R. G. Dun and Company, numbered 183 in March, 186 in February, and 193 a year ago. Liabilities were \$8,433,754 in March, \$4,727,509 in February and \$4,724,804 a year ago. In the United States there were 2236 failures in March, 2176 in February, and 2143 in March, 1927.

The following table gives the main changes in the balance sheets of the Federal reserve and reporting member banks:

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	Apr. 18, 1928	Apr. 20, 1927	Mar. 21, 1928	Apr. 18, 1928	Apr. 20, 1927	Mar. 21, 1928
	Gold Reserves	264	292	248	2,719	3,085
Discounts	57	53	57	620	415	477
Acceptances	30	20	29	351	247	333
U. S. Securities	43	37	48	341	333	385
Total bills and securities	130	109	134	1,312	996	1,195
Federal Reserve notes in circulation	192	209	189	1,582	1,730	1,565
Total deposits	195	185	185	2,423	2,300	2,360

REPORTING MEMBER BANKS

	Fourth District (In Millions)			United States (In Millions)		
	Apr. 11, 1928	Apr. 13, 1927	Mar. 14, 1928	Apr. 11, 1928	Apr. 13, 1927	Mar. 14, 1928
	Loans secured by stocks and bonds	676	602	653	6,790	5,658
All other	784	733	777	8,968	8,686	8,799
Total loans	1,460	1,335	1,430	15,758	14,344	15,325
Investments	733	653	713	6,592	5,855	6,538
Demand deposits	1,059	1,050	1,032	13,905	13,059	13,784
Time deposits	954	841	953	6,824	6,032	6,701

MANUFACTURING, MINING

Iron and Steel Momentum acquired by the steel industry in the opening quarter of 1928, when more steel was produced than in any quarter in history, has carried it through April at a higher rate than was anticipated a month ago by many observers. As the second quarter wears on and seasonal factors operate, some markets have become spotty and some prices are unsettled, but considering the record output thus far in 1928 and the fact that prices netted by the mills are higher than a year ago, the general market situation is satisfactory.

April has been a month of specifying rather than one of buying. This condition is not unusual for the opening of a quarter. With the strong upward tendency of prices that marked the first quarter checked, consumers lack an important stimulus for forward buying, and the hand-to-mouth tendency is becoming more pronounced. The important factor, however, is that consumption continues on the high plane of March.

Automotive production has proceeded in April at a heavy rate, thereby revealing why automotive demand has been the chief support of the steel market. The gradual increase in Ford output is being reflected both in direct purchases by the company and the coverage by recipients of Ford parts orders.

Steel bars, moving direct to automotive users or to cold finishers for processing, have led the heavy steel products. Plate mills have benefited by a moderate increase in placements of oil tanks. Line pipe inquiries have broadened, arousing hope that diminishing backlogs of pipe mills in the Mahoning Valley will be lengthened. Eastern railroads have been fair buyers of track fastenings at Pittsburgh, but secondary rail buying has lagged. Building steel orders exceed a year ago.

On heavy steel the market seems to have settled to \$1.85 per 100 pounds (Pittsburgh), a \$1.00 per ton advance over most first quarter contracts, although \$1.90 is obtained on small lots. Sheet grades retreated \$3.00 per ton when autobody sheets dropped from \$4.15 (Pittsburgh) to \$4.00 per 100 pounds. Second quarter steel strip arrangements are based upon first quarter prices or \$1.00 to \$2.00 per ton higher in some cases. On line pipe the mills have withdrawn discounts amounting to \$2.00 per ton. Wire products, especially nails, are weaker.

and \$2.65 per 100 pounds (Pittsburgh) on nails has been shaded \$2.00 per ton.

Pig iron has entered the second quarter priced no higher than the first quarter and indicating occasional weakness. In the Pittsburgh district steel producers have borne down on the merchant market by selling their surplus metal direct and taking advantage of their favorable freight rates. Bessemer iron has sold at \$17.50 per ton (Valley) and No. 2 foundry iron at \$17.25 (Valley). Automotive foundries have taken more iron from the lake furnaces thus far in 1928 than in any similar period. Coke in the Connellsville district has vacillated, with a tendency toward a softer market.

Steel ingot production in March, at 4,507,520 tons, compared with 4,045,304 tons in February and 4,535,272 tons last March. The daily rate of March fell only 928 tons of the record 167,973 tons of March, 1927. The first quarter total was 12,544,156 tons, against 12,137,192 tons in the opening quarter of 1927.

When pig iron reached a daily rate of 103,493 tons in March it registered the highest point since May, 1927, but it fell short of the 112,326 tons of last March. The March total was 8,962,464 tons, compared with 9,524,057 tons a year ago. Ten more blast furnaces were active at the end of March than at the close of February.

After rising since the first week of January, the Iron Trade Review composite of fourteen iron and steel products reached its zenith the second week of March. The extent of the rise was from \$35.07 to \$35.91. By the close of April this barometer was down to about \$35.56. The revised average for March is \$35.81, compared with \$35.62 for February and \$36.83 last March.

Coal

The soft coal industry in the Fourth District has been quiet during the past month. Prices have fluctuated within narrow limits, following a slight upward trend in March. Industrial stock piles are still declining steadily, and have finally reached the point where they are not particularly excessive. Some betterment in demand is reported by Fourth District dealers in response to increased manufacturing operations. The underlying factor of excess productive capacity is still present, however, and depression continues in the industry as a whole.

Production of bituminous coal in the United States dropped sharply early in April after holding up well during March. The daily average rate for the week ending April 7 was 1,259,000, as compared with 1,552,000 in the preceding week and 1,649,000 in the same week a year ago.

Rubber and Tires

The principal development in this industry during April was the abolition of the Stevenson Restriction Act, effective next November 1. This Act, which has been in effect more than five years, has restricted the amount of exports allowed from British-owned plantations to a varying percentage of standard production. It was designed to aid the rubber-growing industry of the British East Indies, which suffered disastrous losses in the 1921-1922 price decline, by securing more stable prices at higher levels. The average yearly price rose from about 17 cents a pound in 1922 to slightly more than 25 cents

in 1923 and 1924. In 1925 quotations rose violently, reaching an average of over \$1.00 during the final quarter. Early in 1926 a correspondingly abrupt decline took place, and in 1927 the price ranged between 35 and 42 cents a pound for the most part, with the general trend downward in spite of successive reductions in the amount of exports allowable. The most important factor in the declining effectiveness of the Stevenson Act has been the rapid increase in rubber grown on Dutch plantations. production in the Dutch East Indies now amounting to nearly half of the world total.

The announcement on April 4 with regard to the Stevenson Act resulted in a sharp drop in crude rubber prices. These had been weak since early in the year, declining from an average of 40 cents a pound in January to 33 cents in February and 27 cents in March. On April 4 a decline of 6 cents took place, the price touching 21 cents, and by the 17th it had slumped further to 17 cents. Such a price has not prevailed during the last eighteen years except in the 1921-1922 period.

The effect of the rapid price decline in this District has been to curtail dealer demand for tires. Business of Akron manufacturers in April consequently slowed down to some extent, and was hardly up to the levels of the preceding six months. The latest report of the Department of Commerce indicates that dealers were well stocked up with tires on April 1, and many of them were thus in a position to restrict purchases while awaiting further developments in the price field. The following table shows that with the exception of inner tubes, dealers' stocks are now considerably higher than in the three preceding years.

Average Stocks per Dealer in the United States on April 1st.

	1928	1927	1926	1925
Total casings (including balloons)	78.9	70.6	63.9	62.2
Balloon casings (alone)	40.1	35.5	21.9	14.8
Inner tubes	121.2	120.9	119.6	102.1
Solid and cushion tires	33.2	24.7	26.6	20.1

World production (net exports) and absorption (net imports) of crude rubber in 1927 were as follows:

Production (long tons)	Absorption (long tons)	
British Malaya	United States	398,453
Ceylon	United States (Guayule)	5,019
India and Burma	United Kingdom	60,248
Sarawak	Germany	38,892
British N. Borneo	France	34,274
	Canada	26,405
Total British	Japan	20,521
Java and Madura	Russia	12,018
Sumatra, East Coast	Italy	11,381
Other Dutch E. Indies	Australia	9,490
	Belgium	6,491
Total Dutch	All Other	9,630
Siam	Grand Total	632,822
French Indo-China		
Brazil		
All Other		
Grand Total		606,474

Automobiles The automotive industry continues to improve. March production in the United States aggregated 412,825 cars and trucks as against 394,443 in 1927 and 434,417 in 1926. The first quarter of 1928 showed a gain in production of 3 per cent over last year.

Another evidence of improvement is found in first quarter earning statements of ten automobile companies. All but two of these recorded larger earnings than a

year ago, the increase for the group being 32.6 per cent. Motor accessory concerns whose reports have already been published also exhibit a gain of 26.3 per cent for the quarter.

Truck and accessory manufacturers in the Fourth District report a seasonal betterment over the last quarter of 1927. Accessory makers are also enjoying better business than a year ago, while the truck business is about the same as in 1927 at this time.

Clothing Retail clothing sales in this District in March were considerably larger than last year, possibly because of heavier Easter buying in March. Wholesale dry goods sales were not quite as good as a year ago, and manufacturers report but little change during the past few weeks.

Nearly all clothing articles shared the gain in sales over March of 1927, according to reports from 41 retail firms in this District. Women's coats gained 3.8 per cent; dresses, 3.2; misses' coats and suits, 9.9; misses' dresses, 22.7; girls' wear, 15.8; house dresses, 10.5; men's furnishings, 8.0; hats and caps, 6.7; and boys' wear, 15.9 per cent. On the other hand, men's clothing declined 2.6 per cent, and sports' wear 5.5 per cent. March sales of 13 wholesale dry goods houses were 1.8 per cent less than a year ago, but the first quarter recorded a gain of 2.6 per cent.

Manufacturers of women's ready-to-wear clothing report a seasonal slackening following the Easter season, but the present volume of business compares favorably with a year ago. Makers of men's clothing have been preparing for the opening of Fall lines, and salesmen are now out. Conditions are not quite as good as last year. Shipments of knit goods were in large volume during the first quarter, but during April have fallen below last year. Business in woolen materials is poor, being less than last year, and the present trend is downward.

Shoes After producing an unusually large number of shoes in February, the industry in this District quieted down somewhat in March. Preliminary figures indicate that March production was 18.5 per cent less than that of February, a decrease considerably greater than seasonal. This is hardly to be wondered at, however, in view of the exceptional activity in February. As compared with March of a year ago, production was 9.1 per cent less, but was greater than in March of 1924, 1925 and 1926. First quarter output in 1928 was 6.9 per cent larger than in 1927.

April business has proved somewhat backward on account of the unseasonably cold weather, according to Cincinnati manufacturers, but the outlook is considered promising.

Sales of reporting wholesale shoe houses in March were 10.7 per cent less than a year ago, but were 38.1 per cent larger than in February. For the first quarter of 1928 there was a loss of 12 per cent as compared with the same period in 1927.

March shoe sales in 41 department stores in the Fourth District showed gains over last year of 2.8 per cent in women's, 15.9 in children's, and 18.6 in men's and boys' shoes.

Other Manufacturing The irregular condition of business is emphasized by the reports from a number of manufacturing lines which appear below. On the whole, the general trend is slightly upward but not to the same extent as a month ago.

Agricultural Implements. Business has expanded with the coming of Spring and is as good as or better than a year ago.

Boxboard. The present trend is downward and conditions compare rather unfavorably both with a month ago and with a year ago.

Clay Products. A marked improvement, partly seasonal, has occurred lately, reversing a downward trend extending through the last two months of 1927 and January of 1928. Orders are now equal to those of a year ago.

Cork. Foreign competition has proved a retarding factor. Conditions consequently are no better than in the last quarter of 1927, and are not as good as a year ago.

Electrical Supplies. The present trend is slightly upward. In some cases business is better than it was a few months ago, but this is not generally true. Prices have been slightly more stable recently.

Machinery. The demand for engineering specialties has improved considerably since the first of the year and is about equal to a year ago. Orders for machine tools in April exceeded those of March and the present trend appears to be upward. Business in woodworking machinery is quiet, but is gradually improving.

Metal Containers. March sales were well in excess of both February, 1928, and March, 1927. The general situation is good; stocks in customers' hands are small, and demand continues strong.

Paint. Business is spotty, but in general shows a betterment over last year. The usual seasonal increase has occurred since the first of the year although cold weather in April has retarded outdoor work to some extent. Increasing automobile production continues to be a strong factor, and those concerns which sell largely to the motor trade are doing very well. Competition remains very keen, and some price cutting is reported. Raw materials are steady, however, and pig lead has advanced \$2.00 per ton recently.

Paper. Orders during the first quarter showed a declining tendency, dropping below production in some instances, but a slight improvement is evident in April.

Stoves and Ranges. One manufacturer reports a pickup during the month, and also states that first quarter business exceeded that of a year ago. Another reports no definite trend, the general trend being virtually unchanged from a month ago. Collections have been noticeably slow.

Watches, Jewelry. Business is about the same as last year but is better than a month ago. The present trend is stationary.

AGRICULTURE

Winter wheat in this District on April 1 had the lowest average condition in forty years, according to the United

States Department of Agriculture. The average condition of the Ohio crop fell from 96 per cent of normal on December 1, 1927, to 32 per cent on April 1. The condition a year ago and the ten-year average were the same, namely 79 per cent. Kentucky wheat on April 1 was estimated at 34 per cent of normal as compared with 90 per cent on April 1, 1927, and 84 per cent, the ten-year average.

Ohio yielded 2,324,000 acres of wheat last fall. Since no report of abandonment is yet available, no indication of the number of acres left for harvest in 1928 can be had. Recent reports from various parts of Ohio show that the Southern and Southwestern counties are the hardest hit. It is reported that less than 25 per cent of the acreage sown in these parts will be harvested this Fall. In the Northern and Northeastern counties the crop has definitely improved in appearance during the past month.

Rye in the District suffered material damage from winter-kill and on April 1 was only 47 per cent of normal in Ohio and 42 per cent in Kentucky, the lowest April 1 conditions on record.

Pastures have made slow progress in many parts of the District and have a condition of 71 in Ohio and 63 in Kentucky, as compared with 87 and 91 per cent respectively a year ago. This has affected the lamb situation rather unfavorably. Although there are more lambs than a year ago, the quality is irregular. In Kentucky early lambs have suffered a considerable set-back, and the ewes are in poor condition, due to a dearth of grain pasture and blue grass.

BUILDING

After a comparatively slow start in January and February, building contracts awarded in March in this District reached a figure exceeded only once previously by that month and only nine times by any month. The total for March was \$66,820,607, as compared with \$56,741,000

a year ago. The increase was all in non-residential building, inasmuch as residential contracts were only \$21,417,000 as against \$24,229,000 in 1927. Owing to the poor showing made by the first two months, contracts awarded in the entire first quarter of 1928 ran 14 per cent behind the same period last year, the figures being \$131,065,000 and \$152,183,000 respectively.

March building permits in 27 cities amounted to \$23,514,094, a gain of 2.5 per cent over a year ago. Both Cleveland and its suburbs recorded substantial increases, and the same was true of Akron, Cincinnati, Lima, and Pittsburgh. For the first quarter, the District gained 2.7 per cent over 1927. The largest increases occurred in Canton, Cleveland, Cleveland Heights, Euclid, Lakewood, Lima, and Toledo, while the greatest declines took place in Akron, Ashtabula, Rocky River, Columbus, Erie, Hamilton, Lexington, Springfield, and Wheeling.

The Aberthaw index of building costs remained unchanged at 192 on April 1. This index has varied but little for several months, but shows a distinct downward trend since the middle of 1923.

Lumber

The situation in this line is spotty. Several manufacturers experienced a decline in orders in March, while April has brought improvement in some cases and continued sluggishness in others. Cold weather during April has held back new projects to some extent. Uncertainty as to prices still exists, and a tendency toward over-production remains evident. Altogether, conditions are only fair and the general feeling among manufacturers and dealers in this District is one of caution.

A slight improvement is reported in the demand for softwoods in 1928 as compared with the three preceding years. In those years, Spring demand was insufficient to absorb stocks held over from the winter, while this Spring the market has been firmer than it was during the Fall and Winter of 1927.

Building Operations

(Valuation of Permits)

	March, 1928	% change from 1927	Jan.-Mar. 1928	Jan.-Mar. 1927	% change from 1927
Akron.....	\$1,895,704	+23.1	\$3,797,267	\$5,328,366	-28.7
Ashtabula.....	34,560	-24.3	65,590	135,825	-51.7
Barberton.....	78,420	-12.3	153,838	132,015	+16.5
Canton.....	289,702	+2.6	1,094,364	765,729	+42.9
Cincinnati.....	2,986,310	+45.4	5,981,855	5,074,480	+17.9
Cleveland.....	4,144,300	+31.9	10,070,025	7,262,900	+38.7
Cleveland suburbs:					
Cleve. Heights.....	529,725	+25.4	1,384,010	1,013,922	+36.5
East Cleveland.....	85,738	-55.3	303,903	302,845	+0.3
Euclid.....	303,065	+76.9	548,196	322,690	+69.9
Garfield Heights.....	300,000	+10.5	546,550	421,500	+29.9
Lakewood.....	381,227	+246.7	939,362	254,440	+269.2
Parma.....	288,465	+44.9	640,760	560,346	+14.4
Rocky River.....	142,365	+20.6	280,728	392,030	-28.4
Shaker Heights.....	894,325	+74.7	1,816,325	1,586,575	+14.5
Columbus.....	1,764,200	-59.6	4,064,000	7,160,200	-43.2
Covington, Ky.....	144,650	-20.2	324,350	316,700	+2.4
Dayton.....	601,290	-41.2	1,859,165	2,186,429	-15.0
Erie, Pa.....	210,235	-73.0	555,400	1,192,861	-53.4
Hamilton.....	177,970	-55.4	327,825	532,500	-38.4
Lexington, Ky.....	105,495	-28.1	311,425	468,415	-33.5
Lima.....	74,050	+43.9	124,100	93,241	+33.1
Newark.....	64,550	-23.0	93,225	115,918	-19.6
Pittsburgh, Pa.....	5,162,635	+65.8	8,863,859	8,515,034	+4.1
Springfield.....	60,260	-71.4	195,295	323,069	-39.6
Toledo.....	2,112,390	+3.3	5,281,638	3,407,774	+55.0
Wheeling, W. Va.....	189,968	-11.8	397,730	639,360	-37.8
Youngstown.....	494,505	-51.6	1,563,090	1,703,405	-8.2
Total.....	23,514,094	+2.5	51,583,875	50,208,569	+2.7

TRADE

Sales of 60 department stores in the Fourth District were 3.5 per cent larger in March than a year ago. Five out of eight reporting centers showed increases, the largest—17.3 per cent—being in Akron. For the first quarter of 1928, sales were 2 per cent larger than in the same period of 1927.

All reporting wholesale lines except groceries suffered declines in March sales as compared with a year ago. For the first quarter, grocery and dry goods sales were up 3.0 and 2.6 per cent respectively, while the other three lines reported decreases.

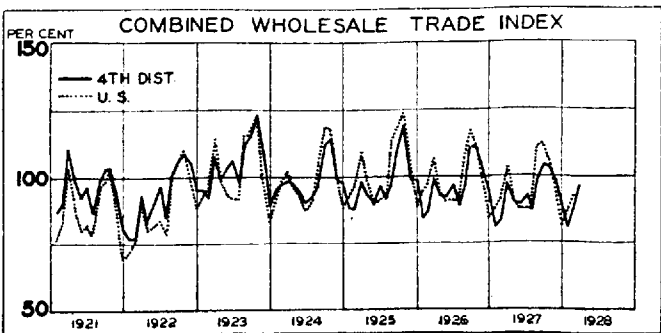
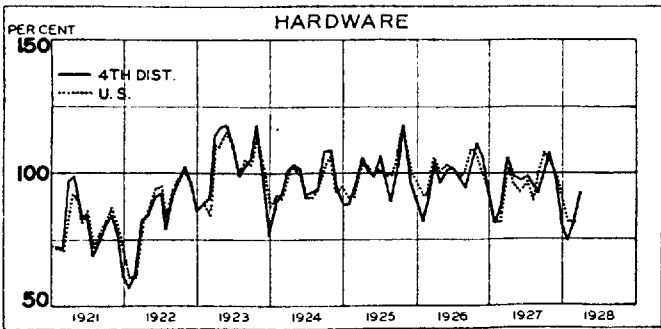
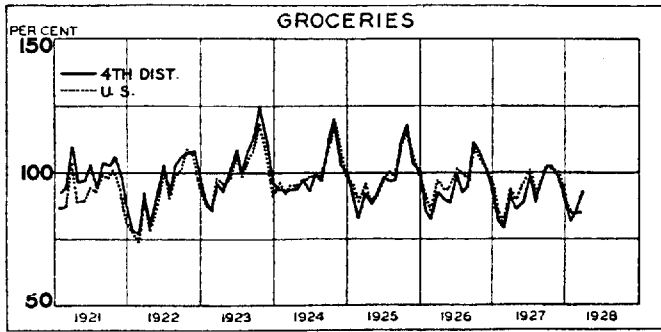
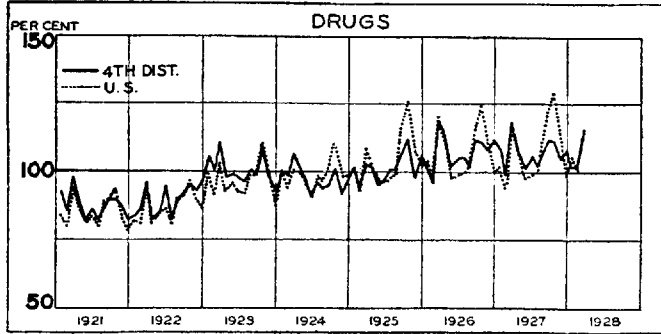
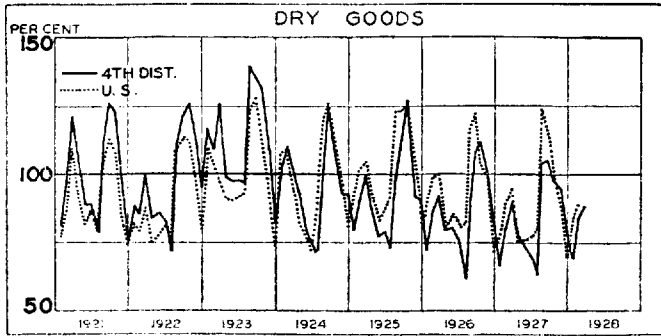
Wholesale

Trade Index

On the following page will be found a table and charts showing this bank's revised indexes of wholesale trade, now on a 1923-1925 base instead of a 1919-1923 base as formerly. The curve for the United States on the charts represents the Federal Reserve Board's revised wholesale trade indexes, also on a 1923-1925 base.

Revised Index Numbers of Wholesale Trade

Fourth Federal Reserve District
(1923-1925 = 100)

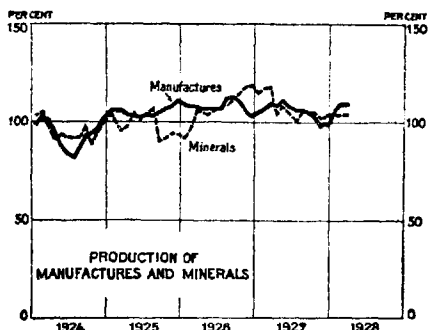


	Dry Goods (13 firms)	Drugs (14)	Groceries (46)	Hardware (16)	All* (93)
1919—Year	116.5	82.4	126.8	93.9	115.2
1920—Year	139.1	103.4	150.7	111.0	137.3
1921—Year	81.8	92.5	92.8	72.5	86.7
January	97.6	85.8	94.4	71.5	90.7
February	121.0	97.8	110.8	96.6	111.8
March	104.8	89.1	95.5	97.9	98.5
April	88.6	82.3	95.8	84.0	92.4
May	88.9	86.4	102.6	84.8	96.4
June	79.2	83.6	94.7	89.0	86.2
July	111.0	85.9	103.6	75.1	98.6
August	126.9	90.3	102.7	81.1	103.0
September	122.2	90.3	105.4	84.0	104.2
October	97.6	86.8	97.5	75.9	93.4
November	76.1	83.6	87.1	61.3	80.6
December	99.6	87.9	98.6	79.5	95.2
Year	88.0	84.1	78.5	66.5	77.1
1922—Year	86.0	85.7	77.2	62.2	77.4
January	100.5	96.0	92.6	82.5	93.7
February	84.6	82.7	80.2	84.5	83.4
March	85.5	85.4	91.7	91.9	90.5
April	82.9	89.8	103.5	93.6	96.7
May	72.3	82.9	92.7	78.9	84.8
June	112.2	88.4	102.4	91.8	100.6
July	120.9	91.7	106.0	97.2	106.0
August	125.6	94.6	107.0	102.7	108.6
September	112.9	92.9	108.1	96.1	105.4
October	95.4	96.0	97.8	85.7	95.4
November	97.3	89.2	94.8	85.3	93.8
December	116.3	106.1	88.6	88.4	95.1
Year	109.1	100.7	85.9	90.6	92.8
1923—Year	125.8	110.5	95.5	114.9	107.6
January	99.7	97.6	94.2	117.2	98.9
February	97.7	99.0	100.4	118.0	108.0
March	97.3	97.0	108.9	110.9	106.0
April	96.4	95.5	100.3	99.0	98.4
May	139.6	100.5	108.0	103.5	112.3
June	135.2	98.9	114.0	106.4	115.2
July	131.8	108.0	125.0	118.2	123.4
August	109.9	97.9	110.9	98.9	107.1
September	82.4	92.9	96.2	75.8	89.8
October	111.8	100.4	102.3	103.5	104.2
November	103.9	100.4	94.7	89.4	95.4
December	110.2	98.3	93.1	92.8	96.8
Year	101.0	106.5	94.6	100.5	98.2
1924—Year	93.5	103.4	94.5	103.8	97.6
January	79.1	96.9	97.0	101.7	94.7
February	76.2	91.6	93.9	92.3	90.4
March	70.0	96.7	99.9	83.9	92.2
April	100.0	84.6	97.0	94.5	96.3
May	124.8	86.0	111.7	108.7	111.6
June	108.9	101.4	120.3	108.8	114.1
July	83.9	92.4	102.7	94.4	98.4
August	92.9	97.5	100.9	88.5	97.1
September	96.3	97.8	100.0	97.5	98.6
October	79.4	101.0	90.0	88.8	88.4
November	90.4	94.0	83.5	95.6	87.6
December	99.2	103.7	92.0	106.5	97.3
Year	88.4	103.2	89.5	100.1	93.4
1925—Year	77.5	94.9	92.1	99.3	90.8
January	79.7	97.9	98.3	106.5	96.0
February	72.6	100.9	97.1	96.0	96.0
March	96.6	101.1	97.8	89.5	91.9
April	110.8	108.4	110.2	102.8	96.2
May	127.0	111.8	117.9	118.3	109.2
June	91.3	97.7	103.2	96.2	119.4
July	90.5	107.3	100.9	89.1	99.2
August	91.9	101.8	97.7	99.1	97.9
September	72.8	102.7	85.5	82.1	97.3
October	86.2	96.1	82.7	89.6	84.4
November	92.3	119.3	93.3	103.9	86.0
December	80.0	115.3	90.1	95.6	98.9
Year	80.8	103.2	89.8	101.4	92.5
1926—Year	80.8	105.7	99.8	101.5	92.1
January	76.6	105.7	99.8	101.5	96.6
February	61.3	105.5	92.7	98.1	88.9
March	91.6	102.7	95.4	94.8	95.7
April	108.7	112.3	111.4	103.0	97.7
May	111.1	110.9	108.7	111.8	111.1
June	101.6	108.8	102.3	106.0	110.6
July	82.7	111.6	95.8	91.7	103.9
August	87.1	107.8	95.6	98.4	95.1
September	66.2	108.3	81.5	98.4	96.3
October	80.1	99.1	79.0	81.5	81.4
November	89.4	118.8	91.6	87.2	83.0
December	77.7	108.2	86.5	107.1	97.6
Year	73.4	102.1	89.1	98.9	90.3
1927—Year	68.0	106.3	98.2	98.1	89.1
January	83.0	103.1	89.6	96.0	93.4
February	104.3	106.8	95.2	92.5	86.6
March	105.0	112.6	102.1	100.2	98.4
April	97.7	111.7	102.2	107.9	103.6
May	94.4	106.4	98.8	98.3	98.9
June	78.4	108.6	91.4	80.1	89.2
July	83.1	107.7	92.1	95.5	89.2
August	69.4	102.6	82.3	74.9	80.0
September	84.8	102.5	85.5	81.5	80.2
October	87.8	116.1	93.6	98.8	86.7
November					95.6
December					

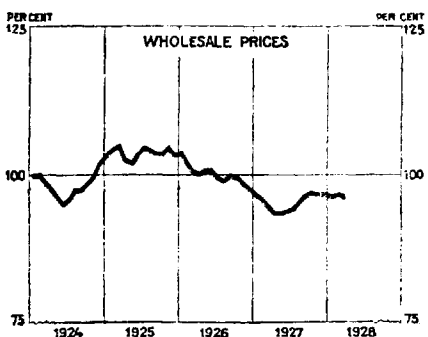
*Includes 4 shoe firms.

Summary of National Business Conditions

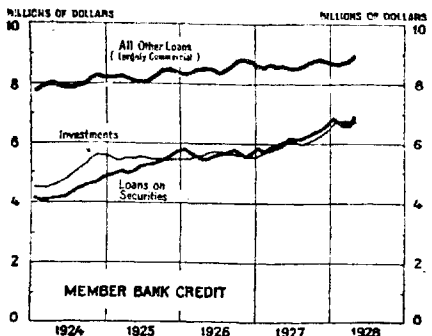
(By the Federal Reserve Board)



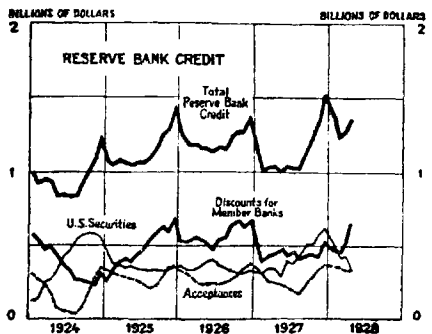
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925=100). Latest figures—March, manufactures, 111; minerals, 104.



Index of U. S. Bureau of Labor Statistics (1926=100). Latest figure: March, 96.0.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for three weekly report dates in April.



Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages of first 23 days in April.

Industrial production during March was in about the same volume as in February and there was a seasonal increase in the distribution of commodities. Wholesale prices remained practically unchanged. During the past month there have been increases in bank credit in use and in member bank borrowing at the reserve banks, and open market money rates have shown further advances.

Production

Production of manufactures was maintained during March at the high level reached in February, and the output of minerals also showed little change. Production of passenger automobiles and trucks during March totaled 413,000, the largest output recorded for any month since August 1926, and production schedules in automobile plants continued large during April. Activity in the iron and steel industry was also maintained at a high level during March and April, and lumber production was in larger volume than a year ago. Cotton and wool consumption declined in March, but silk deliveries were the largest on record. There was some decline in meat-packing and in the production of sole leather, and the output of boots and shoes in March showed less than the usual seasonal increase. Mining of bituminous coal decreased during March by less than the usual seasonal amount, but as the result of a strike in certain Middle Western mines, production in the early weeks of April was considerably curtailed. Building contracts awarded were smaller in March than a year ago, while those for the first three weeks in April were in about the same volume as in the corresponding period of last year. As a result of large contracts during the first two months of this year, total awards for the year to April 20 exceeded those for the same period of 1927. Contracts for residential buildings and for public works have been especially large.

Trade

Sales of wholesale firms increased less than usual in March and were somewhat smaller than in the same month of last year. Sales of department stores, on the other hand, after allowance is made for customary seasonal changes and the early date of Easter, were about the same in March as in the preceding month and in March 1927. Stocks of merchandise carried in March by wholesale firms were larger, while those of department stores were smaller, than at this time last year.

The volume of freight-car loadings showed more than the usual seasonal increase in March, but declined in the first two weeks of April. Loadings continued smaller than a year ago for all classes of commodities except grains and livestock.

Prices

The general level of wholesale commodity prices showed little change in March, the index of the Bureau of Labor Statistics declining slightly from 96.4 to 96 per cent of the 1926 average. There were decreases in the prices of livestock, dairy products, meats, coal, and rubber; prices of grains, cattle feed, cotton, and steel, on the other hand, advanced. During the first three weeks in April, there were further substantial increases in the prices of grains and more moderate advances in flour, hogs, cotton, and lumber, while prices of cattle and rubber declined.

Bank Credit

Between March 21 and April 18 total loans and investments of member banks in leading cities increased by about \$410,000,000, reaching the highest level on record. The advance was largely in loans on securities which showed an increase of nearly \$380,000,000 and in April were close to the high point of the first of the year. Loans for commercial purposes continued the increase which began in February and notwithstanding a small decline during the last week of the period were nearly \$350,000,000 larger on April 18 than at the end of January.

The volume of reserve bank credit in use increased by \$180,000,000 during the five weeks ending April 25, reflecting increased reserve requirements of member banks and a further net overflow of gold amounting to more than \$50,000,000.

Reserve bank holdings of securities were reduced by about \$80,000,000 during the period, while discounts for member banks increased by \$230,000,000. Acceptance holdings also showed a small increase.

A firmer tendency in the money market was evidenced at the end of March and during April by further increases in rates on call and time loans on securities, and by increases of from 4-4¼ per cent to 4½ per cent in the rates on commercial paper and from 3½ per cent to 3¾ per cent in the rate on 90-day bankers acceptances. Between April 20 and April 25 discount rates were raised from 4 to 4½ per cent at the Boston, Chicago, St. Louis, Richmond, and Minneapolis Federal reserve banks.