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Business conditions in the Fourth District in May were seasonally quieter than in the two preceding months, but showed no great change after allowing for seasonal factors. The first quarter recovery from the low level of last November and December appears to have been halted, at least for the time being, but not before it had brought general business up to a point which is now about equal to a year ago. As for months past, individual lines show rather wide variations. For example, the steel industry enjoyed a record production of ingots in April, motor supply concerns have been doing a very heavy volume of business, and some lesser lines of manufacture, such as glass, have improved, while on the other hand depression continues in the coal trade, the winter wheat crop is extremely poor, and some slowing down has taken place in the shoe and clothing industries.

Final figures on net earnings of 206 industrial corporations in the United States show an increase of 5.8 per cent in the first quarter over the same period last year, and an increase of 6.5 per cent over the first quarter of 1926. As compared with last year, net earnings increased in the case of 120 concerns, and decreased in the case of 86. The motor group gained 23.9 per cent; stores, 23.5; motor accessories, 21.9; mining, 19.7; chemicals, 9.8; food, 5.5; and miscellaneous, 16.8. Earnings of equipment companies decreased 47.6 per cent from last year; steel, 19.9; oil, 49.5; and cigar, 18.7 per cent.

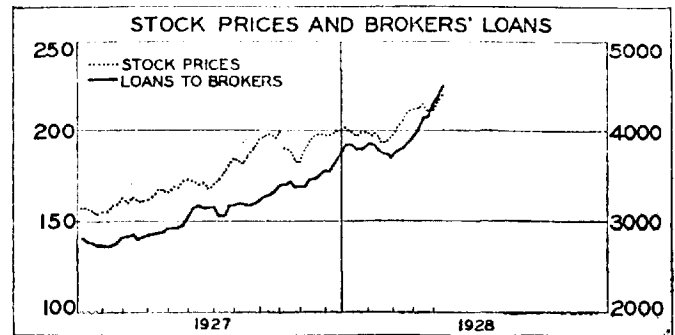
FINANCIAL REVIEW

Stock Prices and Brokers' Loans. Stock prices on the New York Stock Exchange have moved rapidly upward since 1924. In the summer of that year the Dow-Jones average of twenty industrial stocks stood at 100. An advance began late in the year which has continued, with temporary interruptions, until the present time. By the opening of 1927, the industrial average had passed 150; at the beginning of 1928 it had reached 200; and after declining to 191 on February 20, it moved upward to 221 on May 14, the highest point ever reached. This figure represented an advance of 30 points or 15 per cent in three months.

The rise in stock prices has been accompanied by a sharp increase in loans to brokers and dealers in securities in New York. In midsummer of 1924 these loans amounted to something over \$1,500,000,000. On January 5, 1927, they stood at \$2,819,000,000; by the opening of

1928 they had risen to \$3,810,000,000; and on May 16 they reached \$4,502,044,000, an increase of \$692,000,000 or 18 per cent since January 4, 1928. Of this gain \$677,000,000 has taken place since March 28.

The chart below shows the weekly movement for 1927 and 1928 of the Dow-Jones average of 20 industrial stocks (weekly average of closing prices) and of loans to brokers and dealers in securities made by reporting member banks in New York City. The left-hand scale is for the Dow-Jones average, while the right-hand scale shows brokers' loans in millions of dollars. The break in the curve of stock prices in 1927 is due to a substitution. The latest figures are for May 16.



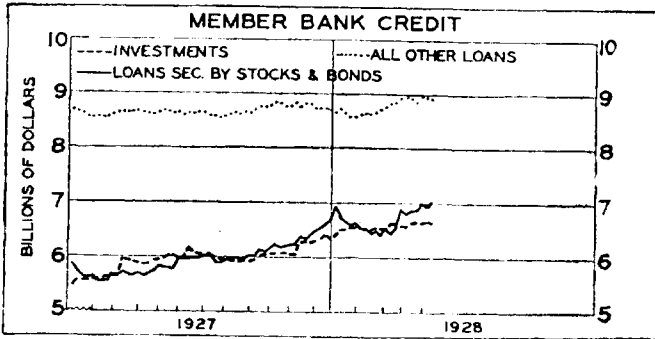
Member Bank Credit. Along with the rise in stock prices and brokers' loans there has been a marked increase in loans, discounts and investments of reporting member banks in the United States. This is particularly true in the case of loans secured by stocks and bonds (including Government obligations) which advanced from \$4,200,000,000 in the summer of 1924 to \$5,885,000,000 at the opening of 1927 and to \$6,938,000,000 on January 4, 1928. By March 7 of this year these loans were down to \$6,421,000,000, but rose to the record figure of \$7,021,000,000 on May 16, an increase of \$600,000,000 in a little over two months.

While loans secured by stocks and bonds have increased nearly 70 per cent since 1924, "all other" loans—including commercial—have only gained about 14 per cent. These amounted to \$7,821,000,000 in July of 1924. On January 5, 1927, they stood at \$8,700,249,000, and a year later had fallen to \$8,692,455,000. The business recovery in the first quarter of 1928 brought a revival of

demand for funds for commercial purposes, and this together with the usual Spring demand has resulted in a gain of \$224,000,000 since January, the figure being \$8,916,000,000 on May 16.

Investments increased from \$4,906,000,000 in July, 1924, to \$5,488,000,000 at the beginning of 1927, \$6,426,000,000 a year later, and \$6,654,000,000 on May 16, 1928.

The chart below shows the weekly movements of loans and investments of all reporting member banks in the United States in 1927 and 1928. Latest figures are for May 16.

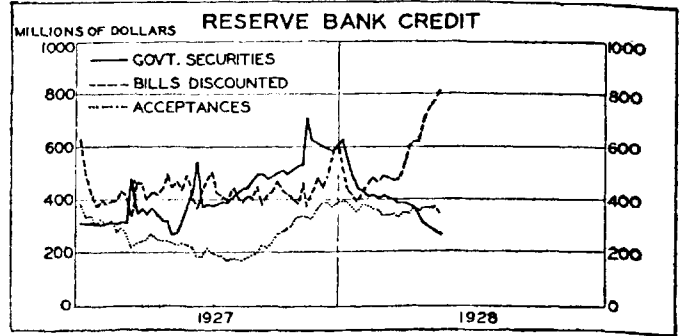


Federal Reserve Bank Credit. Since the beginning of 1928, total bills and securities of all Federal Reserve banks have consistently stood at a distinctly higher point than in any year since 1922, and recently have been noticeably higher than the 1922 level. On May 16, total bills and securities aggregated \$1,418,014,000, as compared with \$954,579,000 a year ago, \$1,126,264,000 in 1926, \$1,013,585,000 in 1925, and \$810,257,000 in 1924. The present high level of member bank credit has thus been accompanied in 1928 by a large increase in the demand for accommodation at the Reserve banks.

Marked fluctuations have occurred in the last year in the three separate items making up "total bills and securities"—discounts, Government securities held, and acceptances held. Holdings of Governments more than doubled in the last part of 1927, rising from \$254,000,000 on May 11 to \$705,000,000 on November 16, but were sold rapidly after the opening of the year until by May 16, 1928, they had fallen to \$262,000,000. This decline was accompanied by a sharp rise in bills discounted, which rose from \$385,000,000 on January 25, 1928, to \$807,000,000 on May 16, the latter figure being the highest since the last week in 1923, and representing more than a 100 per cent rise in less than four months. Meanwhile acceptance holdings have been at the highest Spring level since 1920, amounting to \$347,000,000 on May 16 as compared with \$225,000,000 a year ago and \$226,000,000 two years ago.

The chart at the top of the next column presents the weekly changes in reserve bank credit for 1927 and 1928. Latest figures are for May 16.

Gold Movements. As the result of the War, the United States has changed from a debtor to a creditor nation, and its monetary gold holdings have been enormously increased. In 1914, our gold stock was \$1,872,000,000; by the end of the War it had risen to over \$3,000,000,000, and in April, 1927, it reached its high point to date of \$4,610,000,000 (excluding earmarked gold). Similarly,

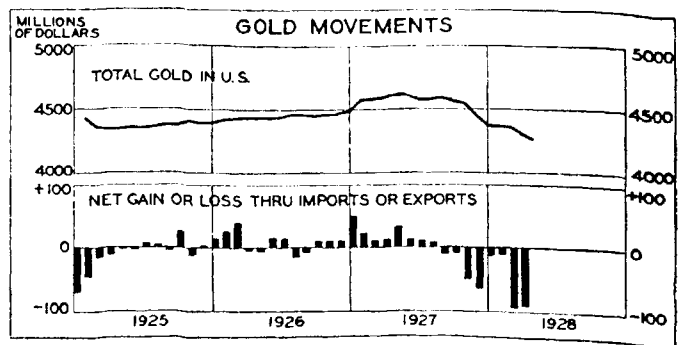


the proportion of the world's monetary gold held in the United States rose from 28 per cent in 1915 to almost 50 per cent in 1927.

During most of the 1914-1927 period, monthly gold imports were larger than exports. This situation changed abruptly last Fall, however, and each of the eight months beginning with September, 1927, has shown an excess of exports over imports. Exports were particularly heavy in November, December, March, and April, amounting to nearly \$100,000,000 (including earmarked gold exported) in each of the two latter months. As a result, the gold stock of the United States fell from \$4,588,000,000 on August 31, 1927, to approximately \$4,267,000,000 on April 30, 1928, a loss of \$321,000,000. Much of the exported gold has gone to France.

The gold reserves of the Federal Reserve System have undergone a corresponding decline. On August 31, 1927, these were just under \$3,000,000,000, while on May 16, 1928, they amounted to only \$2,641,000,000, a loss of nearly \$360,000,000.

The chart below gives the changes in the country's gold stock together with the net gain or loss through imports and exports, by months from 1925 through April, 1928.



Gold, Deposits, and Required Reserves. The combination of the recent outflow of gold and the rapid increase of bank credit and bank deposits has brought about a noticeable decline in the percentage of gold to deposits of all banks in the United States in the past few months. In fact, this percentage has been declining steadily since 1924. On June 30, 1918, it was 10.66 per cent; by 1920 it had fallen to 7.11, but then rose to 10.35 in 1924. By October, 1927, it was down to 8.71, the country's gold stock amounting to \$4,541,000,000, and the net demand and time deposits of all banks in the United States to \$52,-

117,000,000. By December 31, this ratio had dropped further to 8.28 per cent and on April 30 it was down to approximately 7.97. The percentage of gold to deposits in 1928 has been consistently lower than in any preceding year except 1920, when it was 7.11 (June 30). During the other years from 1918 to 1927 inclusive, it ranged on June 30 from 8.89 in 1927 to 10.66 in 1918.

In considering the above decline in the percentage of gold to deposits, however, it is necessary to take account of another factor which has been connected with this downtrend—namely, the decline in the *percentage of reserves* carried by banks against their deposits. This has been brought about by the tremendous rise in time deposits, which have increased almost 400 per cent in ten years (for reporting member banks) as compared with a gain of only 52 per cent in demand deposits. As the reserve required against time deposits of member banks is only 3 per cent, as compared with 7, 10, or 13 per cent in the case of demand deposits, depending on the location of the member bank, it is apparent that the relatively larger increase in the former has meant a lowering of the percentage of reserves required against time and demand deposits combined.

Figures on reserves of all banks in the country are not available, but the reserves carried by all member banks against their deposits give a very good indication of the situation, since the resources of these banks comprise about 62 per cent of those of all banks. In June, 1918, member bank reserves amounted to 10 per cent of their deposits. The percentage dropped sharply to 7.86 in 1921, and since then has declined gradually, being 7.83 in June, 1924, 7.50 in June, 1927, and 7.45 in April, 1928.

A glance at the chart below will show that during the entire 1918-1928 period, the decline in the percentage of reserves against deposits has been about the same as that of gold to deposits, so that the fall of the latter is apparently related to that of the former when considering the ten-year period as a whole. On the other hand, it is noticeable that since 1924 the percentage of gold to deposits has fallen at a much faster rate than that of reserves to deposits, and this is especially true in the past six months when the percentage of gold to deposits has dropped from 8.71 to 7.97, or a decrease of 8.5 per cent, while that of reserves to deposits has shown but little change.

The chart below shows (1) the percentage of monetary gold in the United States to demand and time deposits of all banks in the country, and (2) the percentage of reserves against demand and time deposits carried by

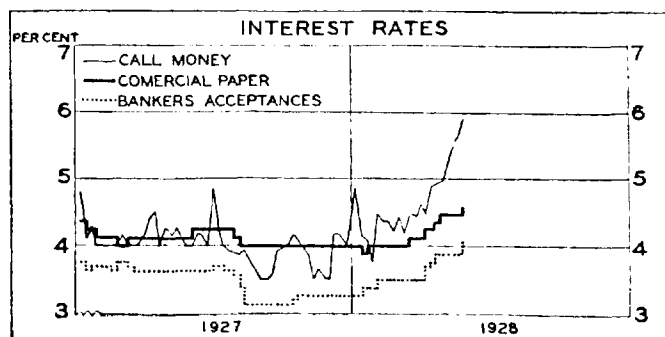
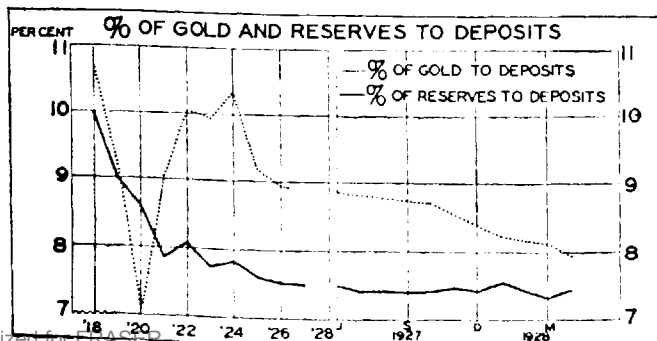
all member banks. The curves are shown as of June 30 each year from 1918 to 1927 inclusive. The percentage of reserves to deposits is shown monthly from June, 1927 through April, 1928, while that of gold to deposits is shown for call dates except in 1928, when the figures have been extended on the basis of percentage changes in reporting member bank deposits during that period.

Interest Rates. The advance in stock prices and loans to brokers, the recent rapid increase in member bank collateral loans, the Spring rise in the demand for commercial credit, the sales of securities in the open market by the Federal Reserve System, and the large outflow of gold have all been important factors in the very definite upturn in money rates in New York since early in 1928. From August, 1927, to February, 1928, call money ranged largely from 3½ to 4 per cent except during the period of year-end requirements. The real rise in call money began about February 1. During February and March the rate varied from 4¼ to 4½ per cent; on March 28 it advanced to 4¾; on April 2 it reached 5; and on April 11 it touched 6, but fell back to 5 per cent for most of the remainder of the month. The prevailing rate throughout the first part of May was 5½ per cent, although a 6 per cent renewal rate was in effect on several days. The average daily rate rose from 4.38 in February to 5.07 in April, and 5.59 for the first 22 days in May.

Time money on the stock exchange was 4½-4¾ per cent in December. In mid-January it advanced to 4¾-4¾; a month later it moved up to 4¾-4½; and late in February it was 4½-4¾. On April 1 it stood at 4¾, but soon advanced to 4¾-5. Early in May it was quoted at 5 per cent for all maturities, but by the 16th had again advanced to 5-5½ per cent, and by the 21st was quoted at 5½-5½.

Similar uptrends have been apparent in commercial paper rates, which have risen from 4 per cent in January to 4¼-4¾ on May 23, and in bankers' acceptances, up from 3¾ in January to 4-4¾ on May 23. In addition all the Reserve banks raised their rediscount rates from 3½ to 4 per cent early in 1928 and several have since advanced them to 4½ per cent.

The chart below shows the weekly average rates in New York on call money (renewal rate), commercial paper (4 to 6 months), and acceptances (90 days). Latest figures are for the week ending May 23.



Prices and Buying Policy

Following the stability in the wholesale price level during the first quarter of 1928, a fairly considerable advance took place in April, when the Bureau of Labor's

index for all commodities rose from 96.0 to 97.4. Investigation shows, however, that the rise was not general, as 293 commodities registered no change in prices and 116 actually declined while 143 were advancing. The largest individual price increases took place in farm products and livestock. A marked rise from 114 to 122 occurred in grains, where the short winter wheat crop was a factor. Hides and skins were also much higher. Among the non-agricultural commodities, petroleum products and certain building materials showed sizable advances; but most manufactured products rose but little.

As far as the Fourth District is concerned, it is safe to say that there is no evidence whatever of any change from the hand-to-mouth buying policy, regardless of price advances on some goods. In the middle of April this bank requested information on that point from about 50 large and representative manufacturers in the District, and the 40 replies received are unanimous in stating that their customers are still confining their purchases as much as possible to immediate needs, and that there is no present indication of a resumption of the old method of forward buying. The tendency if anything is in the other direction.

Savings Deposits, For the first time since last July, **Debits, Failures** savings deposits of 68 banks in Ohio and Western Pennsylvania declined in the past month as compared with the month before. On April 30 the total was \$997,640,767, a loss of 1.9 per cent from March but a gain of 5.9 per cent over a year ago.

Debits to individual account at 13 large centers in this District were \$2,741,802,000 in April, as compared with \$2,649,641,000 in March and \$2,897,949,000 a year ago.

Commercial failures in the Fourth District as reported by R. G. Dun and Company numbered 125 in April, 183 in March, and 151 a year ago. Liabilities were \$7,055,083 in April, \$8,433,754 in March, and \$6,025,924 in April, 1927. In the United States there were 1818 failures in April, 2236 in March, and 1968 a year ago.

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

	Federal Reserve Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	May 16, 1928	May 18, 1927	Apr. 18, 1928	May 16, 1928	May 18, 1927	Apr. 18, 1928
	Gold reserves	260	303	264	2,640	3,057
Discounts	59	50	57	807	458	620
Acceptances	34	19	30	347	225	351
U. S. Securities	37	34	43	252	269	341
Total bills and securities	130	104	130	1,418	955	1,312
Federal Reserve notes in circulation	192	210	192	1,583	1,711	1,582
Total deposits	190	193	195	2,434	2,353	2,423

REPORTING MEMBER BANKS

	Fourth District (In Millions)			United States (In Millions)		
	May 16, 1928	May 18, 1927	Apr. 18, 1928	May 16, 1928	May 18, 1927	Apr. 18, 1928
	Loans secured by stocks and bonds	676	643	675	7,021	5,799
All other	781	791	779	8,916	8,661	8,926
Total loans	1,456	1,433	1,455	15,937	14,460	15,763
Investments	747	657	731	6,654	6,032	6,618
Demand deposits	1,080	1,051	1,058	13,875	13,217	13,890
Time deposits	965	911	958	6,972	6,166	6,841

MANUFACTURING, MINING

Iron and Steel After coming within one per cent of setting a new monthly production record in March, steel ingot output attained a new high in April. A bulge in the early days of the month made this record possible. As April wore on it was increasingly evident that consumers were more occupied with working off their receipts than in making fresh commitments, but the unprecedented gait early in the month more than neutralized the relaxation in the latter part, with the result that the April daily average output of ingots soared to 172,103 gross tons, compared with 166,945 tons in March and the previous record of 167,973 tons in March, 1927. Production in the first four months also set a new record for that period at 16,846,729 tons.

One indication of the let-down which usually characterizes the second quarter is the fall in unfilled tonnage of the United States Steel Corporation. On April 30 its orders totaled 3,872,133 tons, a decline of 463,073 tons from March 31. In spite of this sharp slump, order books on April 30 were heavier by 316,000 tons than on April 30, 1927.

In April, as in preceding months of this year, automotive demand was the chief prop of the finished steel markets. If anything, tonnage moving to automotive consumers was greater than in March, especially of sheets and bars, and well into May there was no indication of a noticeably easier situation. Demand has been shifting as Ford operations increase, but the aggregate has not been disturbed. Through their heavy specifications for track material the railroads have also been a major factor, but the condition of the car-building industry may be gauged from the total of 22,343 freight cars ordered in the first four months of 1928, against 29,300 in the like period of 1927 and 35,236 in 1926. Building steel requirements have about paralleled 1927, but the oil country has been backward in placing both pipe and tanks.

Pittsburgh district mills have benefited from the heavy volume of automotive business, but plate and pipe mills have felt the scarcity of oil country business. Much the same situation has prevailed in the Mahoning Valley. Bar mills at Cleveland have been operating at capacity. Tin plate mills in the Pittsburgh and Youngstown districts have been operating 90 per cent or higher. In April, Pittsburgh district makers of finished steel averaged close to 85 per cent.

With the pressure for steel relieved in mid-April, prices also relaxed. Heavy steel held at \$1.85 per 100 pounds (Pittsburgh) but concessions became more general in such light products as sheets and strip. Tin plate developed some weakness, as did basic iron. Wire products came into a spotty market. Foundry iron declined both at Pittsburgh and at the Lake furnaces early in May.

Because of the increasing use of scrap, resulting from its relative cheapness, the April gain in pig iron production was not commensurate with that of steel. The April daily rate of pig iron output was 105,979 tons, compared with 103,199 tons in March, and 114,146 tons last April. In four months the pig iron total was 12,132,743 tons, as compared with 12,948,434 tons in 1927.

On the last day of April 194 stacks were making iron, or two less than at the close of March.

The Iron Trade Review composite of fourteen leading iron and steel products averaged \$35.67 for April, against \$35.81 in March and \$36.73 in April a year ago.

Coal The soft coal markets have remained sluggish in spite of the drop in production in April, which appeared to be greater than seasonal, and in spite of the slow but persistent decline in industrial stock piles. Consumers have shown the same indifference as in previous months, with the result that the Coal Age average price fell from \$1.92 per ton in March to \$1.76 in April, the latter quotation being 17 cents below last year and 16 cents below two years ago.

The latest report of the Bureau of Mines on stocks shows that soft coal in consumers' hands on April 1 amounted to 48,300,000 tons. This compares with 75,000,000 tons on April 1, 1927, just before the bituminous coal strike. Since the earlier date, stocks have been falling almost without interruption until they are now but little higher than the average 1925-1926 level.

Soft coal output declined sharply early in April, partly due to seasonal factors. Daily average output for the week ending May 5 was 1,364,000 tons, the same as a year ago.

Rubber and Tires Crude rubber prices have finally steadied at about 17 cents a pound. Final figures on tire dealers' stocks in the country as of April 1 show that stocks of casings were about 14 per cent larger than a year ago, and of inner tubes 2 per cent larger. The low price of crude rubber is a less disturbing factor to Akron manufacturers than a month ago, inasmuch as Akron tire prices have not yet been reduced and meanwhile the crude rubber purchased at higher prices is being worked into production.

Automobiles Automobile production in the United States totaled 409,948 cars and trucks in April as compared with 404,759 last year. For the first four months of 1928, output was 1,378,829 as compared with 1,342,892 in 1927.

Registration of new passenger car bills of sale in 59 Ohio counties according to the Bureau of Business Research at Ohio State University, amounted to 21,471 in April, a loss of 2 per cent from last year but an increase of 55 per cent over March. Truck registration in April was 1673, an increase of 5 per cent over last year and of 52 per cent over March.

Truck manufacturers and parts makers in the Fourth District report an improvement in business during the past month. Several parts manufacturers are operating at full capacity and have sufficient orders to insure heavy production for some time.

Clothing Spring activity in various clothing lines is about over, and manufacturers are making preparations for the Fall trade.

Fall orders in some lines have been rather disappoint-

ing so far, owing to the hesitant buying attitude of retail houses. This in turn was caused by poor retail clothing sales in April.

Business in knitted wear has slowed down somewhat. Manufacturers of women's ready-to-wear report business as fair. Advance orders for men's clothing are slow. Conditions in the men's underwear trade are unsatisfactory; customers appear unwilling to make future commitments to any extent, and Fall orders are less than usual. In woollens and worsteds, business is not quite up to a year ago.

Textile and raw material prices have strengthened materially in recent months, being higher than a year ago in most cases. Wool (Fairchild average) stood at \$1.09 a pound in April as against \$.93 a year ago; cotton goods (Fairchild) 13.0 cents a yard as against 11.8 cents a year ago; raw cotton, 20.6 cents a pound as against 14.8 last year; and worsted yarn (Fairchild) \$1.76 a pound as compared with \$1.67. Silk, however, has fallen from \$6.07 a pound in April, 1927, to \$5.37 the past month. Woolen yard goods have risen from 5 to 10 per cent lately, and similar advances are noted in broadcloth, suede, and fancy fabrics. Manufacturers are unanimous in declaring that the full advance in raw materials has not yet been reflected in finished products. In some instances finished products have absorbed part of the uptrend, while in others they have shown practically no increase.

Sales of reporting wholesale dry goods houses in the Fourth District were 4 per cent less in April than a year ago. Retail clothing sales were very much less, due in large part to cool weather, fewer selling days, and a smaller share of the Easter trade than a year ago.

Shoes May was an "in-between" period for Cincinnati shoe manufacturers, who were sending their salesmen out toward the end of the month with new samples. Business has slackened after the high degree of activity in the first quarter. Preliminary Fourth District production figures for April indicate a drop of 35 per cent from last year. The trend of raw material prices has been distinctly upward. Hides in April were about 10 per cent higher than in March, and sole leather stood at about 69 cents a pound as compared with 66 cents at the opening of the year.

Wholesale shoe sales in the Fourth District in April were approximately 25 per cent less than a year ago, and retail sales were off nearly as much. This, however, was partly due to weather conditions and to the fewer number of selling-days this April.

Other Manufacturing Business in May was about the same as in April for a number of manufacturing lines in this District. There is very little evidence of an uptrend such as took place in the first quarter, but most lines appear to be maintaining the level of operations attained in the two preceding months.

Boxboard. Business has slowed down and is unusually quiet for this time of year. Prices of finished products are lower than in fifteen years due to price cutting, while

quotations on raw materials have not declined to the same extent.

Cork. Active competition from Spain is still hampering this line. Raw material prices are advancing, but those of finished products have fluctuated very little.

Electrical Supplies. Business is practically unchanged from last month. The leading concerns are doing well.

Glass. A turn for the better is seen in the 10 per cent increase in prices made by a large window glass manufacturer. Demand is good and consumption at present is taking care of production.

Oil Supplies. Demand for drilling and operating supplies continues light in 1928 after the poor oil year in 1927. Demand for pipe is also light.

Paint. The situation has changed but little since last month, except that warmer weather has stimulated outdoor work and has thus brought some seasonal increase in sales. Business in the first quarter compared favorably with last year. Certain raw material prices have stiffened slightly, particularly linseed oil. Pig lead is also up \$2 per ton from a month ago. Prices of finished products, however, are virtually unchanged.

Railroad Equipment. Lack of buying by railroads has again made itself felt, after a brief spurt in demand earlier in the year.

Stoves. Orders have increased seasonally, and are now decidedly larger than in the first part of the year.

AGRICULTURE

The winter wheat crop in Ohio is now believed to be the worst in 60 years with one exception. The Government report for May 1 showed an indicated crop of only 8,870,000 bushels, as against 28,980,000 bushels last year and a 10-year average of 36,660,000. Abandonment this year reached 66 per cent, as compared with a 10-year average of 8.9 per cent. Weather conditions were exceptionally unfavorable throughout the growing season. In Kentucky, the crop is only about 30 per cent of that of 1927 and in West Virginia it is the lowest on record.

Cool weather has hampered the new burley tobacco crop in Kentucky, and plants are growing very slowly.

The rye crop in Ohio is estimated at 410,000 bushels, as compared with 560,000 in 1927 and a 10-year average of 1,160,000. The Kentucky crop is also poor, condition on May 1 being only 62 per cent of normal as against the 10-year average of 90 per cent. Conditions were better in Pennsylvania, where rye was 78 per cent of normal on May 1.

Hay has also suffered much damage. In Ohio, the condition of the crop on May 1 was 65, as compared with 86 a year ago. In West Virginia the figures were 78 and 88 per cent respectively. Stocks of hay on farms in these two states and in Pennsylvania were unusually large on May 1, but in Kentucky they were less than a year ago.

BUILDING

Building contracts awarded in the Fourth District amounted to \$70,184,000 in April, a figure exceeded only twice by the same month in preceding years. Last year's total was \$77,350,000. For the first four months of 1928 contracts awarded were \$201,249,000, as compared

with \$229,533,000 a year ago. Residential contracts only aggregated \$24,381,000 for April and \$73,780,000 for the first four months, as against \$30,715,000 and \$83,951,000 respectively in 1927.

The valuation of April building permits in 27 cities in this District was \$28,094,810, a gain of 13.3 per cent over a year ago. The total for the first four months was 6.2 per cent ahead of last year. For the month, Pittsburgh showed the largest gain—153 per cent.

The lumber trade continues rather slow, considering the season of the year. Consumers are still adhering rigidly to the hand-to-mouth buying policy.

Building Operations

(Valuation of Permits)

	April, 1928	% change from 1927	Jan.-Apr. 1928	Jan.-Apr. 1927	% change from 1927
Akron.....	1,832,611	-14.9	5,629,878	7,480,723	-24.7
Ash tubula.....	55,583	+20.5	121,173	181,940	-33.4
Barberton.....	120,587	-44.6	274,425	349,561	-21.5
Canton.....	473,935	+12.4	1,568,299	1,187,434	+32.1
Cincinnati.....	3,621,895	+10.9	9,603,750	8,339,205	+15.2
Cleveland.....	4,826,725	+3.7	14,986,750	11,919,225	+25.7
Cleve. suburbs:					
Cleve. Heights.....	389,270	-15.7	1,773,280	1,475,712	+20.2
East Cleveland.....	155,470	+87.3	459,373	385,858	+19.1
Euclid.....	356,845	+75.3	905,041	526,303	+72.0
Garfield Hights.....	205,000	-8.7	751,550	646,000	+16.3
Lakewood.....	568,850	+68.0	1,508,212	593,135	+154.3
Parma.....	213,450	-28.9	854,210	860,612	-0.7
Rocky River.....	121,600	+61.9	402,328	467,130	-13.9
Shaker Hights.....	959,090	-21.6	2,775,415	2,810,200	-1.2
Columbus.....	1,755,200	-26.1	5,819,200	9,530,100	-39.0
Covington, Ky.....	209,100	+17.7	533,450	494,400	+7.9
Dayton.....	1,596,268	+31.6	3,455,433	3,399,525	+1.6
Erie, Pa.....	551,365	-25.3	1,106,965	1,931,098	-42.7
Hamilton.....	151,385	-29.8	479,210	748,172	-35.9
Lexington, Ky.....	230,500	+92.3	541,925	588,281	-7.9
Lima.....	40,374	-68.0	164,674	220,171	-25.2
Newark.....	79,440	+127.5	172,665	150,838	+14.5
Pittsburgh, Pa.....	6,206,833	+153.1	15,070,692	10,967,516	+37.4
Springfield.....	154,257	-44.0	349,552	598,329	-41.6
Toledo.....	1,971,333	+42.8	7,252,971	4,787,956	+51.5
Wheeling, W. Va.....	205,069	-21.8	602,799	901,584	-33.1
Youngstown.....	1,042,375	-40.5	2,605,465	3,455,265	-24.6
Total.....	28,094,810	+13.3	79,678,685	75,002,273	+6.2

TRADE

Retail Trade Department store sales in the Fourth District were 12.1 per cent less in April than in the same month last year. Similar declines were experienced all over the country and were not as serious as might be supposed, inasmuch as there was one less Saturday and one more Sunday in April of this year than last. In addition, more of the Easter trade went to March this year than in 1927.

For the first four months, department store sales were 2.3 per cent less than a year ago, the only cities showing increases being Akron, Cleveland, Columbus, and Toledo.

Sales of 17 wearing apparel firms in April declined 9.5 per cent from a year ago, and there was a loss or 4.7 per cent for the first four months.

Wholesale Trade Sales of 46 wholesale grocery firms in the Fourth District in April decreased 1.5 per cent from last year, but showed a gain of 2.4 per cent for the first four months. Dry goods sales were 4 per cent lower for the month but 1 per cent higher for the four months. Hardware showed a loss of 13.3 per cent for April and of 10.5 per cent for the first four months. Drug sales were 0.2 per cent higher than in April of 1927, but were 1.1 per cent less for the four months.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

	April 1928	April 1927	% change	Jan.-Apr. 1928	Jan.-Apr. 1927	% change	
Bank Debts (24 cities)	Millions of dollars	3,365	3,501		12,947	13,013	- 0.5
Savings Deposits (end of month)	Thous. of dollars	719,633	687,590	+ 4.7	730,357 ¹	681,705 ²	+ 7.1
Ohio (41 banks)	" "	278,008	254,597	+ 9.2	275,728 ¹	253,466 ²	+ 8.8
Western Pennsylvania (27 banks)	" "	997,641	942,187	+ 5.9	1,006,085 ³	935,166 ²	+ 7.6
Total (68 banks)	" "	125	151	-17.2	763	726	+ 5.1
Commercial Failures — Number	Actual Number	7,055	6,026	+17.1	26,212	17,294	+51.6
Liabilities	Thous. of dollars	3,091	3,233	- 4.4	12,636	12,674	- 0.3
Postal Receipts — 9 cities	" "	106,585	107,981	- 1.3	415,629	409,379	+ 1.5
Sales — Life Insurance—Ohio and Pa.	" "	25,036	28,494	-12.1	91,565	93,744	- 2.3
Dept. Stores — (61 firms)	" "	2,087	2,307	- 9.5	7,169	7,524	- 4.7
Wearing Apparel (17 firms)	" "	1,114	1,290	-13.6	3,973	4,075	- 2.4
Furniture (49 firms)	" "	6,294	6,389	- 1.5	25,602	24,998	+ 2.4
Wholesale Grocery (46 firms)	" "	2,018	2,102	- 4.0	8,565	8,480	+ 1.0
Dry Goods (13 firms)	" "	1,839	2,120	-13.3	7,190	8,032	-10.5
Hardware (16 firms)	" "	1,836	1,833	+ 0.2	7,278	7,359	- 1.1
Drugs (14 firms)	" "	28,095	24,794	+13.3	79,679	75,002	+ 6.2
Building Permits, Valuation—27 cities	" "	70,184	77,350	- 9.3	201,249	229,533	-12.3
Building Contracts — Total, 4th District	" "	24,381	30,715	-20.6	73,780	83,951	-12.1
Residential, 4th District	" "	3,181	3,422	- 7.0	12,122	12,943	- 6.3
Production — Pig Iron, U. S.	Thous. of tons	4,304	4,127	+ 4.3	16,847	16,265	+ 3.6
Steel Ingots, U. S.	" "						
Automobiles, U. S.	" "						
Passenger Cars	Actual Number	364,877	357,009	+ 2.2	1,233,425	1,166,741	+ 5.7
Trucks	" "	45,071	47,738	- 5.6	145,404	176,138	-17.4
Bituminous Coal, 4th Dist.	Thous. of tons	13,403	14,281	- 6.1	58,915	77,817	-24.3
Cement: Ohio, W. Va., Wn. Pa.	" " barrels	1,321	1,409	- 6.2	3,905	4,066	- 4.0
Electric Power: Ohio, Pa., Ky.	Millions of k.w. hrs.	1,136 ^a	1,182 ^a	- 3.9	3,459 ^a	3,402 ^a	+ 1.7
Petroleum: Ohio, Pa., Ky.	Thous. of barrels	2,072 ^a	2,076 ^a	- 0.2	5,827 ^a	5,715 ^a	+ 2.0
Shoes, 4th District	" " pairs			-34.8 ^b			- 3.5 ^b
Tires, U. S.	" "	5,157 ^c	4,762 ^c	+ 8.3	14,124 ^c	12,494 ^c	+13.0
Bituminous Coal Shipments (from Lake Erie ports)	" "	829	3,374	-75.4	914	3,908	-76.6
Iron Ore Receipts (at Lake Erie ports)	" "						

¹ 4 month's average.
² March.
³ January-March.
^a Figures Confidential.
^b Preliminary.

Index Numbers of Trade in the Fourth Federal Reserve District

Retail and Wholesale Trade

(1928 compared with 1927)

	Percentage Increase or Decrease	SALES	SALES	or	DECREASE
		Apr.-Apr.	First Apr.	SALES	Apr.-Apr.
DEPARTMENT STORES (61)					
Akron	- 8.8	+ 9.1		+15.6	
Cincinnati	-12.0	+ 0.2		+ 2.1	
Cleveland	- 8.1	+ 0.1		+ 5.5	
Columbus	- 5.8	+ 0.4		+ 2.0	
Dayton	-12.8	- 1.8		+ 1.4	
Pittsburgh	-15.9	- 6.4		-10.0	
Toledo	- 9.6	+ 0.4		+ 0.1	
Wheeling	-17.4	- 8.2		-10.9	
Youngstown	-14.6	- 3.1		- 1.7	
Other Cities	-17.5	- 8.5		- 3.6	
District	-12.1	- 2.3		- 1.8	
WEARING APPAREL (17)					
Cincinnati	- 3.7	- 0.7		+22.2	
Cleveland	-10.6	- 6.7		+ 2.3	
Other Cities	-11.1	- 6.1		- 0.9	
District	- 9.5	- 4.7		+ 4.0	
FURNITURE (49)					
Cincinnati	-12.6	- 2.9			
Cleveland	- 6.9	+ 0.4			
Columbus	-19.9	- 6.9			
Dayton	-17.5	- 2.2			
Toledo	- 3.7	+13.5			
Other Cities	-30.7	-20.0			
District	-13.6	- 1.7			
CHAIN STORES*					
Drugs—District (3)	- 7.6	- 8.0			
Groceries—District (5)	+ 3.8	+ 5.4			
WHOLESALE GROCERIES (46)					
Akron	+10.1	+12.9			
Cincinnati	+ 6.7	+ 7.4			
Cleveland	- 3.4	+ 0.9			
Frie	-16.8	- 7.8			
Pittsburgh	+ 8.4	+10.3			
Toledo	- 7.2	- 1.2			
Other Cities	- 2.0	+ 1.5			
District	- 1.5	+ 2.4		+ 5.7	
WHOLESALE DRY GOODS (13)	- 4.0	- 1.0		+ 6.1	
WHOLESALE DRUGS (14)	+ 0.2	- 1.1			
WHOLESALE HARDWARE (16)	-13.3	-10.5			
WHOLESALE SHOES (6)	-23.3	-15.1		-11.9	

* Sales per individual unit operated.

	April, 1924	April, 1925	April, 1926	April, 1927	April, 1928
Department Stores (50)*	125	122	114	126	111
Wholesale Drugs (14)**	103	103	115	108	108
Wholesale Dry Goods (13)**	94	88	80	78	75
Wholesale Groceries (46)**	95	90	90	87	85
Wholesale Hardware (16)**	104	100	96	99	86
Wholesale All (93)**†	98	93	93	90	86
Chain Drugs (3)**†	100	99	103	98	91

*Base = Average monthly sales, 1919-1923.
 **Base = Average monthly sales, 1923-1925.
 †Includes 4 shoe firms.
 ‡Per individual unit operated.

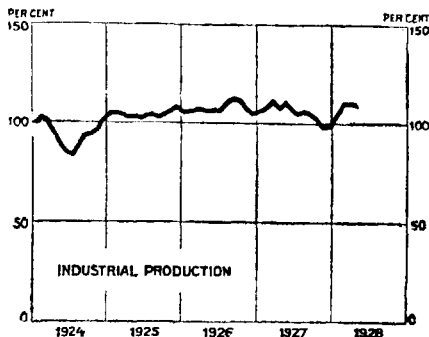
Debits to Individual Accounts

(In thousands of dollars)

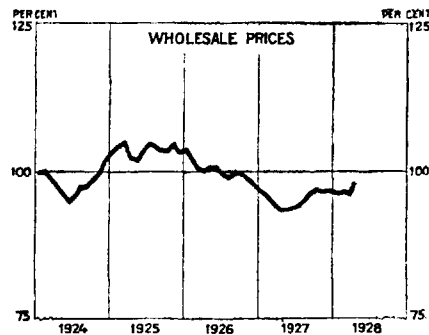
	4 weeks ending May 16, 1928	% change from 1927	1928 to date (Dec. 28 — May 16)	1927 to date (Dec. 29 — May 18)	% change from 1927
Akron	104,834	+ 5.7	519,658	457,860	+13.5
Butler, Pa.	11,283	- 2.4	52,001	57,166	- 9.0
Canton	45,990	+ 0.9	244,362	237,917	+ 2.7
Cincinnati	401,140	+ 1.7	2,248,362	1,984,581	+13.3
Cleveland	716,448	- 1.8	4,046,032	3,953,807	+ 2.3
Columbus	159,979	+ 2.2	838,981	828,529	+ 1.3
Connellsville, Pa.	3,986	-18.2	19,747	25,832	-23.6
Dayton	83,134	- 7.9	470,891	467,742	+ 0.7
Eric, Pa.	33,234	-11.3	166,407	175,310	- 5.1
Greensburg, Pa.	18,203	-16.5	99,094	108,971	- 9.1
Homestead, Pa.	4,662	+ 7.5	20,500	20,993	- 2.3
Lexington, Ky.	21,807	+20.0	134,301	131,907	+ 1.8
Lima	14,276	- 1.0	76,150	74,363	+ 2.4
Lorain	5,248	- 9.2	27,991	28,226	- 0.8
Middletown	11,005	+ 1.6	62,749	53,452	+17.4
Oil City, Pa.	18,707	+49.0	78,539	75,067	+ 4.6
Pittsburgh, Pa.	911,724	- 1.4	4,729,807	5,171,603	- 8.5
Springfield	19,922	- 8.0	108,402	117,700	- 7.9
Steubenville	10,777	+ 5.5	54,181	53,788	+ 0.7
Toledo	265,900	+17.2	1,329,863	1,142,955	+16.4
Warren	12,132	- 7.2	65,901	68,406	- 3.7
Wheeling, W. Va.	47,445	+ 3.7	236,338	229,010	+ 3.2
Youngstown	68,572	+ 4.3	341,934	354,235	- 3.5
Zanesville	12,056	- 4.7	61,706	62,457	- 1.2
Total	3,002,464	+ 0.8	16,033,897	15,881,877	+ 1.0

Summary of National Business Conditions

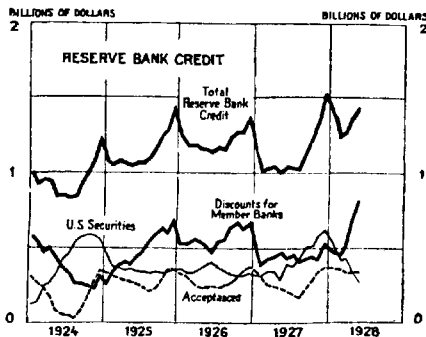
(By the Federal Reserve Board)



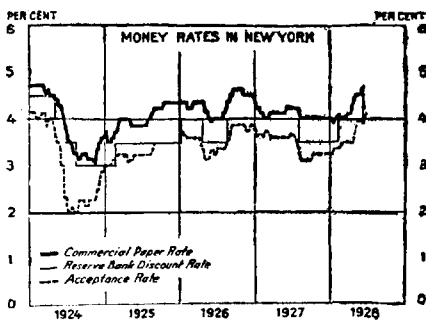
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 = 100). Latest figure—April, 109.



Index of U. S. Bureau of Labor Statistics (1926 = 100). Latest figure—April, 97.4.



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



Weekly rates in New York money market: commercial paper rate on 4-to-6 months paper and acceptance rate on 90-day paper.

Volume of industrial production continued large during April, reflecting chiefly increased output in metal industries, while activity in industries producing food and clothing decreased. Wholesale and retail trade also declined. The general level of wholesale commodity prices increased in April, reflecting advances in farm products. There were large exports of gold in April and May. Member bank loans and their borrowings at the reserve banks continued to increase, and money rates showed further advances.

Production

Production of manufactures remained in about the same volume in April as in March, while output of minerals declined slightly, owing chiefly to a decrease in production of bituminous coal. Daily average output of iron and steel, copper, and zinc, increased in April, but since the first of May there has been some curtailment in steel mill activity. Automobile production was maintained in large volume during April and according to preliminary reports also during the first half of May. Textile mill activity, output of boots and shoes, and meat production showed substantial declines during April. Volume of factory employment declined slightly, reflecting chiefly decreases in the food, leather and textile industries. Building contracts awarded in April exceeded those for any previous month, and awards during the first three weeks of May continued in unusually large volume.

Trade

Sales by department stores and by wholesale firms in most lines of trade declined in April, and were in smaller volume than a year ago. Average daily sales of department stores, after allowance is made for the earlier date of Easter and the usual seasonal changes, were smaller in April than in March and were also smaller than in April a year ago. This decrease was due largely to unfavorable weather conditions. Stocks of department stores, after adjustment for seasonal changes, were in about the same volume as in March, and slightly smaller than a year ago. Freight car loadings showed an increase between the beginning of April and the middle of May, but for most classes of commodities continued smaller than a year ago.

Prices

The general level of wholesale commodity prices as indicated by the index of the Bureau of Labor Statistics, increased from 96 per cent of the 1926 average in March to 97.4 per cent in April. This increase reflected sharp advances in the prices of grains, cotton, livestock, and hide and leather products. Rubber prices continued to decline, and most of the other groups of commodities showed little change. During the first three weeks of May there were decreases in the prices of grain, flour, sheep and hogs, and increases in copper, zinc and rubber.

Bank Credit

At member banks, loans largely for commercial and industrial purposes, following a rapid increase during February and March, have shown little change since the early part of April. Loans on securities continued to increase and total loans and investments of reporting member banks in the middle of May were larger than at any previous time.

The outward movement of gold continued in May, the decline in monetary gold stock during the four weeks ending May 23 being nearly \$90,000,000. This loss of gold, together with further sales of United States securities by the Reserve banks, was reflected in an increase of nearly \$140,000,000 in member bank borrowing at the Reserve banks.

There were further advances in open market money rates during May, and discount rates at the Federal Reserve banks of New York, Philadelphia, Cleveland, Atlanta, and Dallas were raised from 4 to 4½ per cent.