



MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions
in the
Fourth Federal Reserve District
Federal Reserve Bank of Cleveland

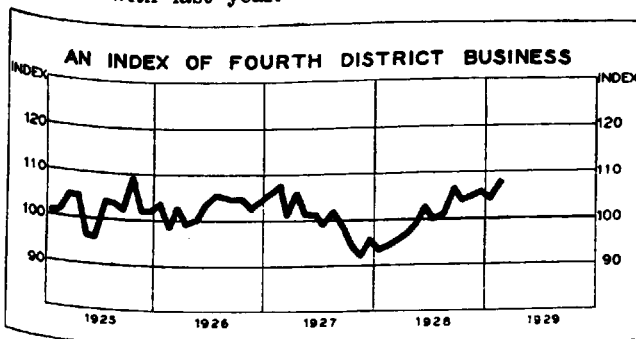
Vol. 11

Cleveland, Ohio, April 1, 1929

No. 4

The pace of business in the Fourth District in March was at least equal to if not greater than February, after allowing for seasonal differences. Employment generally was at a high point and operations in most industries were above the level of a year ago. Steel mills in mid-March were having some difficulty in keeping up with orders, even though their output was at practical capacity in numerous instances. The marked recovery in the rail equipment industry continued, with orders for locomotives and freight cars much larger than for months. Tire output was large, and motor accessory concerns were very busy. February sales of new passenger cars were about 50 per cent larger than a year ago. Coal prices in March were a little firmer; domestic demand was good and industrial buying continued steady. Orders for electrical supplies were heavy, being well above last year at this time. Plate glass manufacturers have been receiving large automotive orders. Paint and varnish manufacturers are confident, dealers' stocks are low, and spring business is developing satisfactorily.

Unfavorable spots are few, the most important being in the building industry. This trade has continued to run behind last year, building permits in February showing a decrease of 16 per cent. Business in March was slow in the shoe trade; wholesale trade was less than last year in February, and retail clothing sales were irregular as compared with last year.



FINANCIAL

The month ending with March 23 has been characterized by a further rise in money rates, a slight decline in reserve bank credit, an increase in total loans and investments of member banks in leading cities, and a large increase in loans to brokers.

Gold Movements. Gold imports in February amounted to \$26,913,000, including a shipment of \$22,000,000 from England. Exports were only \$1,425,000, the net gain to our gold stock (including changes in earmarked gold) being \$26,426,000. In the first three weeks of March, imports at the port of New York amounted to \$10,460,000, mostly from Germany, while exports were \$200,000.

Money Rates. Money rates in New York are higher than a month ago. On March 23, prime commercial paper was quoted at 5½-6 per cent as compared with 5¼-5½ per cent a month earlier. During the same period, 90-day bankers' acceptances (asked) advanced from 5¼ to 5½ per cent, and time money on the stock exchange rose from 7¼ per cent to 8 per cent flat, the highest in years. Call money between March 1 and March 23 ranged between 7 and 10 per cent (renewal rate), averaging 8.25 per cent as against 7.09 in February, 7.35 in January, and 4.50 in March of 1928. Customers' rates in the Fourth District are slightly firmer than a month ago. In Cleveland, collateral loans are mostly at 6 per cent flat, as compared with 5½-6 per cent last month.

Reserve Bank Credit. Total credit extended by the Reserve System on March 20 amounted to \$1,372,000,000, a drop of \$31,000,000 from a month previous. An increase of \$77,000,000 in discounts brought this item up to \$942,000,000, but acceptances fell from \$356,000,000 to \$237,000,000. Government securities increased slightly, standing at \$185,000,000 on March 20. Discounts are practically double what they were a year ago, but both acceptances and Government securities are materially lower. Total bills and securities are \$176,304,000 larger than last year.

In the Cleveland reserve bank, discounts dropped from 81 million dollars on February 20 to 77 millions on March 20; acceptances fell from 34 to 25 millions, and Government security holdings from 30 to 29 millions. Total credit extended on March 20 was \$131,000,000, a decline of \$15,000,000 for the month and of \$3,000,000 for the year.

Member Bank Credit. Collateral loans made by all reporting member banks stood at \$7,642,000,000 on March 20 as compared with \$7,448,000,000 a month earlier. For the same dates, "all other" loans were \$8,910,000,000 as compared with \$8,740,000,000; investments, \$6,028,000,000

and \$5,991,000,000; demand deposits, \$13,281,000,000 and \$13,259,000,000; and time deposits, \$6,805,000,000 and \$6,867,000,000.

Brokers' loans made by or through New York reporting member banks advanced rapidly to a new high during the month. The previous high was \$5,669,000,000, reached on February 6, from which there was a reaction to \$5,477,000,000 on the 20th. In the next four weeks these loans increased 6 per cent to \$5,792,582,000 on March 20. Most of this gain occurred in the item "for the account of others", although loans made direct by the New York banks also increased.

In the Fourth District, loans on securities rose from 696 millions on February 20 to 714 millions on March 20, "all other" loans increased from 804 to 816 millions, while investments were off slightly, aggregating 691 millions on the later date. No great changes took place in demand and time deposits, the former standing at 1027 millions on March 20 and the latter at 977 millions.

Security Prices. Stock prices have been very irregular during the month, with a weakening tendency toward the close. The Dow-Jones industrial average made a new high of 322.06 on February 5, declined to 295.85 on the 16th, advanced to a second top of 321.18 on March 1, fell to 305.20 on the 6th, and again rose to a third peak of 320 on the 16th. Since then another reaction has taken place, the average standing at 303.22 on March 27. Bond prices in general have been weak.

Debits, Savings, Failures. Debits to individual account of 13 large cities in the Fourth District were \$2,740,000,000 in February, as compared with \$3,028,000,000 in January and \$2,375,000,000 a year ago.

Savings deposits of 66 banks in this District totaled \$1,057,141,289 on March 1, a gain of 0.3 per cent for the month and of 3.7 per cent for the year.

Commercial failures in the Fourth District numbered 166 in February, as compared with 196 in January and 186 a year ago. Liabilities were \$2,891,340 in February, \$4,636,425 in January, and \$4,727,509 in February of 1928. In the United States there were 1965 failures in February, 2535 in January, and 2176 a year ago.

Debits to Individual Accounts

(In thousands of dollars)

	5 weeks ending Mar. 20, 1929	% change from 1928	1929 to date (Dec. 26-Mar. 20)	1928 to date (Dec. 28-Mar. 21)	% change from 1928
Akron.....	140,822	+22.6	362,600	310,590	+16.7
Butler, Pa.....	13,349	+18.1	35,907	31,153	+15.3
Canton.....	62,895	+18.1	170,998	144,140	+18.6
Cincinnati.....	525,740	+10.9	1,458,801	1,394,450	+4.6
Cleveland.....	1,097,764	+26.5	2,864,935	2,522,499	+13.6
Columbus.....	218,158	+15.1	588,446	510,565	+15.3
Connellsville, Pa.....	4,371	-6.6	11,242	11,806	-4.8
Dayton.....	137,459	+25.4	343,687	291,032	+18.1
Eric, Pa.....	144,524	+18.4	114,225	99,413	+14.9
Franklin, Pa.....	6,482	+17.0	16,166	15,570	+3.8
Greensburg, Pa.....	22,691	+5.0	60,400	62,487	-3.3
Homestead, Pa.....	5,576	+18.8	14,004	11,865	+18.0
Lexington, Ky.....	35,082	+30.8	112,704	92,902	+21.3
Lima.....	18,553	+7.7	53,428	46,961	+13.8
Lorain.....	6,744	+11.2	17,433	16,634	+4.8
Middletown.....	15,616	+9.6	38,991	39,585	-1.8
Oil City, Pa.....	19,744	+17.9	53,039	44,749	+18.5
Pittsburgh, Pa.....	1,282,354	+26.1	3,354,591	2,856,401	+17.4
Springfield.....	29,932	+23.3	81,463	66,518	+22.5
Steubenville.....	13,323	-3.3	35,791	33,564	+6.6
Toledo.....	265,144	-9.9	760,890	796,377	-4.5
Warren.....	16,565	+17.6	43,720	39,429	+10.9
Wheeling, W. Va.....	62,470	+17.6	164,253	143,213	+14.7
Youngstown.....	90,407	+26.5	245,724	203,174	+20.6
Zanesville.....	14,674	+11.1	39,701	37,073	+7.1
Total.....	4,150,439	+19.4	11,043,039	9,822,690	+12.4

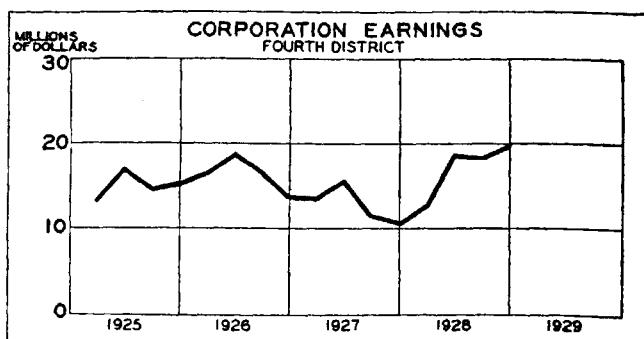
FOURTH DISTRICT EARNINGS

The chart below presents the net earnings by quarters, 1925-1928, of 25 leading industrial corporations in the Fourth District. The group includes only concerns which operate wholly or largely in this District, so that it may be considered fairly representative of business in the District. Numerous large corporations doing considerable business in this area, but possessing plants in other parts of the country as well, have been excluded.

It will be noted that the fourth quarter of 1928 marked a new peak for quarterly earnings during the four-year period, the figure being \$19,418,000. This is particularly noteworthy in view of the fact that fourth quarter earnings in the past have ordinarily declined somewhat from the level of the second and third quarters. The last quarter of 1928, therefore, was the most prosperous period in the Fourth District throughout the four years.

The figures shown on the chart are as follows (in thousands of dollars):

	1928	1927	1926	1925
First quarter	\$12,392	\$13,698	\$16,128	\$13,142
Second quarter	18,537	15,667	18,568	16,668
Third quarter	18,264	11,682	16,729	14,464
Fourth quarter	19,418	10,329	13,877	15,319
Year	68,611	51,376	65,302	59,591



MANUFACTURING, MINING

Iron and Steel

Though steel production in February surpassed all previous efforts when it attained a daily rate of 180,198 gross tons, additional capacity was put on in the first half of March. Specifications which have impelled steelmaking to these record heights have been predicated, apparently, upon immediate requirements, principally for the manufacture of automobiles, freight cars, rails, farm implements and line pipe. Small metalworking plants have rounded out tonnage demand.

A concomitant of record steel production is a shortage of semifinished steel. Virtually for the first time since the war, there is talk of premiums for spot material. Some finishing capacity has been idle on account of a lack of billets and sheet bars. Mahoning valley mills in particular have been held back on this account. Chicago, as usual at the season, is carried along by railroad requirements, but Pittsburgh and northern Ohio have benefited chiefly from record automobile steel demand. Sheets, bars and strip are the most wanted classifications. On some

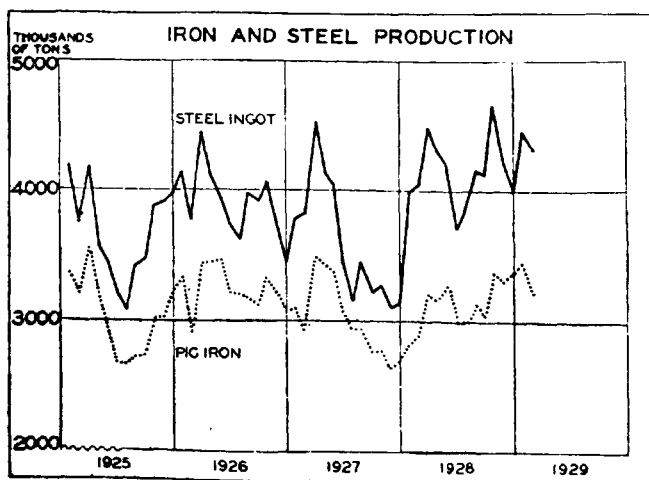
high finishes of sheets mill capacity is engaged into June.

With deliveries on many sizes of bars and grades of sheets and strip four to eight weeks deferred, second-quarter contracting has been subordinated. As a result, advances on bars, plates, shapes, sheets and strip—the latter taking the form of a revision of extras—have not been tested. In mid-March, pig iron prices in the Mahoning and Shenango valleys tended to strengthen. Iron and steel scrap prices were subsiding slowly, forecasting the usual spring easiness in consumption.

February's steel ingot rate of 180,198 tons readily exceeded the 166,274 tons of January and the 161,812 tons of February, 1928. The previous all-time record daily rate was 172,144 tons, in October, 1928.

Pig iron production in February, at a daily rate of 114,833 tons, was a record for that month and closely approached the all-time pig iron record of 115,207 tons, in March, 1925. Two hundred and eight blast furnaces, six more than the month previous, were active at the close of February.

Further price advances for iron and steel are shown by the Iron Trade Review composite of fourteen leading iron and steel products. In February this index averaged \$36.28, compared with \$36.24 in January, and \$35.62 last February. In the first two weeks of March this index was stationary at \$36.37.



Coal

The soft coal markets displayed a slightly firmer tone in February and the first part of March. Domestic demand was strong, owing to the cold weather in February, while steam coal was taken steadily in response to high industrial activity. Industrial consumers were estimated to have about 41,000,000 tons of soft coal on hand in the middle of March, a drop of nearly 10,000,000 tons from a year ago. The "Coal Age" weighted average price for bituminous (spot, mine) was \$1.87 in February as against \$1.85 in January.

Fourth District dealers report a good volume of sales during the past few weeks. Profit margins are still narrow, however, owing to the low scale of prices now existing.

Production of soft coal in the country declined notice-

ably between the middle of February and March 9, and on the latter date was below the preceding four years. Ohio production, however, has recovered to a marked extent in recent months after the extremely depressed condition in Ohio union fields in 1927 and 1928.

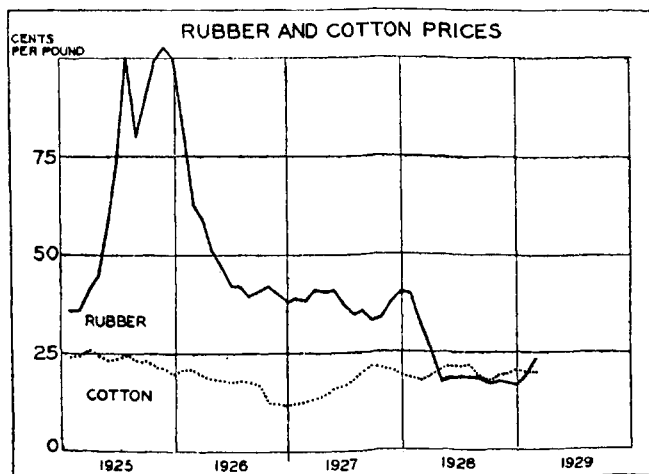
Rubber and Tires

Akron tire factories have been at practical capacity. Dealer buying has been somewhat disappointing, but bad weather has held back the demand and up to the middle of March, spring buying by the public had not been felt to any great extent. Demand for tires as original equipment remains exceptionally heavy as motor companies attain new high production records. Tire manufacturers are carrying rather heavy inventories, partly in anticipation of large orders when spring weather arrives. Employment in tire factories in February was slightly higher than January and nearly 10 per cent greater than a year ago.

As shown in the chart below, crude rubber prices recovered materially in the first two months of 1929 after averaging about 18 cents a pound during most of 1928. The January average was 20 cents, and that for February was 23½ cents. By the middle of March a further advance to around 25 cents had been scored, but by the 20th the price had reacted slightly. Price advances have recently taken place in some mechanical rubber goods and rubber footwear.

Crude rubber imports into the United States in February amounted to 64,538 tons, as compared with only 29,445 tons last year. For the first two months, the figures are 116,843 and 75,688 tons respectively.

Tire production (including solids) in the United States aggregated 5,074,000 units in January, as compared with 4,155,000 a year ago—an increase of 22 per cent.



Automobiles

Automobile production in the United States made a new high for all time in February, the figure of 466,084 exceeding that of last August by nearly 5,000 cars. The record is particularly noteworthy in view of the short month. The February figure, of course, was far beyond any previous February, the next highest total for that

month being 370,569 in 1924. Last year, February output was 323,796 cars and trucks. For the first two months of 1929, production totaled 866,799 units, as compared with 555,524 last year, 543,643 in 1927, and 672,850 in 1926. In 1924, the total for the first two months was 689,158 units, a new mark up to that time, but a marked slump in output occurred later in that year.

The pace of production has not slackened in the first half of March; in fact, some of the largest manufacturers increased their output during the month, so that the average daily rate showed a gain even over February's high figure. Sales are reported to be fairly satisfactory, although somewhat spotty, the bad weather having had a retarding effect.

In the Fourth District, sales have been well in excess of a year ago. February registrations of new passenger cars in 59 Ohio counties, representing over 80 per cent of the state's population, increased 51 per cent over the same month in 1928, according to the Ohio State University Bureau of Business Research, and also gained 16 per cent over January. Truck registration was 89 per cent greater than last year. Employment in motor and motor accessory plants in the District is nearly 50 per cent larger than a year ago.

NEW PASSENGER CAR REGISTRATION

	Feb. 1929	% change from 1928	Jan.-Feb. 1929	Jan.- Feb. 1928	% change from 1928
Akron (Summit)	904	+75.9	1,922	1,077	+78.5
Canton (Stark)	619	+67.8	1,123	632	+77.7
Cincinnati (Hamilton)	1,230	+19.9	2,472	2,114	+16.9
Cleveland (Cuyahoga)	3,537	+53.6	6,250	3,739	+67.2
Columbus (Franklin)	948	+33.7	1,935	1,343	+44.1
Dayton (Montgomery)	787	+37.8	1,646	1,090	+51.0
Toledo (Lucas)	1,028	+65.8	1,811	1,168	+55.1
Youngstown (Mahoning)	533	+51.4	1,008	666	+51.4
Total	9,586	+48.3	18,167	11,829	+53.6

Clothing

Business in most clothing lines was quiet in February, but March brought the stimulation of Easter purchasing. Orders for knitted wear exceed those of a year ago. Business in women's wear is more active than last month. In men's underwear a reduction in rayon prices has brought some readjustment in prices of finished goods, which has hampered manufacturers who hold stocks purchased at higher levels. The woolen goods trade has been quiet. Men's clothing concerns are employing more help than a year ago, and February employment also exceeded January.

Sales of 12 wholesale dry goods houses in the Fourth District in February declined 5.4 per cent from last year, but increased seasonally over January. For the first two months of 1929, sales were 4 per cent less than a year ago. Collections in February were slightly greater than last year.

Retail clothing sales in 45 department stores in this District made an indifferent showing in February as compared with the same month in 1928. Increases of 1.6 per cent in juniors' wear, 31.3 in sports' wear, 6.7 in aprons and house dresses, 1.0 in hosiery, 2.5 in knit underwear, 5.5 in negligees, and 0.4 per cent in infants' wear were offset by decreases of 10.3 per cent in men's clothing, 5.3 in men's furnishings, 3.7 in women's coats, 4.6 in women's dresses, 0.5 in misses' ready-to-wear, 6.7 in boys' wear, and 19.5 per cent in furs.

Shoes

Business in this line has been slow in the past several weeks. Both production and sales in February made an unfavorable showing as compared with last year.

Unusually cold weather in that month was a retarding factor, with retailers reporting poor sales and the Easter trade lagging. March brought the usual rush of Easter orders, but business was still rather quiet after allowing for the seasonal increase. Collections are reported as "slow" by Cincinnati manufacturers.

February production in the Fourth District ran 23 per cent behind last year and also declined about 6 per cent from January, although in the past February has nearly always recorded a gain over January. Output for the first two months of 1929 was 14 per cent less than last year, but was 0.3 per cent ahead of 1927 and 9 per cent larger than in 1926.

Wholesale shoe sales in this District in February showed a large decrease of 42.5 per cent from a year ago. Retail sales in department stores were also lower, the decline being 1 per cent in women's shoes and 3 per cent in men's shoes.

Hide prices continued weak in March after their pronounced slump in January and February, being quoted at around 14½ cents a pound as compared with about 23 cents a year ago and 22½ cents in December.

Other

General activity is holding up to a month ago, with most lines doing a good business. There are some unfavorable spots, however. Buying is still hand-to-mouth in nearly all cases.

Boxboard. Depression continues with profit margins unsatisfactory, but recently demand has increased slightly in response to low prices.

Electric Supply. Orders are holding up well, being heavier than a year ago. Radios and accessories show a particularly large increase.

Food Products. Stocks of wholesalers are not large, and buying has been steady with an increase in staple products.

Glass. Business in general in this line is a little better than a year ago. Plate glass companies have benefited considerably from extremely heavy automotive demand, and plants are operating at near capacity. Orders for window glass up to mid-March were quiet, owing to severe weather. Buying of household glassware has been light on the part of both retailers and public. Employment is running ahead of last year.

Metal Containers. February business was slightly less than a year ago.

Motor Accessories. Activity, of course, continues at a very high rate along with record-breaking automobile production.

Motor Trucks. Manufacturers report an encouraging increase in orders since the first of the year, with the immediate outlook promising. Collections are better.

Paint. Industrial demand is good. Stocks in dealers' hands are low, although the motor industry is pretty well stocked up. Manufacturers are confident concerning the spring trade. Orders for raw materials have exceeded

those of a year ago; pig lead has advanced sharply, and the market is active.

Stoves. Business is quiet. Demand has been sluggish, and collections are slow. Some price-cutting is reported, but without any sizable increase.

AGRICULTURE, CANNING

Whatever the growing season may develop hereafter, it has not made a very early start. The winter has been severe and farmers have not been able to begin their spring work as soon as desired. Frost in the ground made it impossible to plow early and even the balmy weather of the past two or three weeks has not aided farmers to any great extent because of the numerous rains. This long steady winter weather has, however, benefited the winter grains to the extent of affording them from four to six weeks of snow protection. As a result, the condition of the young plants this year is about 10 per cent higher than at the same time a year ago. Few complaints of winter-killing have been received so that abandonment this year for that reason is stated to be small. The acreage sown last fall was smaller than for the 1928 crop, but abnormal abandonment of fields took place last spring.

Wheat stocks on farms are much below average. Last year's harvest was the smallest in many years and stocks on hand on farms in this District are less than half as large as the average for the past five years. Corn held on farms, following the large crop of 1928, is considerably greater in Ohio, but slightly smaller in Pennsylvania, than a year ago. Stocks of oats and barley are much heavier than a year ago due to the large production of both grains in 1928.

The outlook in the canning industry is said to be fairly promising. The pack of peas in 1928 was quite large, that of corn larger than in 1927, but below the five-year average, and that of tomatoes only 8,500,000 cases as compared with a normal pack of about 13,000,000 cases. This, coupled with an active consumptive demand, has reduced stocks of wholesale grocers and packers more than usual. One large canner reports stocks as being less than at any time during the past ten years.

Tobacco Planting in seed-beds has been going on in the Kentucky burley tobacco region. Government estimates of the new crop have not yet appeared, but private estimates, which are not forecasts, continue to indicate an increase in acreage this year. Some requests for burley seed have been received from Western Kentucky, which ordinarily grows dark-fired tobacco.

Very little selling of the 1928 crop has been done recently, as most of the crop had been disposed of by the first of March. The Lexington market was still running in mid-March, but was selling only once a week to take care of the last of the crop. The small amount of leaf still coming in was rather mediocre in quality and was not bringing as good a price as earlier in the season. The season's sales at Lexington alone amounted to about 62,000,000 pounds, at the very good average price of \$33.40 per hundred pounds.

BUILDING

Building contracts awarded in February in the Fourth District compared unfavorably with a year ago. Residential contracts amounted to only \$10,200,351, the lowest February since 1922, and total contracts were \$36,360,000, the lowest for the month since 1924. The first two months of 1929 combined, however, showed a gain in total contracts over last year of about 40 per cent, owing to large industrial awards in Western Pennsylvania in January. Residential contracts awarded for the first two months were 23 per cent less than a year ago.

Building permits in 24 cities in February were likewise less than a year ago, the drop being 15.8 per cent. Only five cities reported gains—Cincinnati, Covington, Erie, Hamilton, and Newark. For the first two months, the loss was 9.5 per cent, with 17 out of 24 cities showing decreases.

Lumber Lumber manufacturers in this District are slightly more confident than a month ago, although competition remains very keen. Orders are showing a seasonal increase, and hardwood prices have advanced. Retailers' stocks of hardwoods have been permitted to decline to a low point, and this, coupled with smaller production in the south on account of prolonged wet weather, has revived activity in the hardwood branch of the trade.

Mill operations in some parts of the south have been almost at a standstill on account of impassable roads for hauling, and Pacific Coast mills have also curtailed operations due to cold weather.

Building Operations

(Valuation of Permits)

	February 1929	% change from 1928	Jan.-Feb. 1929	Jan.-Feb. 1928	% change from 1928
Akron.....	\$920,970	-26.0	\$1,794,078	\$1,901,563	-5.7
Ashtabula.....	3,650	-54.4	5,704	31,030	-81.6
Barberton.....	32,340	-36.8	53,340	75,418	-29.3
Canton.....	132,810	-41.1	254,910	804,662	-68.3
Cincinnati.....	2,798,165	+48.4	4,458,200	2,995,545	+48.8
Cleveland.....	2,871,400	-14.8	5,304,975	5,925,725	-10.5
Cleve. suburbs:					
Cleve. Heights..	101,025	-77.4	208,825	854,285	-75.6
East Cleveland..	6,100	-93.1	13,247	220,165	-94.0
Euclid.....	48,825	-66.9	155,325	245,131	-36.6
Garfield Heights	60,000	-63.9	149,000	246,550	-39.6
Lakewood.....	22,765	-93.7	739,265	557,685	+32.6
Parma.....	164,290	-19.6	237,530	352,295	-32.6
Rocky River.....	61,005	-20.1	140,005	138,363	+1.2
Shaker Heights..	371,900	-27.0	628,900	922,000	-31.8
Columbus.....	535,800	-59.2	1,211,300	2,299,800	-47.3
Covington, Ky...	211,450	+86.6	238,650	179,700	+32.8
Dayton.....	353,425	-47.9	1,055,204	1,257,875	-16.1
Erie, Pa.....	2,066,216	+778.8	2,699,661	345,165	+682.1
Hamilton.....	103,790	+27.8	143,131	149,855	-4.5
Lexington, Ky...	52,220	-63.8	357,220	205,940	+73.5
Lima.....	3,520	-88.6	39,520	50,050	-20.2
Newark.....	15,875	+32.8	20,975	28,675	-26.9
Pittsburgh, Pa...	2,008,717	-18.9	3,254,097	3,701,224	-12.1
Springfield.....	33,125	-38.0	208,225	136,735	+52.3
Toledo.....	476,345	-74.5	1,392,289	3,169,248	-56.1
Wheeling, W. Va.	69,865	-46.1	151,627	207,762	-27.0
Youngstown.....	235,755	-44.4	495,905	1,068,585	-53.6
Total.....	\$13,761,348	-15.8	\$25,411,508	\$28,071,031	-9.5

TRADE

Retail Trade Sales of 63 department stores in the Fourth District in February were 1 per cent less than last year, but after allowing for the one extra selling day in February of 1928, sales this year were slightly larger. The greatest increase took place in Toledo, with 9.9 per cent. For the

first two months, sales this year increased 0.8 per cent over last year. Stocks on hand on February 28 were 3.7 per cent less than a year ago but 8.9 per cent larger than a month earlier.

Sales of 16 wearing apparel firms declined 1.4 per cent from last year, but the first two months gained 1.1 per cent. Stocks at the end of February were 10.1 per cent lower than a year earlier, while accounts receivable were 9 per cent larger.

Sales of 48 furniture stores in February decreased 8.7 per cent from a year ago, and furniture sales in 35 department stores also dropped 12.4 per cent. For the first two months, sales were 5.1 per cent less than last year. Accounts receivable at the end of the month increased 2.4 per cent over a year ago. February collections were 4.8 per cent larger.

February chain grocery sales (per individual unit operated) were 5.6 per cent larger than a year ago, and the first two months were up 8.2 per cent. For chain drugs, the figures showed a loss of 5.3 and 3.0 per cent respectively.

Sales of retail hardware firms in Ohio in February decreased 6 per cent from last year, according to the National Retail Hardware Association, and were 21 per cent under the 1926-1928 average. For the first two months of 1928, there was a loss of 3 per cent.

Percentage changes in the principal departments of retail stores were as follows:

	% change from Feb. '28
Silks and Velvets	-21.7
Woolen and Cotton Goods	-11.7
Domestics	- 2.4
Toilet Articles	+ 8.0
Silverware, Jewelry	+ 4.0
Millinery	- 6.2
Gloves	+ 3.3
Hosiery	+ 3.0
Knit Underwear	+ 2.8
Silk and Muslin Underwear	+ 0.7
Infants' Wear	+ 5.5
Women's Shoes	- 0.9
Women's Coats	- 5.7
Women's Dresses	- 3.4
Misses' Ready-to-Wear	- 0.8
Girls' Ready-to-Wear	+ 6.3

Furs	-12.5
Men's Clothing	- 3.3
Men's Furnishings	+ 0.9
Boys' Wear	+ 2.2
Men's Shoes	- 2.9
Furniture	- 0.6
Rugs	- 4.2
Draperies, Lamps	- 4.9
House Furnishings	- 1.5
Musical Instruments	+ 0.6

Wholesale Trade All reporting wholesale lines in the Fourth District except drugs reported smaller sales in February than in the same month last year.

Dry goods sales were 5.4 per cent lower, but increased 14.5 per cent over January. The first two months combined showed a loss of 19.3 per cent. Stocks were 3.3 per cent larger than last year, receivables were up 0.5 per cent, and collections 2 per cent. Collections during February were 39.9 per cent of accounts receivable on January 31. The monthly stock turnover rate in February was .378, or 4.54 times a year.

Drug sales were 3.3 per cent larger than February, 1928, but were 17.9 per cent less than in January. For the first two months, sales gained 14.6 per cent over last year. Accounts receivable were 1.4 per cent larger and collections were 10.2 per cent larger. The collection percentage against January receivables was 78.2.

Every reporting city shared the District's loss from last year of 5 per cent in grocery sales. As compared with January, the loss was greater—11.2 per cent. For the first two months, however, sales increased 3.3 per cent over last year. Stocks and receivables declined 2.8 per cent and 3.7 per cent respectively, while collections were 2 per cent larger. The collection percentage was 56.9, and the stock turnover rate was .516, or 6.19 times a year.

Hardware sales dropped 4.4 per cent from last year but increased 4.2 per cent over January. Sales for the first two months were 2.3 per cent lower than a year ago. Stocks were 2.8 per cent less, receivables 1.2 per cent less, and collections 3.2 per cent greater. The percentage of February collections to January receivables was 34.2.

Shoe sales in February decreased 42.5 per cent from a year ago but gained 6 per cent over January. The decline for the first two months combined was 27.8 per cent.

Fourth District Business Statistics

(All figures are for Fourth District unless otherwise specified)

		Feb. 1929	Feb. 1928	% change	Jan.-Feb. 1929	Jan.-Feb. 1928	% change
Bank Debits (24 cities)	Millions of dollars	3,315	2,921	+13.5	7,003	6,356	+10.2
Savings Deposits (end of month)	Thousands of dollars	781,730	741,643	+ 5.4	781,251 ¹	739,488 ¹	+ 5.6
Ohio (40 banks)	" " "	275,411	278,186	- 1.0	274,486 ¹	272,302 ¹	+ 0.8
Western Pennsylvania (26 banks)	" " "	1,057,141	1,019,829	+ 3.7	1,055,737 ¹	1,011,790 ¹	+ 4.3
Total (66 banks)	" " "	1,666	1,866	-10.8	362	455	-20.4
Commercial Failures—Number	Actual Number	2,891	4,728	-38.9	7,527	10,723	-29.8
Liabilities	Thousands of dollars	2,942	3,120	- 5.7	6,097	6,122	- 0.4
Postal Receipts—9 cities	" " "	110,382	105,921	+ 4.2	219,555	191,981	+14.4
Sales—Life Insurance—Ohio and Pa.	" " "	21,031	21,233	- 1.0	42,842	42,517	+ 0.8
Dept. Stores—(63 firms)	" " "	1,211	1,229	- 1.4	2,642	2,614	+ 1.1
Wearing Apparel (16 firms)	" " "	969	1,061	- 8.7	1,709	1,801	- 5.1
Furniture (48 firms)	" " "	5,454	5,740	- 5.0	11,598	11,231	+ 3.3
Wholesale Grocery (42 firms)	" " "	1,912	2,021	- 5.4	3,582	3,733	- 4.0
Dry Goods (12 firms)	" " "	1,671	1,748	- 4.4	3,274	3,352	- 2.3
Hardware (16 firms)	" " "	1,677	1,622	+ 3.3	3,718	3,245	+14.6
Drugs (13 firms)	" " "	13,761	16,336	-15.8	25,412	28,071	- 9.5
Building Permits, Valuation—27 cities	" " "	36,360	37,841	- 3.9	91,040	64,244	+41.7
Building Contracts—Total, 4th District	" " "	10,200	15,179	-32.8	21,503	27,982	-23.2
Residential, 4th District	" " "	3,215	2,899	+10.9	6,648	5,755	+15.5
Production—Pig Iron, U. S.	" " tons	4,325	4,045	+ 6.9	8,814	8,036	+ 9.7
Steel Ingots, U. S.	" " "	407,589	291,151	+40.0	756,700	496,797	+52.3
Automobiles, U. S.	Actual Number	58,495	32,645	+79.2	110,099	58,727	+87.5
Passenger Cars	" " "	17,146	14,765	+16.1	35,738	30,304	+17.9
Trucks	" " "	829	978	-15.2	1,647	1,733	- 5.0
Bituminous Coal, 4th District	Thousands of tons	1,310 ²	1,166 ²	+12.3			
Cement: Ohio, W. Va., Wn. Pa.	" barrels	1,968 ²	1,864 ²	+ 5.6			
Electric Power: Ohio, Pa., Ky.	Millions of k.w. hrs.	5,037 ²	4,155 ²	+21.2			
Petroleum: Ohio, Pa., Ky.	Thousands of barrels						
Shoes, 4th District	" pairs						
Tires, U. S.	" casings						
Bituminous Coal Shipments (from Lake Erie Ports)	Thous. of tons						
Iron Ore Receipts (at Lake Erie Ports)	" "						

¹Monthly Average.
²January.
³Figures Confidential.

Fourth District Business Indexes

(1923-1925 = 100)

Retail and Wholesale Trade

(1929 Compared with 1928)

	Percentage Increase or Decrease		
	SALES Feb.-Feb.	SALES First 2 Mos.	STOCKS Feb.-Feb.
DEPARTMENT STORES (63)			
Akron	-15.0	- 0.1	+ 7.4
Cincinnati	- 3.1	+ 2.1	+ 5.8
Cleveland	+ 0.3	+ 4.0	- 6.9
Columbus	- 1.9	+ 0.2	- 0.1
Dayton	- 1.8	- 2.2	+ 1.3
Pittsburgh	+ 0.4	- 2.9	- 4.8
Toledo	+ 9.9	+10.2	-12.7
Wheeling	- 3.4	- 2.5	-10.5
Youngstown	- 3.3	+ 0.03	-12.1
Other Cities	+ 4.5	+ 3.9	- 6.5
District	- 1.0	+ 0.8	- 3.7
WEARING APPAREL (16)			
Cincinnati	- 7.9	- 5.7	- 1.0
Cleveland	+11.8	+13.9	-10.6
Other Cities	- 6.0	- 2.4	-13.6
District	- 1.4	+ 1.1	-10.1
FURNITURE (48)			
Cincinnati	-11.5	-11.9	.....
Cleveland	- 6.4	- 2.8	.....
Columbus	-14.0	- 5.2	.....
Dayton	- 8.6	-11.0	.....
Toledo	- 3.6	+ 5.0	.....
Other Cities	-19.2	- 7.6	.....
District	- 8.7	- 5.1	.....
CHAIN STORE*			
Drugs—District (3)	- 5.3	- 3.0	.....
Groceries—District (4)	+ 5.6	+ 8.2	.....
WHOLESALE GROCERIES (42)			
Akron	- 2.5	+ 2.8	.....
Cincinnati	- 4.8	+ 2.9	.....
Cleveland	-10.1	+ 2.3	.....
Erie	-12.3	- 4.4	.....
Pittsburgh	- 2.2	+ 1.0	.....
Toledo	- 0.4	+ 5.0	.....
Other Cities	- 2.5	+ 4.8	.....
District	- 5.0	+ 3.3	- 2.8
WHOLESALE DRY GOODS (12)	- 5.4	- 4.0	-19.3
WHOLESALE DRUGS (13)	+ 3.3	+14.6	.....
WHOLESALE HARDWARE (16)	- 4.4	- 2.3	- 2.8
WHOLESALE SHOES (5)	-42.5	-27.8	-16.1

*Sales per individual unit operated.

	Feb. 1929	Feb. 1928	Feb. 1927	Feb. 1926	Feb. 1925
Bank Debits (24 cities)	122	108	109	96	91
Commercial Failures (Number)	114	127	111	129	82
" (Liabilities)	66	107	79	90	47
Postal Receipts (9 cities)	113	120	114	110	99
Sales—Life Insurance (Ohio and Pa.)	132	127	117	106	111
Dept. Stores (52 firms)	82	84	82	81	81
Wholesale Drugs (13 firms)	107	104	100	97	95
Dry Goods (12 firms)	79	83	79	83	89
Groceries (42 firms)	80	85	79	82	84
Hardware (16 firms)	78	82	87	90	96
All (88 firms)†	82	86	83	85	87
Chain Drugs (3 firms)**	80	84	90	95	91
Building Contracts (Total)	76	79	107	90	89
(Residential)	59	88	89	121	94
Production—Coal (O., Wn. Pa., E. Ky.)	95	82	111	108	91
Cement (O., Wn. Pa., W. Va.)	69	81	72	61	49
Petroleum (O., Pa., Ky.)*	107	101	98	93	95
Electric Power (O., Pa., Ky.)*	156	139	138	129	111
Shoes	97	125	107	93	96

*January.
**Per individual unit operated.
†Includes 4 shoe firms.

Banking Operations

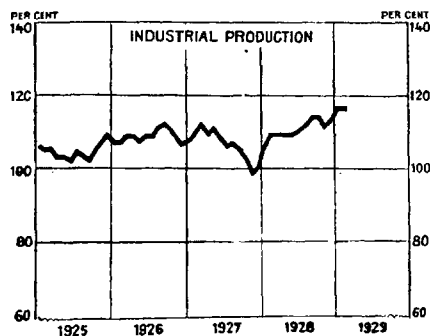
	Federal Reserve Banks			Federal Reserve System		
	Bank of Cleveland (In Millions)			Federal Reserve System (In Millions)		
	Mar. 20 1929	Mar. 21 1928	Mar. 21 1927	Mar. 20 1929	Mar. 21 1928	Mar. 21 1929
Gold reserves	270	248	253	2,712	2,776	2,681
Discounts	77	57	81	943	477	865
Acceptances	25	29	84	237	888	856
U. S. Securities	29	48	80	186	885	1,778
Total bills and securities	131	134	146	1,372	1,195	1,403
Federal Reserve notes in circulation	202	189	201	1,842	1,565	1,652
Total deposits	186	183	188	2,370	2,360	2,361

REPORTING MEMBER BANKS

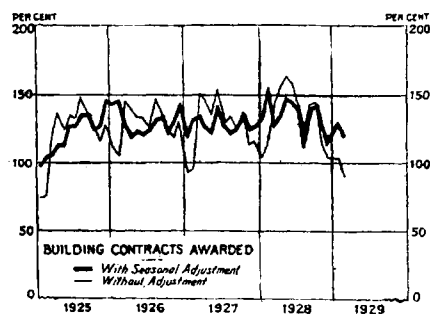
	Fourth District (In Millions)			United States (In Millions)		
	1929	1928	1927	1929	1928	1929
Loans on securities	714	657	696	7,642	6,545	7,448
All other	816	777	804	8,910	8,805	8,740
Total loans	1,530	1,434	1,501	16,552	15,350	16,188
Investments	691	782	698	6,028	6,205	5,991
Demand deposits	1,027	1,026	1,017	12,281	13,481	12,259
Time deposits	977	968	985	6,805	6,712	6,867

Summary of National Business Conditions

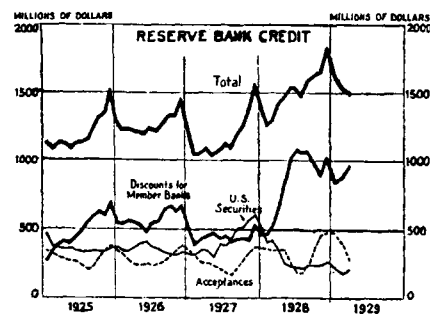
By The Federal Reserve Board



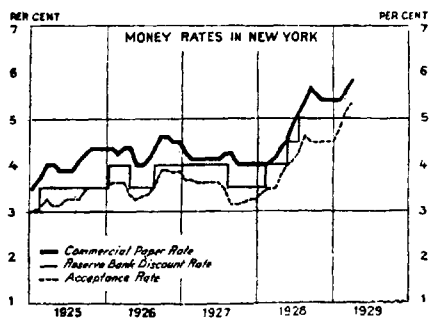
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 = 100). Latest figure: February, 117.



Federal Reserve Board's indexes of value of building contracts awarded as reported by the F. W. Dodge Corporation (1923-1925 = 100). Latest figures, February—adjusted for seasonal, 119; unadjusted, 88.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are for the first 23 days in March.



Monthly rates in the open market in New York: commercial paper rate on 4-to-6 month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 23 days in March.

Industry and trade continued active in February and the first part of March, and there was a growth in the volume of bank loans. Borrowings at reserve banks increased during the period, and money rates advanced further.

Production

Production continued at a high rate throughout February and the first half of March, and was substantially above a year ago. Automobile output was at a record rate in February, and there was also an unusually high daily average production of copper and iron and steel. Large output in the iron and steel industry reflected demands from manufacturers of automobiles, machine tools and agricultural implements, and from railroad companies. Preliminary reports for the first half of March indicate further expansion in automobile and iron and steel production. During February the daily average output of coal and crude petroleum also increased, and production of cotton and wool textiles continued large, while silk output declined somewhat from the unusually high level of January. There was also some decline from January in the production of lumber and cement, and in the output of meat-packing companies.

The high rate of activity in manufacturing during February was reflected in a larger than seasonal increase in factory employment and payrolls, both of which were considerably above the level of February, 1928.

Building activity declined further in February, and the value of contracts awarded was over 20 per cent smaller than a year ago. Residential building contracts showed the largest decline in comparison with February, 1928, while those for public works and utilities were only slightly smaller in value, and commercial and industrial building awards increased. During the first half of March, there was some seasonal increase in total building awards, but they continued to be substantially below a year ago.

Distribution

In February shipments of commodities by rail increased more than is usual for the season, reflecting larger loadings of coal and coke and miscellaneous freight, which includes automobiles. During the first two weeks of March, freight car loadings continued to increase.

Sales of wholesale firms were generally smaller in February than a year ago. In comparison with January, sales of dry goods, shoes, and furniture increased seasonally, while sales of groceries and hardware were smaller. Department stores reported about the same daily volume of sales in February as in the preceding month, and larger sales than a year ago.

Prices

The general level of wholesale prices declined slightly in February, and was approximately the same as a year ago. The decline from January reflected primarily decreases in the prices of hides and leather, livestock and meats, and small declines in the prices of wool, cotton and woolen goods. The influence of those declines on the general average was partly offset by increases in the prices of copper, lead, iron and steel, rubber, and grain.

During the first two weeks of March, prices of wool and petroleum continued to decline, and rubber prices receded somewhat after a marked rise in February, while leather prices declined sharply. Prices of copper rose further and there were small increases in prices of hides, raw cotton and certain grades of lumber.

Bank Credit

Between the middle of February and the middle of March, there was a rapid growth of loans at member banks in leading cities. The increase was in loans chiefly for commercial purposes, which on March 13 were more than \$200,000,000 larger than four weeks earlier. Investments of the reporting banks declined further during the period.

Total volume of reserve bank credit declined somewhat between February 20 and March 20, reflecting for the most part some further gold imports from abroad. Member bank borrowing at Federal reserve banks was nearly \$80,000,000 larger on March 20 than four weeks earlier, while acceptances showed a further decline of about \$120,000,000 during the period. Security holdings showed relatively little change.

Money rates continued to advance. Rates on 4-6 month commercial paper rose from 5½-5¾ to 5¾-6 per cent, and rates on 90-day bankers' acceptances increased from 5 to 5¼ per cent on February 13 and to 5½ per cent on March 21. Open market rates for collateral loans also increased.