



MONTHLY BUSINESS REVIEW

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in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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A further expansion in Fourth District business was evident during the past month although the improvement was chiefly of a seasonal nature and operations are still much below normal. Manufacturing activity in February and early March in this District appears to have been benefited to a greater extent than in the entire country, chiefly because of the large amount of iron and steel produced locally and because of the importance to many concerns of increased activity in the automobile industry.

After allowing for seasonal variations, automobile production increased over eight per cent in February, and based on weekly production reports, a further improvement was attained in March. This was reflected in operations at auto parts factories in the central and northern parts of the Fourth District. It also had a very favorable effect on the steel industry of this section and the slight lag in operations apparent last month disappeared. Production at Cleveland mills was at 70 per cent of capacity in the third week of March, having advanced from 53 per cent in February, principally because of increased demand for sheets and bars from automotive concerns, and for general wire products.

Activity at clothing and textile factories, stimulated somewhat by an early Easter, increased by more than the usual seasonal amount and employment at these concerns advanced five points in comparison with a five-year average increase of two per cent. Shoe production also expanded more than seasonally, a 16 per cent increase in output being shown in February. Operations at china and pottery centers improved more than the usual amount. Retail trade also was larger in February after allowing for the difference in the number of business days.

The improvement shown, however, was by no means general, weakness still being observed in several lines. Operations at Ohio glass factories increased in February, but at those in western Pennsylvania were smaller than in January. Coal production declined both from January and last year and building activity remains at very low levels. The rubber and tire industry continues to show irregularities, little change being evident in production after allowing for seasonal variations. The agricultural situation is quite unfavorable, though recent rains have largely corrected the drought deficiencies which have existed for many months.

FINANCIAL

A further easing of the credit situation in the Fourth District and the entire country was evident during the month ended March 18. Money rates declined slightly and remained at low levels during the period of Treasury financing and income tax payments.

Total credit extended by the Federal Reserve Bank of Cleveland on March 18 was slightly lower than on the same date of the previous month, but at \$87,310,000 was above the level of the corresponding week of 1930, being buoyed up by holdings of Government bonds. Barring March, 1930, just prior to the period of heavy purchases of Government securities, a policy adopted as a system matter, total credit extended by this bank is lower now than at any time since 1924, despite the fact that holdings of Government securities continue at high levels.

Bills discounted for member banks, representing this bank's direct accommodation to banks in the Fourth District, receded to \$14,485,000 on March 18, (mostly for country banks) compared with \$22,815,000 one month earlier and \$25,263,000 on March 19, 1930. With the exception of three weeks last fall, direct loans to members are lower than at any time since 1917.

Contrary to the trend of other recent years, holdings of bankers' acceptances increased in the past four weeks and on March 18 totaled \$14,970,000 against \$8,335,000 in February. At this level, however, they compared with \$25,828,000 in the same week of 1930 and were smaller than at any similar time since 1922, notwithstanding the fact that the total volume of acceptances outstanding is only about ten per cent below the record total of one year ago.

Despite the general reduction in the volume of retail and wholesale trade, in payrolls and prices, the volume of Fourth District Federal reserve notes in circulation has been larger since the first of the year than in the corresponding period of 1930, although it is about \$20,000,000 below the level of the three years 1927-'29. The accompanying chart shows the monthly average note circulation from 1927 to date of the Federal reserve bank of Cleveland and all reserve banks. In the years preceding the middle of 1929 there was a definite relationship between note circulation of the Federal Reserve Bank of Cleveland

and that of the entire Federal reserve system. This relationship was destroyed in the months following July, 1929 when the new size currency was introduced. Note circulation of the Cleveland bank, instead of increasing when the new notes were issued as did the note circulation of the twelve banks combined, actually decreased. This unusual development is accounted for partly by the fact that a considerable volume of Fourth District notes normally circulate outside the District. Member banks located in Pittsburgh, Cincinnati, Toledo, etc., large cities near the boundaries of the Fourth District, act as correspondents for banks in the adjoining Federal reserve districts.

In order to speed up the retirement process, old-size Fourth District notes circulating in other districts were retired as rapidly as possible, being supplanted by notes issued by the Federal Reserve Bank of the district in which these retired notes were circulating. This reduced the volume of notes in circulation so far as this bank was concerned.

Beginning in 1930, however, total reserve note circulation in the United States receded quite rapidly for the first eight months as the volume of business declined and as certain of the reserve banks substituted other kinds of money for their notes in circulation. In the Fourth District, however, after the seasonal decline in January, 1930, note circulation actually increased until mid-September, notwithstanding the recession in business. This upward trend, contrary to that of the note circulation of the entire country, was caused partly by the gradual re-distribution of Fourth District notes to other districts, replacing those retired at the time of the changeover.

In late 1930 the seasonal increase in note circulation in the entire country was proportionately greater than in this District, but the seasonal declines in January were more nearly equal, so it now appears that the relationship between note circulation of the Federal Reserve Bank of Cleveland and that of all Federal reserve banks evident before mid-1929 had been set up once more.

Collateral loans of reporting member banks in leading cities of the Fourth District declined \$7,000,000 in the month ended March 18 and at that level were lower than for any week since late 1928. The weekly contractions have been rather small, but the reduction since last December has been substantial. "All other" loans

remained practically unchanged during the past month. At \$751,000,000 on March 18 they were \$1,000,000 higher than in February, but barring minor weekly fluctuations, the amount of bank credit made use of in so-called commercial loans was smaller than at any time since 1925.

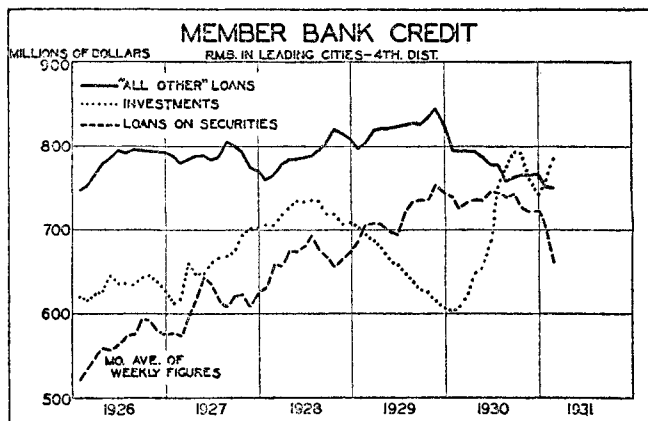
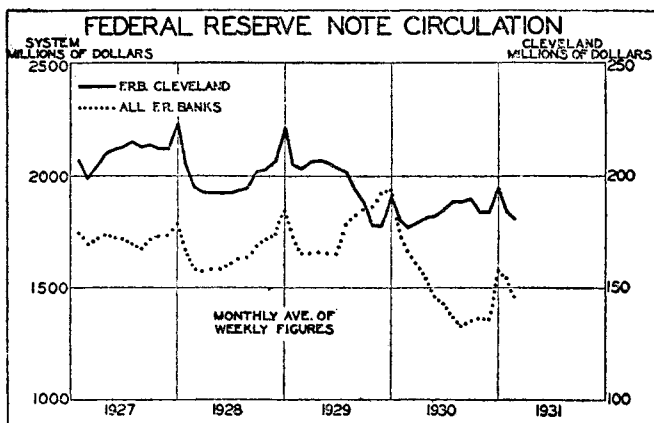
Both demand and time deposits increased rather sharply in the month ended March 18, an increase of \$10,000,000 being reported in the former and of \$21,000,000 in the latter. Since the recent low point in December, demand deposits have increased \$52,000,000, or about five per cent. In the same period time deposits have expanded \$32,000,000 or more than three per cent. In the week ended March 18, total deposits were further increased \$24,000,000 by deposits of the U. S. Treasurer, following the March 15 financing which was accomplished with little effect on the money market. Compared with one year ago, total deposits of reporting member banks in leading cities have increased \$169,000,000.

As has been pointed out previously, it has become more difficult in recent months for member banks to find an outlet for the excess supply of loanable funds resulting from the drop in loans and discounts and the increase in deposits. Consequently, in order to keep funds employed banks have bought stocks and bonds, an increase of \$39,000,000 in investments being reported in the week of March 18, all of which was in Government securities. Total investments on that date were \$839,000,000, a new high record, being \$96,000,000 higher than in the first week of January and \$216,000,000, or 35 per cent, higher than one year ago. Most of the increase since the first of the year has been in Government securities, the most liquid form of investment, an expansion of \$92,000,000 being observed in this item alone. Compared with one year ago, reporting member bank holdings of Government securities have increased 42 per cent.

Following the Government financing, borrowing of member banks in leading cities declined to \$3,000,000 as against \$12,000,000 in 1930 and \$64,000,000 in 1929.

Savings deposits increased slightly in February and were 2.4 per cent higher than one year ago.

The number of commercial failures declined from the high level of January, but at 202 in February compared with 168 in the same month last year. Liabilities of the defaulting concerns totaled \$19,075,000, more than double those of a year ago.



MANUFACTURING, MINING

Iron and Steel

Due largely to a bulge in steelworks operations at Cleveland, in the month ended March 15, the Fourth District overcame the slight lag in production which was observed locally in the preceding month.

From late February to mid-March the operating rate at Cleveland mills rose from 53 to 70 per cent, principally because of increased demand for sheets and bars from automotive consumers, and for general wire products.

Youngstown mills in the same period advanced their production from 47 to 51 per cent, Pittsburgh from 47 to 50, while for the entire country the ingot rate expanded from 53 to about 57 per cent.

For the country as a whole, the rate of improvement in the month ended March 15 was somewhat less than in January and February, and the hope for a marked spring rise in demand began to dim. The trend, however, continued upward even if only mildly.

Structural steel orders in mid-March in one week reached 146,484 tons, a record figure. For the year to date structural awards totaled 470,012 tons against 398,722 tons in the comparable period last year. Railroad participation in the markets is limited, automotive requirements continue to expand moderately but pipe mills are operating at little more than half capacity.

The price situation became irregular in mid-March. Advances of \$1 per ton were announced for second quarter contracts on steel bars, plates, shapes and hot-rolled strip. Most wire products and cold-rolled strip prices were increased \$2 per ton. Cold-finished and semi-finished steel prices (except wire rods which were advanced \$2 per ton) were continued unchanged. Up to the middle of March however, these prices had not been tested and consumers, finding their requirements for steel expanding at a diminishing rate, were rather indifferent to second quarter contracting. Nevertheless it was felt in the trade that steel prices at the outside would be no lower than in the first quarter and there was a possibility of some billings being slightly higher.

Pig iron, like steel, was in moderate demand on contracts, but shipments to the automotive industry were increasing. At Cleveland, a reduction of 50 cents was made; at Youngstown and Pittsburgh the four grades—basic, bessemer, malleable and foundry—stabilized at \$17, valley, or \$17.50, Pittsburgh district furnaces. Scrap at Pittsburgh was marked down 25 to 50 cents in March.

The net result of these price variations was that the market composite of STEEL stood at \$31.71 on March 19, a rise of 10 cents from mid-February which offset all of the loss since January.

February steel ingot output, at 105,305 gross tons daily, was the highest since September, 1930, and was a gain of almost 11 per cent over the 91,971 ton rate of January. This was slightly more than the seasonal increase at this period of past years. In the first two months of 1931 5,010,524 gross tons of steel ingots were made, compared with 7,874,417 tons in the same period a year ago, a decline of 36.4 per cent.

February's daily pig iron rate of 61,112 gross tons compares with 55,337 tons in January and 101,640 tons

in February, 1930. Production of pig iron in the first two months was 3,426,580 tons, against 5,684,688 tons in the like period of 1930.

Relating production to capacity, February was a 43 per cent month in pig iron and a 53 per cent month in steel.

Coal

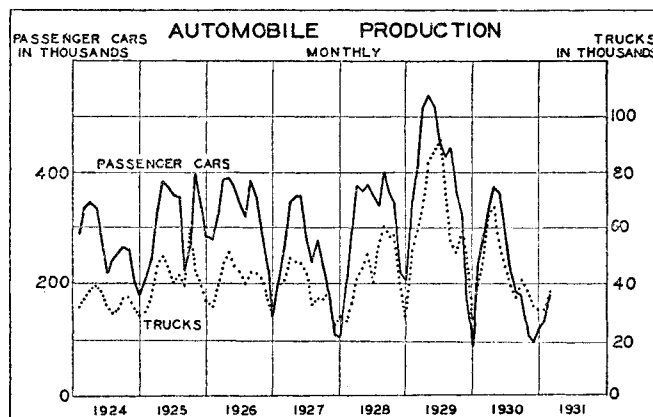
Although coal production in the Fourth District declined in February, both as compared with January and one year ago, the falling-off in output was much less in this section than in the entire country. Production of local mines reached 12,893,000 tons in February, a decline from January of 13.7 per cent and from February, 1930 of 16.7 per cent. Total production of bituminous coal in the United States in February was 18.5 per cent below January and 20.7 per cent below one year ago. Coal output in February was smaller in this District than in any month since 1923, when the compilation of these figures began. In the entire country current production is lower than since 1924.

Unusually mild weather during most of the winter months and continued business recession have had a very disastrous effect on the coal industry. Prices in most cases, however, are little changed from one year ago. The Coal Age weighted average price in February was \$1.77 1/4 against \$1.77 1/2 in the same month last year.

Dealers and producers state that recent changes have been chiefly seasonal with coal being ordered only as it is used. The supply of domestic coal is larger than usual because of the reduced consumption caused by unseasonable weather. Mines are producing at very low levels.

Automobiles

February factory sales of automobiles, as reported by the Department of Commerce, totaled 219,897 cars and trucks, compared with 171,851 in January. This increase, 23 per cent, was much greater than seasonal, the Board's index, which makes allowance for these seasonal changes, advancing from 63 per cent of the 1923-1925 average in January to 70 per cent in February. Output was still much below preceding years, however, the discrepancy between production in the first two months of 1931 and 1930 being 35 per cent. The upturn since January has accounted for much of the improvement in other lines of



activity in this District, particularly iron and steel, parts and accessories, glass, etc.

Although the improvement in February appears to have continued in March, Cram's automotive reports showing production at about 61,000 cars in the week ended March 21 as compared with 50,895 units in the same week of February, the industry is fast approaching what is customarily its busiest season and output is still comparatively small. The peak is usually reached in April or May and then a gradual falling-off occurs in the remaining months.

Passenger car production showed more improvement in February than did truck production, the former advancing 30 per cent from January while the latter expanded 19 per cent. Compared with a year ago, output of passenger cars, both in February and the first two months of the year makes a less favorable showing than does truck production. Within the industry many irregularities still exist, some particular companies making a much better showing than others.

New passenger car registrations in the ten principal counties of the District in February totaled 6420 units, compared with 9427 registrations in the same month of 1930.

Rubber Tires

The rubber and tire industry continued to show irregularities with production showing little change after allowing for seasonal variations. Employment reports showed a decline of three per cent in February from the preceding month in the number of persons working at 19 concerns. This compared with relatively little change in similar periods of the past five years. The number employed in February was 26 per cent below one year ago, a general downward movement being observed since last May.

Output of tires in January, the latest available, increased 31 per cent from December, most of which was seasonal. Last year production expanded 46 per cent in January, but in 1929 and 1928 the increase was about 20 per cent. Compared with one year ago, production was down 18 per cent. Shipments during January exceeded production for the third consecutive month and inventories showed a further slight reduction.

Reports received during the past month from individual companies are somewhat conflicting. Some concerns stated that little change is evident in the general tire situation, while others reported an improvement in early March. One large manufacturer reported a tendency on the part of dealers to order in larger volume, shipments to be made by express, than was true in early February or one year ago.

Prices of raw materials continue at low levels and manufacturers by this time have worked off most all the high-priced materials and are now in position to benefit from the lower raw material costs.

Imports of crude rubber in February totaled 36,645 long tons against 43,728 last year and 37,098 tons in January. Stocks continue large, with rubber still being produced in excess of present requirements, and bringing a price below production costs in most cases. This has resulted in a new restriction proposal based upon a

compulsory (legislative) restriction plan coupled with a taxation system on exports of native plantations.

Clothing, Textiles

Stimulated by an early Easter, activity at clothing and textile factories in this District expanded operations by a greater than usual seasonal amount in February. Employment increased five per cent at 38 local factories in contrast to a seasonal increase of two per cent reported for that period in the past five years. Of this number reporting to the Ohio State Bureau of Business Research, 24 showed an increase and 14 showed decreases. The number employed in February was still 14 per cent below one year ago.

As pre-Easter selling gets under way, it becomes increasingly evident that retail stocks are small and expanding demand is therefore soon reflected in wholesale buying to replenish stocks. Most of these reorders are small, however, but merchants insist on quick delivery in most cases which indicates that stocks are being kept in line with actual demand, little forward buying being done.

The men's clothing industry seems to be lagging behind other lines, though some improvement in current orders has been reported recently. This is entirely seasonal. Knit underwear sales have increased recently, chiefly because of seasonal demand, but this represented orders which normally would have been placed last fall. Advance selling for 1931 fall delivery has been quite disappointing to the trade.

Although the cotton textile industry is of little direct importance in this District, the improvement in sales and shipments since the first of the year has been regarded as a bright spot in the general business situation. The industry has been depressed for some time, but controlled production has finally resulted in the mills being in position to benefit from the present increased seasonal demand for materials. In February, according to the Association of Cotton Textile Merchants, sales of standard cotton cloths were 54 per cent above output and shipments exceeded production by 17 per cent. Stocks were reported lower than since January, 1928 when compilation of these figures began.

Other Manufacturing

Further seasonal expansion was reported in most general manufacturing lines, concerns allied with the automobile industry reporting larger gains than others. Ordering appears to be chiefly of the replenishment type and only for limited quantities.

Auto Parts and Accessories. Some improvement in demand for automotive parts and accessories was reported in February and the first part of March, most of which was entirely seasonal. The upturn was not general, for, of 42 concerns reporting to the Ohio State Bureau of Business Research, 21 reported a drop in employment in February, 19 reported an increase and 2 reported no change. For the entire group employment was four per cent less than in January in contrast to an average increase at that time of about ten per cent in the preceding five years.

Brick and Tile. Operations declined in February, based on employment reports in contrast to little change in that period in other years.

China, Pottery. Employment increased 16 per cent in February from the preceding month, but was still 12 per cent below last year. This improvement was considerably greater than the average seasonal change of two per cent in the past five years. Buyers are still ordering chiefly for immediate delivery and only enough to replenish much depleted stocks.

Electrical Equipment. Some rather conflicting reports were received in regard to February operations. Employment was reported eight per cent higher than in January and at the same level of February last year. Raw material prices are very low, but buying of finished goods is still being done only for immediate needs.

Glass. Plate glass production continues to improve, chiefly as a result of an upturn in automobile output. Sales of window glass were slow in February, but a slight improvement was noticed in early March in some sections. February employment at Ohio glass factories was 15 per cent greater than in January and at the same level as one year ago. Raw material prices, though much lower than a year ago, have shown little change in the past month.

Hardware, Machinery. February operations were slightly larger seasonally than in the preceding month and employment increased moderately, an expansion of about two per cent being reported. Goods are still being bought chiefly for replenishment and production is still very much below former years. Concerns supplying the automobile industry are producing at higher levels than others.

Paint, Varnish. Conditions appear irregular in the paint and varnish industry, with those concerns manufacturing automobile lacquers, etc. operating at higher levels than the others. An increase in the number of rush orders was reported as being a favorable sign. Raw material prices are above the lowest level reached earlier in the year.

Paper. Little change was reported by paper concerns as a group in February though some increases were observed. In the past five years February has shown an improvement of about three per cent. The industry as a whole is operating at from 70 to 80 per cent of capacity, according to reports.

Shoes. Production of shoes at 25 factories in the Fourth District increased 16.4 per cent in February from the preceding month. In 1929 and 1930 there was a decline in shoe production from January to February, but in 1928 and 1927 there was a decided increase in this period. Output in February was 12 per cent below the corresponding month of 1930 and was the smallest for any corresponding month since this series began in 1923. Manufacturers report that dealers still are reluctant about buying beyond actual current needs. Hide and leather prices advanced $2\frac{1}{2}$ cents in three weeks from the low point of the year.

Tin Plate, Containers. Buying of metal containers has

been on a very conservative plane, packers not placing orders, their calculations being affected by drought conditions. Tin plate mills have reduced operations.

TRADE

Retail sales of principal department stores in the Fourth District, on a daily average basis, were slightly larger in February than in the preceding month, the improvement being just about the usual seasonal amount. The index of sales, therefore, remained unchanged in February, but at 86 per cent of the 1923-1925 average was lower than for any month since August, 1922. Compared with one year ago, February sales were down 10.8 per cent and in the first two months there was a decline of 8.4 per cent from the same period of 1930. As has been pointed out previously, an unmeasurable part of this drop can be accounted for by the reduction in retail prices. In the individual cities, Toledo stores reported an increase of 3.7 per cent in February, but all other cities showed decreases ranging from nine to nineteen per cent.

Stocks were 6.5 per cent larger at the end of February than a month earlier, being increased in preparation for Easter buying. Despite the expansion, they were still 14 per cent below those carried one year ago. It is apparent that retail stores are now operating on a proportionately smaller volume of stocks, the monthly stock turnover being at a rate exceeding three times a year in both January and February. Accounts receivable on February 28 were 7.4 per cent smaller than one year ago, the largest part of the decline being in installment accounts. Collections were down 17 per cent and the ratio of collections to accounts receivable was slightly under one year ago.

Sales of wearing apparel stores declined in about the same proportion as department store sales. Furniture store sales continue at very low levels, being 27 per cent below February last year. Sales of furniture departments of 34 department stores were only 13 per cent smaller in February than a year ago.

Wholesale trade in all lines continues in a very unfavorable way. Grocery sales were 18 per cent smaller than one year ago in February. Dry goods and hardware sales were down 31 per cent and drug sales showed a decline of 5.4 per cent.

Chain store sales, on a unit basis, are holding up better than other types. Chain grocery sales were nine per cent smaller in February than a year ago and chain drug sales were only 1.2 per cent smaller than in February, 1930.

BUILDING

After showing a slight increase in January, construction activity in the Fourth District again receded, total contracts awarded in February being valued at \$16,493,000 against \$17,971,000 in the previous month. In most past years there has been a rather marked improvement from January to February. Barring December, 1930, February contracts awarded were smaller than for any month since 1920.

As in the entire country, residential building contracts awarded in this section in February, valued at \$4,978,000,

were slightly larger than in January or December, but the total volume is still much reduced compared with other years. Commercial contracts awarded in February also increased, but the volume of industrial, educational and public utility construction was smaller than in January. In the residential building classification contracts for one- and two-family dwellings were larger than in January, but the value of contracts awarded for apartments and hotels was much smaller than in the preceding month.

Based on the value of contracts awarded in the first half of March some improvement from the February level was shown in all major classifications. This is entirely seasonal in character and it is too early to determine how the increase compared in amount with the seasonal expansion of other years. Contemplated projects were reported in smaller volume in February than in the preceding month.

Lumber and building supply dealers throughout the District seem quite pessimistic. Some seasonal expansion in orders was reported in a few instances, but in other cases little change was observed. Most orders are small and chiefly for the replenishment of depleted stocks. Cement production in February in this District was about 45 per cent below the same month last year.

AGRICULTURE

Grain stocks on farms in states comprising the Fourth District were generally smaller than in other recent years, though some exceptions are noticed, particularly in regard to wheat. The following table shows the amounts of principal 1930 grain crops in hands of farmers on March 1, as estimated by the Department of Agriculture, for the states wholly or partly included in the District and the United States.

Stocks on Farms as of March 1

	(1,000 bushels)				
	Stocks 1931	% of 1930 crop	Stocks 1930	% of 1929 crop	5-year average Stocks 1925-1929
Corn					
Ohio.....	25,757	29	48,795	38	55,017
Pennsylvania.....	6,398	22	15,335	33	21,885
Kentucky.....	6,598	21	32,083	40	34,057
West Virginia.....	880	15	4,922	31	5,263
United States.....	709,246	34	986,595	38	1,051,029
Wheat					
Ohio.....	6,605	23	6,740	21	5,411
Pennsylvania.....	7,066	28	5,034	25	4,937
Kentucky.....	296	9	227	8	303
West Virginia.....	469	20	463	26	486
United States.....	160,282	19	129,754	16	124,977
Oats					
Ohio.....	19,976	31	15,446	31	27,644
Pennsylvania.....	14,915	37	10,170	34	15,335
Kentucky.....	384	11	998	16	1,430
West Virginia.....	708	16	1,515	27	1,510
United States.....	464,329	33	396,310	32	480,496

The supply of corn on hand on all farms of the entire country on March 1 was estimated to be smaller than at any time since 1902 principally due to the extremely small crop harvested in 1930. In the individual states of the District current stocks are much smaller than in the entire country both as a per cent of the previous year's output and compared with the average stocks of the five years 1925-'29. In the four states corn stocks were 65 per cent below the average stocks of the five years, 1925-'29.

Wheat stocks, despite the drop in production in this

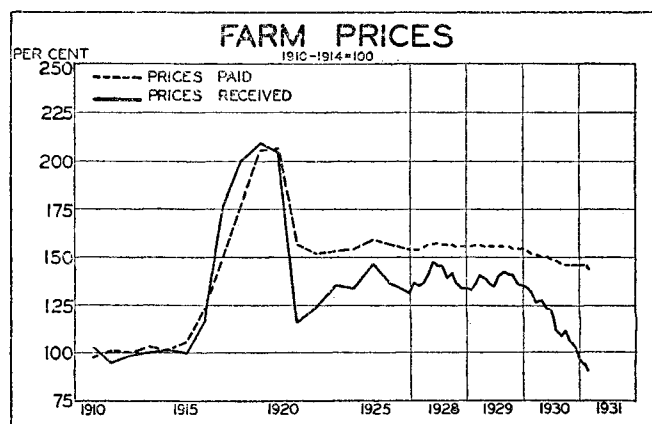
section in 1930, were slightly larger in three of the four states of the District than in the preceding year and in Ohio and Pennsylvania, the states of largest production, March 1 stocks were considerably larger than the average stocks of 1925-'29. In the entire country March 1 wheat stocks represented 18.8 per cent of the 1930 production, the highest percentage carryover since 1921. To arrive at the total available supply of wheat in the country the large storage holdings and goods in transit should be added with a result that total wheat stocks on March 1 were estimated to be about 25 per cent larger than in 1930.

The present condition of this year's winter wheat crop in the District is still in doubt. In some sections the March 1 condition was the lowest on record. This was particularly true of those sections most seriously affected by the drought where some fields never came up last fall. In other sections the March 1 condition was reported better than average, with apparently little damage done by winterkilling.

The supply of oats on March 1 was larger on Ohio and Pennsylvania farms than one year ago although stocks were considerably under the average holdings of the years 1925-'29. Rye stocks were larger than a year ago and the five-year average, both in the District and the country.

Farm prices in mid-February were at the lowest level recorded in the past twenty years, the index being only 90 per cent of the five-year, pre-war average, as compared with 94 in January and 131 one year ago. During the month there were a few slight increases in prices of cotton, apples and lambs, but they were entirely inadequate to compensate for the declines in grains, hay, potatoes, cattle, hogs, dairy and poultry products. Farm prices of poultry and poultry products were 75 points below last year and fruits and vegetables were down 59 points. Meat animal prices were 45 points lower than one year ago.

Prices paid by farmers for commodities bought have declined in the past year though the drop has been almost insignificant compared with the drop in prices on farm goods sold. In February this index was 143 per cent of the pre-war average against 152 one year before.



Solid Line—Index of prices received by farmers for goods sold, August, 1909-July, 1914 = 100; Broken Line—Index of prices paid by farmers for commodities purchased, 1910-1914 = 100. Source—Department of Agriculture.

Tobacco

The tobacco planting season is under way with a good portion of the seed beds already started. Rainfall has been plentiful enough recently to somewhat restore the water supply, and to insure against a dry spring. Considerable plowing has been done, it being started somewhat earlier than usual because of the moderate weather. Conditions in the blue grass section seem to be quite favorable, sales of fertilizer and seed being in about the usual amounts. In the eastern section conditions are not nearly so good.

Fourth District Business Statistics

(000 omitted)

	February, 1931	% change from 1930	Jan.-Feb. 1931	% change from 1930
Fourth District Unless Otherwise Specified				
Bank Debits—24 cities.....\$	2,331	-15.6	5,636	- 9.0
Savings Deposits—end of month:				
28 selected banks, O., W. Pa. ¹	765,008	+ 1.8	764,417 ²	+ 1.8
Postal Receipts—9 cities.....\$	2,750	-10.7		- 9.6
Life Insurance Sales:				
Ohio, Penna.....\$	95,526	-24.7	186,395	-22.9
Retail Sales:				
Dept. Stores—57 firms.....\$	17,189	-10.8	35,615	- 8.4
Wearing Apparel—13 firms..\$	850	-10.7	1,979	- 5.8
Furniture—51 firms.....\$	705	-27.0	1,288	-25.3
Wholesale Sales:				
Drugs—13 firms.....\$	1,506	- 5.5	3,090	- 4.9
Dry Goods—11 firms.....\$	1,230	-31.7	2,458	-28.5
Groceries—40 firms.....\$	4,189	-17.7	8,919	-17.6
Hardware—17 firms.....\$	1,197	-31.4	2,345	-28.2
Building Contracts—Residential\$	4,978	-33.2	9,914	-35.2
—Total—All.....\$				
Classes.....\$	16,493	-54.2	34,464	-51.4
Permits—41 cities.....\$	6,912	-39.0	11,624	-47.3
Commercial Failures—Liabilities\$	7,123	+135.6	19,075	+109.1
Number.....	202 ³	+20.2	456 ³	+24.9
Production:				
Pig Iron, U. S.....Tons	1,707	-40.0	3,426	-39.8
Steel Ingots, U. S.....Tons	2,527	-38.0	5,010	-36.4
Automobiles—Pass. Cars U. S.	181,735 ³	-35.3	321,490 ³	-37.7
Trucks, U. S.....	37,633 ³	-22.5	69,247 ³	-19.1
Bituminous Coal.....Tons	12,893	-16.7	27,729	-17.8
Cement—O., W. Pa., W. Va. Bbls.	412	-45.9	917	-38.4
Elec. Power—O., Pa., Ky. k.w.h.	1,266 ⁴	- 8.4		
Petroleum—O., Pa., Ky. Bbls.	1,967 ⁴	-17.0		
Shoes.....Pairs	5	-12.0		-19.5
Tires, U. S.....Casings	2,953 ⁴	-18.3		

¹New Series²Actual Number³Confidential²Monthly Average⁴January**Wholesale and Retail Trade**

(1931 compared with 1930)

	SALES	Percentage Increase or Decrease	SALES	Percentage Increase or Decrease	STOCKS
	Feb.-1931	First two Months	Feb.-1931	First two Months	Feb.-1931
DEPARTMENT STORES (57)					
Akron.....	- 9.7	- 5.3	- 8.1		
Cincinnati.....	- 9.1	- 6.8	- 8.1		
Cleveland.....	- 9.7	- 9.2	-14.9		
Columbus.....	-13.7	- 6.7	-14.1		
Dayton.....	-11.8	- 8.7	-15.4		
Toledo.....	+ 3.7	- 1.9	-12.3		
Wheeling.....	-15.6	-10.9	-18.3		
Youngstown.....	-19.4	-13.1	-18.9		
Other Cities.....	-15.1	-11.0	-13.8		
District.....	-10.8	- 8.4	-13.8		
WEARING APPAREL (13)					
Cincinnati.....	-11.9	- 7.1	- 7.3		
Other Cities.....	-10.0	- 5.0	-14.1		
District.....	-10.7	- 5.7	-12.2		
FURNITURE (51)					
Cincinnati.....	- 7.1	- 6.8			
Cleveland.....	-27.6	-23.2			
Columbus.....	-21.9	-16.0			
Dayton.....	-45.4	-42.8			
Toledo.....	-29.5	-37.1			
Other Cities.....	-10.3	-14.8			
District.....	-27.0	-25.3			
CHAIN STORES*					
Drugs—District (4).....	- 1.2	+ 0.2			
Groceries—District (6).....	- 9.0	- 5.6			
WHOLESALE GROCERIES (40)					
Akron.....	-29.5	-28.9			
Cincinnati.....	-13.0	-11.3			
Cleveland.....	-17.3	-21.1			
Erie.....	-21.2	-21.2			
Pittsburgh.....	-13.1	-10.9			
Toledo.....	-15.4	-14.0			
Other Cities.....	-18.4	-16.2			
District.....	-17.7	-17.6	- 0.7		
WHOLESALE DRY GOODS (11).....	-31.7	-28.5	-21.7		
WHOLESALE DRUGS (13).....	- 5.4	- 4.9			
WHOLESALE HARDWARE (17).....	-31.4	-28.2	-14.5		

*Sales per individual unit operated.

Debits to Individual Accounts

(Thousands of Dollars)

	4 weeks ending Mar. 18, 1931	% change from 1930	Year-to-date, Jan. 1 to Mar. 18, 1931	Year-to-date, Jan. 2 to Mar. 19, 1930	% change from 1930
Akron.....	71,797	-18.9	204,914	262,559	-22.0
Butler.....	7,861	-23.2	23,410	30,275	-22.7
Canton.....	32,456	-30.6	96,775	130,794	-26.0
Cincinnati.....	298,785	- 7.4	921,123	1,004,491	- 8.3
Cleveland.....	630,408	-12.8	2,001,998	2,147,468	- 6.8
Columbus.....	149,104	-11.6	444,760	473,272	- 6.0
Dayton.....	71,397	-20.4	218,000	262,570	-17.0
Erie.....	28,416	-20.0	77,920	102,206	-23.8
Franklin.....	3,125	-33.1	10,161	13,888	-26.8
Hamilton.....	10,737	-34.5	29,208	41,561	-29.7
Homestead.....	3,592	-12.3	9,801	11,258	-12.9
Lexington.....	15,689	-25.5	68,909	95,904	-28.1
Lima.....	9,043	-17.5	29,734	34,485	-13.8
Lorain.....	4,252	-15.4	12,761	14,869	-14.2
Middletown.....	8,114	-21.1	26,164	31,065	-15.8
Oil City.....	10,909	-26.1	31,352	41,129	-23.8
Pittsburgh.....	736,132	-20.2	2,144,788	2,473,434	-13.3
Springfield.....	17,402	-20.5	50,666	63,439	-20.1
Steubenville.....	9,062	-12.5	22,579	27,767	-18.7
Toledo.....	134,564	-21.4	404,926	505,645	-19.9
Warren.....	7,952	-29.1	25,223	34,384	-26.6
Wheeling.....	34,753	-13.4	100,380	116,505	-13.8
Youngstown.....	45,775	-27.0	140,348	180,961	-22.4
Zanesville.....	7,676	-12.8	24,237	25,624	- 5.4
Total.....	2,349,011	-16.7	7,120,137	8,125,553	-12.4

Building Operations

(Value of Permits)

	February, 1931	% change from 1930	Jan.-Feb. 1931	Jan.-Feb., 1930	% change from 1930
Akron.....	\$ 124,338	-86.9	\$ 237,757	\$ 1,296,178	-81.7
Ashtabula.....	5,708	-77.2	10,145	40,836	-75.2
Canton.....	63,605	-33.3	97,130	601,925	-83.9
Cincinnati.....	1,797,205	-49.0	2,519,710	6,446,458	-60.9
Cleveland.....	2,416,875	+ 3.5	3,783,375	5,365,850	-29.5
Cleveland Sub.*	732,050	-47.7	1,233,790	2,652,220	-53.5
Columbus.....	290,900	-38.0	656,100	597,350	+ 9.8
Covington, Ky.....	17,850	-57.7	36,775	105,400	-65.1
Dayton.....	102,791	-45.9	176,660	498,071	-64.5
Elyria.....	1,645	-86.5	6,595	37,455	-82.4
Erie, Pa.....	96,625	+33.9	157,685	137,470	+14.7
Hamilton.....	7,565	-89.1	29,935	152,668	-80.4
Lexington, Ky.....	14,255	-82.2	35,450	105,755	-66.5
Lima.....	10,275	-65.8	15,425	272,825	-94.3
Mansfield.....	38,100	-37.8	227,955	90,595	+151.6
McKeesport, Pa.....	23,075	-67.5	49,820	106,435	-53.2
Middletown.....	12,675	+38.4	14,995	31,050	-51.7
Newark.....	7,100	-11.8	12,160	26,775	-54.6
Pittsburgh.....	662,880	-53.4	1,244,215	2,093,342	-40.6
Portsmouth.....	39,000	-33.9	95,400	216,000	-55.8
Sandusky.....	7,610	-44.9	20,410	15,200	+34.3
Springfield.....	44,173	-14.6	47,858	107,315	-55.6
Steubenville.....	3,250	-92.3	11,350	90,300	-87.4
Toledo.....	225,827	- 1.7	633,228	636,766	+ 0.1
Warren.....	29,260	+34.8	39,627	68,840	-37.9
Wheeling, W. Va.....	105,182	+153.9	156,763	110,331	+42.0
Youngstown.....	46,350	-52.9	109,431	262,857	-58.4
Total.....	6,926,149	-39.4	11,659,709	22,158,277	-47.4

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

Fourth District Business Indexes

(1923-1925=100)

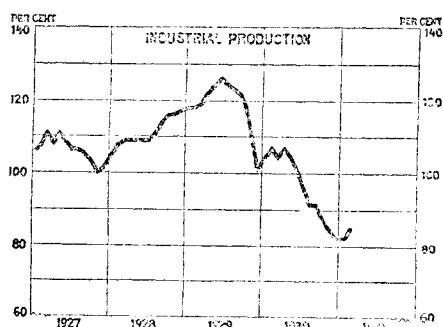
	Feb., 1931	Feb., 1930	Feb., 1929	Feb., 1928	Feb., 1927
Bank Debits (24 cities).....	86	102	122	108	107
Commercial Failures (Number).....	138	115	114	127	111
Postal Receipts (9 cities).....	161	69	66	107	79
Sales—Life Insurance (Ohio and Pa.).....	106	119	113	120	114
—Department Stores (53).....	114	152	132	127	117
—Wholesale Drugs (13).....	72	77	83	85	82
—Dry Goods (10).....	96	102	107	104	100
—Groceries (40).....	47	70	79	84	79
—Hardware (15).....	66	81	81	86	80
—All (78).....	50	74	78	82	87
—Chain Drugs (4)**.....	64	80	84	87	84
Building Contracts—Total.....	81	81	80	84	90
—Residential.....	35	76	76	79	107
Production—Coal (O., W. Pa., E. Ky.).....	29	43	59	88	89
—Cement (O., W. Pa., W. Va.).....	71	86	95	82	111
—Petroleum (O., Pa., Ky.)*.....	34	63	69	81	72
—Elec. Power (O., Pa., Ky.)*.....	106	128	107	101	98
—Shoes.....	151	165	156	139	138
	71	81	101	125	107

*January.

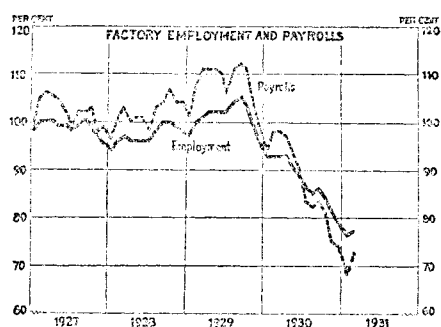
**Per individual unit operated.

Summary of National Business Conditions

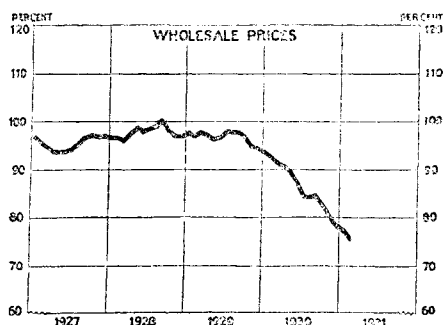
By The Federal Reserve Board



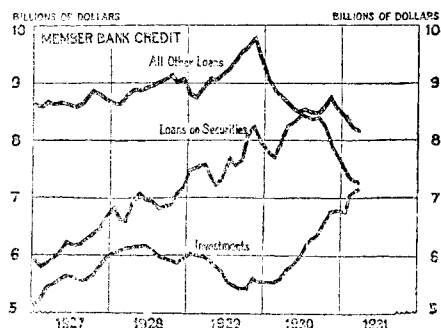
Index number of industrial production, adjusted for seasonal variation. (1923-1925 = 100.) Latest figure, February, 85.



Indexes of factory employment and payrolls, without adjustment for seasonal variation. (1923-1925 = 100.) Latest figure, February, Employment, 77.3, Payrolls, 73.2.



Index of United States Bureau of Labor Statistics (1926 = 100.) Latest figure, February, 75.5.



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

Output of most of the important industries increased more than seasonally in February; and although factory employment advanced at a less rapid rate, the volume of wage payments at factories also rose by more than the usual seasonal amount. The general level of commodity prices continued to decline.

Production

Industrial production, as measured by the Board's index, which is adjusted to allow for seasonal variation, increased by four per cent in February from the low level prevailing in December and January. On the basis of the average for 1923-1925 as 100 the volume of production in February was 85, compared with 82 for the two preceding months, and 107 for February of last year. At steel mills activity increased considerably, and the output of automobiles advanced by somewhat more than the usual seasonal amount. Output of shoe factories and textile mills increased substantially, while the output of coal continued to decline. During the first half of March activity at steel mills continued to increase.

Value of building contracts awarded in February was slightly larger than in January, according to the F. W. Dodge Corporation. An increase in residential building was accompanied by a decrease in contracts for public works and utilities, while awards for factories and commercial buildings continued in small volume. In the first half of March there was an increase in the daily average of contracts awarded, as is usual at this season.

Factory Employment and Payrolls

Factory employment increased slightly less than usual in February, while factory payrolls increased by more than the seasonal amount from the low level of January.

In many industries the rate of increase in payrolls was about the same as in February of other recent years, but in the automobile, shoe, woolen goods and clothing industries, the rate of increase was larger than usual.

Distribution

Daily average freight car loadings showed little change from January to February, while ordinarily there is an increase at this season. Sales by department stores increased slightly.

Wholesale Prices

Wholesale commodity prices declined further in February, and the Bureau of Labor Statistics index, at 75.5 per cent of the 1926 average, was about 18 per cent below the level of a year ago. Prices of many agricultural products decreased considerably, while the price of cotton advanced further. In the first half of March there were considerable increases in prices of silver, livestock, meats and hides, and declines in the prices of petroleum and cotton.

Bank Credit

Loans and investments of member banks in leading cities changed relatively little between the end of January and the middle of March. Total loans on securities declined, notwithstanding the growth in brokers' loans in New York City, and all other loans showed considerable further liquidation, while the banks' investments continued to increase.

Volume of reserve bank credit tended downward in February and showed little change between March 4 and March 18. Funds arising from gold imports in February were largely absorbed in meeting a seasonal demand for currency, while in the early part of March there was an increase in member bank reserve balances.

Money rates in the open market continued at low levels from the middle of February to the middle of March. Rates on commercial paper were reduced from a range of $2\frac{1}{2}$ - $2\frac{3}{4}$ to a prevailing level of $2\frac{1}{2}$ per cent, while rates on 90 day bankers' acceptances remained at $1\frac{1}{2}$ per cent. Yields on high-grade bonds continued to decline.