MONTHLY BUSINESS REVIEW

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in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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In the Fourth district, general indexes of industry and trade dropped in March and early April to lower levels than prevailed a month ago. Evidence of seasonal expansion which usually appears at this time of year was lacking or less than the average of past years in all but one or two major lines of activity in this section.

Financial conditions, however, showed definite signs of further improvement in the past month. The decline in deposits, though not entirely stopped, was at a much slower rate in March and early April than in many preceding months and savings deposits were reduced at a very moderate rate. The number of bank suspensions declined and the drop in note circulation of this bank indicated a further falling-off in money in circulation in the first three weeks of April.

Production of coal was stimulated by the unusually cold weather in March, output increasing more than seasonally from February. Activity, however, was still much below other years at that time. Operations at shoe factories were about the same in March as a year ago, and output in the first quarter was 7.6 per cent greater than in the corresponding period of 1931.

General manufacturing activity was very limited. The iron and steel industry operated at lower levels in March than in February and continued downward in early April. In the third week of the month, however, a slight advance was reported. Automobile production was very disappointing, March output being only 1.3 per cent greater than in February, much less than the usual increase. Parts and accessory concerns have been very greatly affected by this condition. Tire production in March, based on crude rubber consumption figures, was down from February for the first time on record.

Both wholesale and retail trade in March failed to expand at the seasonal rate of past years, being retarded partly by the unseasonable weather which affected clothing sales, etc., usually important prior to Easter.

Employment indexes worked downward as the usual number of seasonal jobs failed to materialize, and operations at some factories were curtailed. General business sentiment throughout the district was less favorable than a month ago.

The agricultural situation in this district is better than in most parts of the country. Condition of winter wheat is above average, both as compared with preceding years and the entire United States. Farmers intend to plant about the same acreage as in preceding years, despite depressed prices, according to preliminary reports.

FINANCIAL

Developments in the banking situation in the district in the past month included a considerable reduction in member bank borrowings, a further decline in money in circulation, a falling-off in the number of bank failures and a slowing-down in the rate of withdrawals from savings institutions. Savings deposits at 45 selected banks receded only 0.3 per cent in March, or $2,500,000, as against reductions of one per cent in February and three per cent in January. Compared with a year ago, however, these deposits were down 15.8 per cent.

Only two small non-member banks suspended in April up to the twenty-eighth of the month. This compared with three in March. Reorganization plans leading to the opening of several closed banking institutions are progressing, partly with the aid of the Reconstruction Finance Corporation.

Reserve Bank Credit. The most important change in condition figures of the Federal Reserve Bank of Cleveland in the four weeks ended April 20 was a $25,000,000 reduction in bills discounted for member banks. A drop of $20,000,000 in this item occurred in the closing week of March, but it was followed by increases in the first two weeks of April. In the week ended April 20, however, another reduction occurred which brought the total of bills discounted down to $78,815,000 on that date, the lowest level since the first week in October, 1931. One year ago discounts totaled only $11,768,000.

This recent decline in discounts may be attributed in part to the indirect effects of the System's purchases of Government securities, and in part to the return flow of currency and the decline in the rate of withdrawals of deposits from member banks. In the four weeks ended April 20, the Federal reserve banks purchased $243,000,000 of Government securities. This money was chiefly available to the New York banks creating easy money condtions there. Gradually, however, part of these funds found their way to some interior centers. This occurred chiefly in the form of advances to banks, etc., by the Reconstruction Finance Corporation, which made necessary the transfer of Treasury funds from New York, and as payments for securities sold in New York, etc. Money thus obtained by banks was partly used to reduce borrowings from the reserve banks.

This bank's part in the purchase of Governments amounted to $17,640,000 in the four weeks, which brought holdings of this type of investment to $93,254,000 on April 20, a high point for all time. One year ago holdings of Government securities were $57,693,000, and in 1930 they were about $50,000,000.

Holdings of bankers' acceptances declined about $1,000,000 as maturing bills were not replaced by new purchases. At $3,122,000 on April 20, they were lower than since the summer of 1929. With business at low levels the supply of this type of paper is quite limited and little is offered for purchase by the reserve banks.

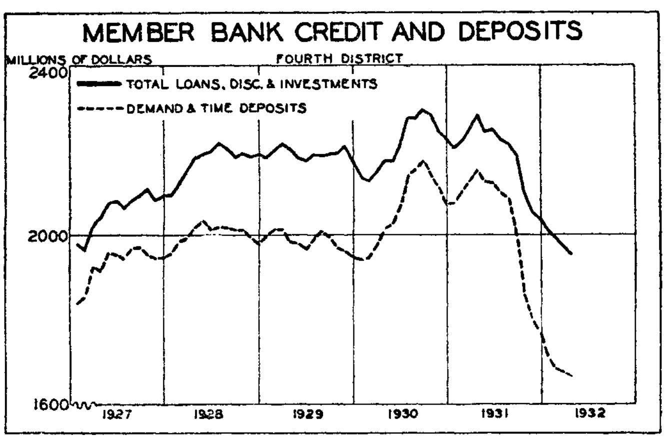
Despite the increase in this bank's holding of Government securities, the volume of total credit outstanding declined over $8,000,000 in the four-week period.

Reflecting a reduction in the demand for money in this district as confidence in banking conditions slowly improved, Federal reserve notes in circulation declined over $9,000,000 in the four weeks and on the latest date were below any week since October last year. With the exception of one week in February, there has been a gradual though continuous decline in note circulation since the beginning of the year. The downward movement in March and April was contrary to the seasonal trend of preceding years, but there has been little expansion in business this year which would normally cause an increase in note circulation.

Rserve deposits have remained quite stable for the past six weeks and on April 20 were higher than a month earlier. This stability is in contrast with the persistent decline experienced since the fall of 1930.

Member Bank Credit. During the four-week period ended April 20, changes at reporting member banks in leading cities reflected better credit conditions in general. Demand and time deposits on the latest date were practically unchanged from March 23, though Government deposits were down. Time deposits declined slightly in the first two weeks of April, but recovered most of the loss in the third week and on April 20, at $830,000,000, were only $1,000,000 lower than on March 23. Demand deposits increased sharply in late March, but relinquished all the gain in April and on the latest date also were down $1,000,000 from the third week of March. Excluding minor fluctuations, demand deposits at these banks have exhibited a horizontal trend for two months despite the fact that loans were declining at a moderate rate in the period.

Loans on securities were reduced from $557,000,000 to $545,000,000 in the four weeks ended April 20, a somewhat greater decline than occurred in the preceding four-week period. "All other" loans dropped $6,000,000 in the period to $663,000,000 on April 20, the reduction being at approximately the same rate as in preceding months.



Investment holdings were reduced $7,000,000 in the last week of March through the sale of Government securities, but they increased slightly in early April, the net loss for the period being $5,000,000.

Total loans and investments dropped $23,000,000 in the four-week period, the rate of decline being about the same as in the months since November, 1931. As shown on the accompanying chart, the decline in deposits in March and April (first three weeks) has been at a much slower rate, both as compared with preceding months and the falling-off in loans and investments.

The drop in bills discounted by member banks from the high point in January and February to the present time has been entirely a result of decreased borrowing by the reporting member banks in principal cities. There has been practically no change in borrowings of so-called "country" banks so far this year.

MANUFACTURING, MINING

Iron and Steel Production of iron and steel in the Fourth district, as in the entire country, reversed the normal seasonal trend in the month ended April 15. Steelmaking operations for the country as a whole held closely to 25 per cent in the month ended March 15, but began to decline late in March and sagged gradually to 22 per cent by April 15. A slight upward movement was reported in the third week of April, but this was only a result of small orders and was not particularly impressive.

The steel rate at Pittsburgh eased off from 23 per cent to 21, at Youngstown from 27 per cent to 20, and at Cleveland from 35 to 20 in the four weeks ended April 15. For these three steel producing districts this represented the lowest point yet touched in this depression—lower even than last New Year week.

Failure of the automobile industry to register its March and April high point in assemblies was generally regarded as the reason why steel ingot production receded in this section, but requirements of other major consuming industries also were at a low ebb. Whereas Chicago mills primarily felt the restriction in railroad buying and Pittsburgh in a wide variety of consuming outlets, Youngstown and Cleveland mills maintained their operations in keeping with the demand of automobile and parts makers, who had released only scattered iron and steel orders prior to the last week of April.

The other two major industries occupying predominant positions as steel consumers—construction and railroads—have curtailed buying of steel to very low levels. New construction in the first quarter was only about one-third as large as in the corresponding period of 1931, though recently inquiries for pipe and other structural material increased. Constant reductions in railroad revenues have made necessary drastic cuts in maintenance and improvement activity.

Production statistics for steel ingots in March disclose a retreat from the gains of January and February almost to the level of December, 1931, the lowest point thus far of this depression. The March daily average production of steel ingots was 52,253 gross tons, compared with 58,382 tons in February and 115,138 tons in March, 1931. Steelmaking capacity was engaged 24.68 per cent in March, contrasted with 27.57 per cent in February and 54.2 per cent in March, 1931. For the first quarter of 1932 ingot output was 4,331,667 tons, an average rate of 26.22 per cent; a year ago the total was 7,954,645 tons and the average rate 48.63 per cent.

March daily pig iron production, at 31,194 gross tons, receded to a new low for the depression and compared with 33,122 tons in February and 65,448 tons in March, 1931. At the close of March 60 blast furnaces were active, a decline of four in the month.

Adoption of advanced prices on certain steel products for the second quarter—prices which were not tested owing to the lack of tonnage demand, but which were applied to the small business received—put the iron and steel composite of the magazine *Steel* up from $29.57 on March 19 to $29.81 as April opened, but an easier situation in pig iron at Chicago and in eastern Pennsylvania lowered this index to $29.74 by April 16.

Coal Strike conditions prevailing at some bituminous mines in this section, particularly Ohio, since March 1 had little effect on production of Fourth district mines in March. In fact more coal was mined in Ohio in the month than in February, but for several years, this State has not been a particularly important factor in coal production, accounting for only about one-seventh of the total soft coal mined in this section.

Coal production in the entire district, however, amounted to 11,773,000 tons in March, an increase of 22.5 per cent over February, considerably more than seasonal. In six of the preceding nine years coal production has been less in March than in February and in each of the other three years the increase was considerably smaller than occurred this past month. Compared with a year ago output was off only 12 per cent in March as against 32.5 per cent in the first two months of this year. In the entire country coal production in March was only 4.6 per cent below the same month a year ago.

The improvement in production in March was chiefly due to the cold weather which caused an increase in domestic demand. Industrial orders have shown no expansion and consumption of coal for steel making and other manufacturing purposes has been particularly limited.

Automobiles The automobile industry in March and early April made a very disappointing showing at a time when in normal years operations are at or near peak levels. The introduction of new models and the sales drive which occurred in the first week of April resulted in numerous orders, according to reports, but weekly production figures and reports from parts and raw material industries fail to reveal any marked increase in operations or in orders for materials. In fact in the week ended April 16, output, according to *Cram's* figures, was only 35,778 cars and trucks, compared with 42,853 in the preceding week and 75,931 in the same period of 1931. The *Annalist's* seasonally adjusted weekly index touched a new low point so far this year, being only 32.6 per cent of the 1927-1929 average.

New passenger car sales in March, based on preliminary reports from 28 states, showed a decrease of five per cent from February, on a daily average basis. This is in contrast with a seasonal rise in past years of about 33 per cent. In Ohio March total sales were up four per cent from February, but the five-year average change for the same period was an increase of 39 per cent. This of course reflects, in part at least, the delayed presentation of new models in the lower-priced group. Compared with a year ago, passenger car registrations were down about 50 per cent in March.

Production of automobiles in March, according to the Department of Commerce, was 118,959 units, compared with 117,413 in February and 276,405 in March a year ago. This is the smallest March production since 1921, and though in past years there has been an increase of about 15 per cent from February to March, this year the upward movement amounted to only 1.3 per cent and the seasonally adjusted index of the Federal Reserve Board dropped to 30 per cent of the 1923-25 monthly average, the lowest level, excluding October, 1931, yet reached in this depression.

The decline in March from a year ago was equally sharp in production of passenger cars and trucks. Only 99,399 passenger cars were assembled in the month, compared with 231,254 in the same period of 1931, a reduction of 57 per cent. In the first quarter passenger car production was off 47 per cent from the corresponding three months of last year.

Truck production declined from February to March, contrary to seasonal changes of past years, and totaled only 19,560 units in the latest period. This was 56.7 per cent below last year and output was off 46 per cent in the first quarter.

Steel producers and parts makers in the district, who have long been awaiting the release of automobile material orders, were still operating at very low levels in mid-April. A few scattered orders have been given out, but volume demand is lacking.

Tires, Rubber Although tire sales in March were slightly greater than in the preceding month, the increase was not up to seasonal proportions. Replacement sales were up about sixteen per cent, while the normal February-to-March increase is about 18 per cent. Gasoline consumption figures indicate little falling-off in the number of miles automobiles are being operated, possibly the most favorable factor in the entire situation so far as future replacement demand is concerned.

Original equipment sales have suffered directly in proportion to the decline in the automobile industry and consumption of crude rubber in March receded 7.3 per cent from the preceding month and was 15 per cent below March, 1931. This contrary-to-seasonal drop was partly a result of an increase in production in February which was considerably greater than the expansion in all tire sales.

Output of tires in February, according to the Rubber Manufacturers Association, was 11.8 per cent ahead of January and only 2.9 per cent below the corresponding month of 1931, but shipments declined 21.5 per cent from January and were 25 per cent smaller than in February last year. Consequently stocks on hand increased 16 per cent in February, but at the end of the month they were still 3.8 per cent below the same date a year ago. At the rate of current consumption, stocks on hand represent 3.6 months' supply, a sharp increase in the past month and the highest in at least five years.

Employment at rubber factories, according to the Ohio State Bureau of Business Research, remained at the same level in March as in February. In the preceding five years, the average February-to-March change was an increase of one per cent. Adjustments have been made, however, in the number of hours worked.

The raw material situation was little changed from a month ago, stocks of crude rubber increasing further in March. Imports in the month were 42,382 long tons, an increase of 38.7 per cent from February and 5.1 per cent over March, 1931. This caused stocks to increase as consumption declined and, at 334,556 long tons at the month-end, they were 53.6 per cent larger than a year ago.

Prices of crude rubber settled to new low levels in the past four weeks and recently it has been selling at less than three cents a pound. This is less than half what it was a year ago and about one-fourth what was formerly considered as the cost of production. Abnormally low prices have had only slight effect on output of plantations, judging by shipments so far this year, and have not resulted in increased utilization of rubber in fields where, at prices prevailing two or three years ago, it was impractical.

Clothing

A reaction occurred in the clothing industry of this district in March as demand for spring wearing apparel was retarded by cold weather, in addition to curtailed buying power caused by widespread unemployment and reduced earnings. Pre-Easter business, both wholesale and retail, was very disappointing not only being very much below the pre-Easter volume of last year, but also lower than in the corresponding calendar period.

Dollar value of retail clothing sales in March was very much below 1931, women's apparel sales being off about one-third, while men's clothing sales were down about 30 per cent. These declines were considerably greater than the reduction in total department store sales.

Employment at 44 clothing and textile concerns in Ohio receded three per cent from February to March, in contrast to a five-year average increase of one per cent. The number employed at men's clothing factories was unchanged in March from a month ago and was slightly above the 1926 average, but at plants engaged in making women's wear it was much below the latter level, the average for the two groups being only 86 per cent of the 1926 average.

The knitting industry experienced an unusual demand for knitted outerwear in the first quarter, but in early April there was a slight decline in orders.

Other Manufacturing

In most industries sales and production failed to increase in March and early April to the extent they have in other years at this time. Failure to do so was partly a result of conditions in the automobile industry, though other fields of activity are very much depressed. Sentiment is less favorable generally than a month ago.

Auto Parts, Accessories. Contrary to seasonal changes were reported at most auto parts concerns in the month ended April 15. Employment at 45 concerns dropped two per cent in March as against a five-year average increase of five per cent for this period. Orders continue very small, despite the fact that new models have been on display for some time.

Brick and Tile. Current production remains much below other years, but the four per cent increase in employment at Ohio yards was greater than the five-year average change of two per cent. The number employed, however, was only 41 per cent of the 1926 average and was 32 per cent below last year.

China, Pottery. A slowing-down, both in orders and operations, developed in the pottery industry in early April. While this was regarded as being partly seasonal, the falling-off occurred about a month earlier than usual. Sentiment of producers apparently has not changed materially, and employment in mid-April was reported about the same as in March which was 11 per cent above February, a contrary-to-seasonal increase.

Electrical Equipment. With very little construction activity and a decline in consumption of electric power, demand for electrical equipment is very limited and operations at local factories are at low levels. Employment declined in March and was nine per cent under a year ago.

Glass. Sentiment is less optimistic than a month ago, largely because the seasonal increase in orders failed to develop. Orders for plate glass are limited and molded glass demand also receded. Employment in March was reduced three per cent at eleven factories in contrast to a five-year average seasonal increase of five per cent. In the first quarter, however, employment in the glass industry averaged seven per cent above the same period of 1931.

Hardware, Machinery. Operations showed very little change in the month of March or the first part of April, though in normal years the trend is upward at this season. There has been little demand for machine tools, small tools, forgings, or engineering specialties and in several cases a smaller number of employees was reported than a month ago. Employment in March at 164 concerns manufacturing metal products was only 58 per cent of the 1926 average, a drop of 23 per cent from March, 1931. Machinery manufacturing concerns reduced their operating forces 22 per cent in the same period.

Paint. The slight improvement in demand has been less than usually occurs at this season of the year and operations consequently have changed but little in the past four weeks. With production in the furniture and automobile industries at very low levels, practically no residential building, and repainting of other buildings materially curtailed because of lack of funds, paint sales in March and early April were much below other years at that time.

Paper and Printing. Sales and production of fine paper in March were slightly ahead of February, but in the first quarter were about 20 per cent below the same period of 1931. Orders dropped in late March and the first half of April. Boxboard demand is limited.

Shoes. The number of pairs of shoes produced at the 29 factories in this district in March very closely approximated output in the same month of 1931, the falling-off being only 0.4 per cent. Output in the first quarter, however, was 7.6 per cent ahead of the corresponding period of last year. Volume has been maintained by production of lower and medium-priced shoes, particularly women's, a falling-off being noticeable in demand for high-priced and men's footwear.

TRADE

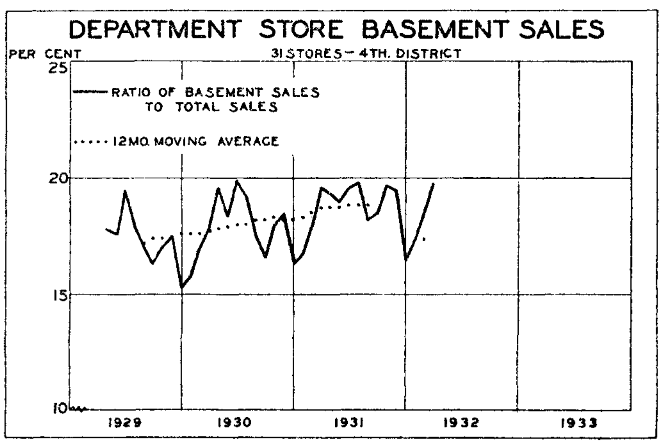
Retail Trade March department store sales were very disappointing from the dollar volume standpoint, being 23.9 per cent below the same month of 1931. This decline was unusually large in view of the fact that Easter occurred in March this year and thus gave to that month all the stimulation afforded by pre-holiday buying. In 1931 Easter occurred in early April and nearly a week's purchases of seasonable goods occurred in the latter month. Sales of all types of clothing were very limited, partly because of the cold weather experienced during most of March, but reduced purchasing power was unquestionably a factor, for April sales also are reported down.

In the first quarter of the year dollar value of department store sales was 22.9 per cent below the same period of 1931. Only part of this reduction is due to the decline in prices, which, according to *Fairchild's* retail index, were about 17.5 per cent lower than in 1931. The table on page seven shows the monthly and quarterly changes in sales in the individual cities.

In connection with the decline in department store volume, the accompanying chart showing the percentage of all basement store sales to total department store sales at 31 organizations in the Fourth district is of some interest. The figures are only available since April, 1929, but they cover the depression period and while there has been no sharp increase in the proportion of total buying that is done in the basement store where a lower priced article usually can be purchased, a gradual but steady uptrend is clearly discernible, particularly in 1930, 1931 and so far in 1932. In 1931 basement store sales averaged 18.7 per cent of total sales while in 1930 they amounted to 17.9 per cent of the total. In the first quarter of 1932 they averaged 18.5 per cent against 18.1 per cent in the same period of 1931 and 16.8 per cent in the first quarter of 1930.

It is interesting to note that, as a percentage of total sales, the smallest volume of business is done in the basement in the month of December. Christmas buying apparently does not affect the basement store to the extent it does the upstairs departments.

As in earlier months of this year the percentage of credit to total sales was below a year ago. In March it was 57.7 as against 61.6 per cent in the same month of 1931. Collections on accounts outstanding were down, the percentage of the former in March to the latter outstanding at the end of February being only 30.4 per cent as against 32.6 a year ago.



Department store stocks increased five per cent in March, about the usual seasonal change, and at the end of the month were 15.6 per cent below one year ago.

Chain drug and grocery sales were off quite sharply in March from a year ago, though both showed gains of a seasonal natural from February. Chain grocery sales were off 7.4 per cent in March and 7.6 per cent in the first quarter from corresponding periods of 1931, while chain drug sales were down 11.5 per cent in March and 9.7 per cent in the first quarter.

Wholesale Trade Sales of all reporting lines of wholesale trade in this section increased in March from February and the declines from a year ago were smaller in every case than in the first two months of the year, but the February-to-March increase in the combined index was only 9.4 per cent as against an average increase in the preceding five years of 12.2 per cent. This index in March was 58.1 per cent of the 1923-1925 monthly average compared with 53.1 in February and 72.1 a year ago.

Dollar value of wholesale grocery sales increased eight per cent from February to March, but was 18.6 per cent below a year ago. In the first quarter grocery sales were off 20 per cent. Stocks at the end of March were down 16 per cent in value from the same date in 1931. Accounts receivable were off 11.1 per cent from a year ago and collections in March were down 18 per cent.

Wholesale drug sales, as for some months past, made the best showing, being down only 10 per cent in March and 12 per cent in the first quarter from corresponding periods of 1931. Dry goods sales were down 32.7 per cent in the month and 33.4 per cent in the quarter, while hardware sales were off 20 and 24 per cent respectively in the same periods.

Although drug sales were down only moderately, collections were off 21 per cent in March from a year ago. Dry goods and hardware collections were off 24 and 28 per cent respectively, in March from a year ago, chiefly because of the reduction in sales volume.

BUILDING

Although the improvement in building from February to March, on a percentage basis, was greater than seasonal in this district, the increase being 62 per cent compared with an average increase of 50.2 per cent in the preceding ten years, the total volume of contracts awarded in March was 59 per cent below one year ago and only amounted to one-fifth the average volume reported in March in the ten years 1922-31.

Awards in this section reported in the first quarter of 1932 had a smaller value than contracts let in the single month of March, 1931, and at $24,564,000, were only 40 per cent as large as in the first quarter of that year.

New residential contracts let in this section in March were valued at $2,280,000, only 30 per cent as large as those reported in 1931. The loss from last year was more severe in the case of apartments and hotels than in one and two-family houses.

Non-residential building awards in March were 55 per cent below the same period of 1931, the gains in memorial and religious building being insufficient to offset the declines in other types of non-residential construction.

Public utility contracts let in March were larger than a year ago, but the volume was insignificant. Contracts for public works were only about one-third as large as a year ago.

In the 37 states east of the Rockies, awards in March were up 26 per cent from February, according to the F. W. Dodge Corporation, but were down about 70 per cent from a year ago, a somewhat greater falling-off than in the Fourth district.

Lumber and building supply dealers are very pessimistic and sentiment is worse than 60 days ago, when some thought an upswing might develop this spring. So far such has not been the case. Prices are very low, but this has not acted as a stimulation to the building industry.

AGRICULTURE

Agriculture enters the spring planting season with larger-than-average stocks in the case of most farm products which are carried from one season to the next and prices of every crop are at extremely low levels. Despite this condition, the Department of Agriculture's report of planting intentions as of March 1 revealed, that with the exception of tobacco, farmers had in mind planting a greater acreage of the important crops than was harvested in 1931. The 1932 acreages actually harvested may be larger or smaller than the intention reports indicate, due to weather conditions, price changes, etc., but at present farmers had in mind planting two per cent more acreage to corn, eight per cent more oats, 21 per cent more barley, two per cent more potatoes, one per cent more hay and 53 per cent more spring wheat than was harvested in 1931. Last year a large part of the spring wheat acreage was a failure because of drought. Seedings are expected to be five per cent more extensive than in 1931.

In general, acreages of those crops which are selling at low prices or which necessitate heavy cash outlays are being reduced, while crops needed on farms for food are being increased. Fertilizer sales indicate that much acreage will of necessity be planted without fertilizer, a factor affecting ultimate yields.

Planting intentions of farmers in this district were below the average for the entire country in all principal crops except tobacco and potatoes. The table below shows the March 1 planting intentions as a percentage of the acreage actually harvested in 1931 in the states included wholly or partly in the district, and the United States.

	Ohio	Penna	Kentucky	West Virginia	United States
Corn	99	101	91	96	102.2
Oats	103	99	106	98	108.4
Barley	89	115	135	......	121.3
Potatoes	108	105	108	102	101.7
Tobacco	86	101	78	66	77.4
Tame Hay	99	100	102	101	101.4

It is estimated that acreages of all canning crops, except tomatoes, will be reduced in varying amounts from those harvested in 1931 because of the large stocks of canned goods on hand. The tomato pack in 1931 was only about 60 per cent of 1930.

Farm work in this section was retarded by the cold weather experienced during most of March and the first part of April. Excessive precipitation delayed plowing and sleet and cold caused some damage to fruit crops, particularly in the southern part of the district.

The April 1 Department of Agriculture report, having to do principally with winter wheat, showed that, for the entire country, the condition and acreage indicated a reduction of 42 per cent in the 1932 crop from the large harvest of 1931. Condition on April 1 was only 75.8 per cent of normal compared with 88.8 last year and the ten-year average of 80.9 per cent. The April 1 condition is below average in the west and southwest, but above average in other sections and particularly in this district as is shown on the following table.

April 1 Condition	Ohio	Penna.	Kentucky	West Virginia	United States
1932	88	89	84	87	75.8
1931	92	67	87	66	88.8
1919-1928 average	74	86	78	81	80.9

The April 1 condition of wheat being above average in this section partly accounts for the fact that intended acreage of other crops as a per cent of the 1931 harvest, was below the figure reported for the entire country. Abandonment of winter wheat acreage on local farms is expected to be small this year. Though cold weather in March caused some damage to plants which had started to grow in the abnormally warm weather of February, only slight injury was reported.

In addition to this better-than-average condition of the 1932 winter wheat crop in this section, stocks of wheat on local farms on April 1 were very much above average. In Ohio they were estimated at 13,193,000 bushels, compared with a five-year average of 4,514,000 bushels.

The April 1 condition of pastures was considerably better than a year ago in this district, but slightly below the average of preceding years, though above the average April 1 condition for the entire country.

For the first time in nine months the Department of Agriculture's index of farm prices advanced in March, but the upturn was slight and the index was only 61 per cent of the pre-war average. The upturn resulted from an advance in meats, vegetables and cotton. Grains remained unchanged in March, but advanced quite sharply following the publication of the 1932 wheat production estimate.

Tobacco Drastic curtailment in the intended acreage of tobacco was reported in all types except Maryland and Pennsylvania for which slight increases are shown. On March 1 farmers in the United States intended to plant 1,562,200 acres to tobacco this year, a decrease of 22.6 per cent from the acreage harvested in 1931. If these plans are carried out the smallest acreage will be planted since 1921 when 1,427,000 acres were harvested. Intended flue-cured acreage is down 27 per cent, and this is the second successive year acreage of this type has been reduced. The fire-cured types show a decrease of 28 per cent from the harvested acreage of 1931. In cigar tobaccos reductions of three per cent in filler, 17 per cent in binder and 18 per cent in wrapper types are indicated. Burley tobacco acreage, the type raised extensively in this district, will be cut 14 per cent from the 1931 acreage harvested, if intentions are carried out, while other air-cured types are expected to be down 39 per cent.

Cold weather in March retarded preparation of land and growth of seedlings in plant beds, but there is still ample time for plants to develop before transplanting.

Actual sales of burley tobacco in the season just closed totaled 450,535,821 pounds, the largest volume on record. Sales exceeded 1930 by 78,000,000 pounds. The value of the crop was off materially, however, because the average price was only 8.63 cents a pound, compared with 15.59 cents for the 1930 crop.

Fourth District Business Indexes

(1923-1925 = 100)

	Mar., 1932	Mar., 1931	Mar., 1930	Mar., 1929	Mar. 1928
Bank Debits (24 cities)	60	95	117	131	119
Commercial Failures (Number)	163	160	116	133	125
" " (Liabilities)	137	147	119	94	191
Postal Receipts (9 cities)	102	116	126	129	132
Sales—Life Insurance (Ohio and Pa.)	114	134	169	158	140
" —Department stores (55 firms)	58	84	86	102	94
" —Wholesale Drugs (13 firms)	93	104	110	117	117
" — " Dry Goods (10 firms)	37	58	79	93	89
" — " Groceries (37 firms)	61	74	83	89	94
" — " Hardware (14 firms)	44	55	82	98	95
" — " All (74)	58	72	88	95	96
" —Chain Drugs (3 firms)**	79	89	88	89	95
Building Contracts (Total)	23	55	126	99	140
" " (Residential)	13	45	54	97	125
Production—Coal (O., W. Pa., E. Ky.)	65	74	81	88	76
" —Cement (O., W. Pa., W. Va.)	20	37	100	76	71
" —Elec. Power (O., Pa., Ky.)*	122	136	146	144	138
" —Petroleum (O., Pa., Ky.)*	98	98	123	97	102
" —Shoes	85	86	79	92	103

*February.
**Per individual unit operated.

Debits to Individual Accounts

	4 weeks ending April 20, 1932	% change from 1931	Year-to-date Dec. 1931 to April 20, 1932	Year-to-date Jan. 1 to April 22, 1931	% change from 1931
Akron	53,422	—31.6	204,957	303,875	—32.6
Butler	5,221	—44.6	23,101	34,668	—33.4
Canton	18,006	—54.0	73,560	143,092	—48.6
Cincinnati	243,028	—34.3	1,000,065	1,360,864	—26.5
Cleveland	405,338	—41.0	1,733,661	2,671,111	—35.2
Columbus	91,987	—45.9	389,654	646,839	—39.8
Dayton	46,755	—45.9	180,758	325,220	—44.4
Erie	20,873	—34.7	87,357	117,148	—25.4
Franklin	2,525	—32.4	11,889	14,641	—18.8
Greensburg	4,774	—34.6	22,416	36,037	—37.8
Hamilton	7,951	—28.4	30,417	42,947	—29.2
Homestead	2,056	—54.7	9,186	15,099	—39.2
Lexington	12,425	—22.6	72,835	88,634	—17.8
Lima	8,269	—29.2	29,841	43,304	—31.1
Lorain	3,278	—28.0	13,146	18,321	—28.2
Middletown	6,316	—26.9	23,335	36,860	—36.7
Oil City	9,157	—19.9	34,667	45,461	—23.7
Pittsburgh	486,541	—35.7	2,066,746	3,064,247	—32.6
Springfield	11,322	—34.2	49,631	72,353	—31.4
Steubenville	5,094	—34.3	22,691	31,964	—29.0
Toledo	73,877	—52.3	294,743	591,766	—50.2
Warren	5,717	—39.3	19,130	36,585	—47.7
Wheeling	27,602	—21.3	107,087	142,709	—25.0
Youngstown	25,281	—52.0	111,310	204,537	—45.6
Zanesville	5,285	—43.2	22,722	35,330	—35.7
Total	1,582,100	—39.0	6,634,905	10,123,612	—34.5

Fourth District Business Statistics

(000 omitted)

Fourth District Unless Otherwise Specified	March, 1932	% change from 1931	Jan.-Mar., 1932	% change from 1931
Bank Debits—24 cities $	1,630,000	—36.4	5,321,000	—35.1
Savings Deposits—end of month:				
27 selected banks, O., W. Pa. $	655,535	—14.5	659,983[1]	—13.7
Postal Receipts—9 cities $	2,645	—11.8	7,591	—13.1
Life Insurance Sales:				
Ohio and Pa. $	95,764	—14.4	281,401	— 5.7
Retail Sales:				
Department Stores—55 firms $	15,200	—23.9	41,116	—23.0
Wearing Apparel—13 firms $	1,002	—21.9	2,415	—26.0
Furniture—48 firms $	501	—38.6	1,490	—34.8
Wholesale Sales:				
Drugs—13 firms $	1,465	— 9.9	4,141	—12.2
Dry Goods—11 firms $	999	—32.7	2,626	—33.4
Groceries—37 firms $	3,578	—18.6	10,221	—20.3
Hardware—15 firms $	903	—19.9	2,413	—24.1
Building Contracts Residential $	2,280	—70.7	6,173	—65.1
" " —Total $	10,909	—58.6	24,564	—59.6
Commercial Failures—				
Liabilities $	6,056	— 6.9	24,467	— 4.3
Commercial Failures—Number	238[2]	+ 2.1	8,162	+18.4
Production:				
Pig Iron, U. S. Tons	967	—52.3	2,904	—46.8
Steel Ingots, U. S. Tons	1,411	—52.9	4,332	—45.5
Automobiles—Pass. Cars. U. S.	99,399[2]	—57.0	292,312[2]	—46.8
" — Trucks. U. S.	19,560[2]	—56.7	63,404[2]	—46.4
Bituminous Coal Tons	11,773	—12.0	30,554	—25.9
Cement—O., W. Pa., W. Va. Bbls.	241	—45.7	702	—48.4
Elec. Power — O., Pa., Ky. K.w.h.	1,025[3]	—10.2	2,114[4]	—12.2
Petroleum—O., Pa., Ky. Bbls.	1,803[3]	— 0.8	3,739[4]	— 1.2
Shoes Pairs	[5]	— 0.4	[5]	+ 7.6
Tires, U. S. Casings	3,107[3]	— 2.9	5,885[4]	— 4.4

[1] monthly average.
[2] actual number.
[3] February.
[4] Jan.-February.
[5] confidential.

Wholesale and Retail Trade

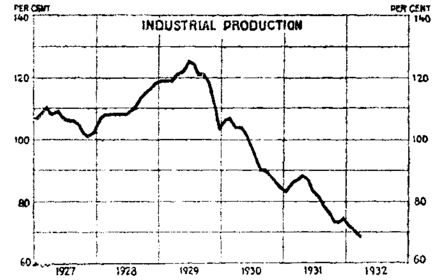
(1932 compared with 1930)

	Percentage Increase or Decrease		
DEPARTMENT STORES (55)	SALES Mar., 1932	SALES First three months	STOCKS Mar., 1932
Akron	—17.4	—21.2	— 3.7
Cincinnati	—22.6	—21.1	—22.5
Cleveland	—24.4	—21.4	— 9.3
Columbus	—15.9	—18.1	—14.7
Pittsburgh	—27.5	—25.9	—15.9
Toledo	—18.6	—20.1	—24.9
Wheeling	—21.8	—24.4	—14.5
Youngstown	—27.6	—27.0	—16.6
Other Cities	—24.5	—23.3	—20.9
District	—23.9	—23.0	—15.6
WEARING APPAREL (13)			
Cincinnati	—17.1	—16.0	—22.0
Other Cities	—24.4	—23.8	—31.5
District	—21.9	—21.1	—28.6
FURNITURE (48)			
Cincinnati	—51.0	—46.6	....
Cleveland	—46.6	—43.1	....
Columbus	—34.5	—18.7	....
Dayton	+ 2.4	— 9.4	....
Toledo	—31.8	—21.1	....
Other Cities	—34.1	—36.9	....
District	—38.6	—34.8	....
CHAIN STORES*			
Drugs—District (4)	—11.5	— 9.7	....
Groceries—District (6)	— 7.4	— 7.6	....
WHOLESALE GROCERIES (37)			
Akron	—21.4	—23.9	....
Cleveland	—24.7	—23.7	....
Erie	—13.0	—14.5	....
Pittsburgh	—10.5	—14.1	....
Toledo	—15.9	—17.1	....
Other Cities	—16.2	—20.0	....
District	—18.6	—20.3	—16.3
WHOLESALE DRY GOODS (11)	—32.7	—33.4	—26.2
WHOLESALE DRUGS (13)	— 9.9	—12.2	....
WHOLESALE HARDWARE (15)	—20.0	—24.1	—18.3

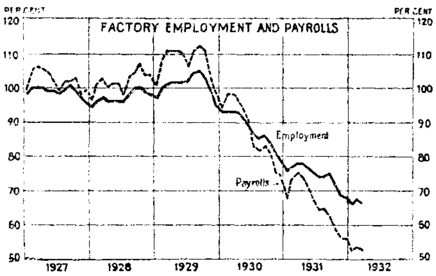
*Sales per individual unit operated.

Summary of National Business Conditions

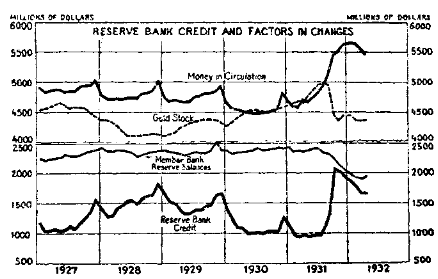
By the Federal Reserve Board



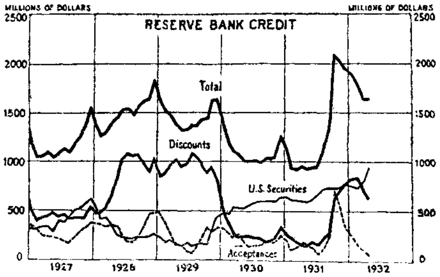
Index of industrial production, adjusted for seasonal variation. (1923-1925 average = 100) Latest figure, March, 68.



Indexes of Factory Employment and Payrolls, without adjustment for seasonal variation, (1923-1925 average = 100) Latest figures, March, employment 66.4, payrolls 52.3.



Monthly averages of daily figures. Latest figures are averages of the first 21 days in April.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 21 days in April.

Industrial activity was in smaller volume in March than in February, although usually little change is reported at this season, and the number of employees at factories was also reduced, contrary to seasonal tendency. Volume of reserve bank credit decreased in March, but showed a considerable growth in the first three weeks of April. Money rates continued to decline.

Production and Employment

Output of industrial products, as measured by the Board's seasonally adjusted index, declined from 70 per cent of the 1923-1925 average in February to 68 per cent in March. Daily output at steel mills and automobile factories decreased, contrary to seasonal tendency and activity at woolen mills declined sharply to the lowest level in recent years. Cotton consumption by domestic mills continued at the February rate, although sales of cotton cloth declined, and output of shoes increased considerably; in both these industries production was at about the same rate as a year ago. Activity in the lumber industry, which recently has been at a level about 45 per cent lower than last year, increased by more than the usual seasonal amount. Output of coal also increased considerably during March, but declined in early April.

Volume of factory employment and payrolls decreased from February to March, although an increase is usual at this season. There were substantial reductions in working forces in the steel, automobile, machinery and furniture industries, as well as at woolen and silk mills, while clothing and shoe factories showed additions to their working forces.

Value of building contracts awarded, as reported by the F. W. Dodge Corporation, showed some increase of a seasonal character during March and the first half of April and was approximately one-third as large as last year.

Distribution

Rail shipments of merchandise, which ordinarily increase in March, showed little change, and sales at department stores in leading cities increased by less than the estimated seasonal amount.

Wholesale Prices

The general level of wholesale commodity prices showed little change between February and March, according to the Bureau of Labor Statistics. In the first two weeks in March prices of many commodities, including livestock and meats, advanced; between the middle of March and the third week in April, prices of cotton, silk, wool, hides, sugar, silver and tin declined considerably, while prices of coffee and petroleum increased. Wheat prices showed wide fluctuations, but were at about the same level in the week ending April 23 as in the first half of March.

Bank Credit

The Federal reserve system's holdings of United States Government securities, after increasing continuously from early in March, totaled $1,078,000,000 on April 20, an increase of $338,000,000 since the end of February. This increase has been accompanied by some further decline in the reserve bank's holdings of acceptances and a reduction of $264,000,000 in discounts. Member bank indebtedness to the reserve banks showed a considerable reduction in all of the Federal reserve districts. Total volume of reserve bank credit outstanding, which had declined in March reflecting a continued return of money from circulation and an increase in the country's stock of monetary gold, increased by $115,000,000 during the first three weeks of April. This increase was accompanied by a substantial growth in member bank reserve balances.

Total loans and investments of reporting member banks in leading cities continued to decline during the five weeks ending April 13. At banks in New York City, however, there was an increase in investment holdings, both of United States Government securities and other securities, offsetting the decline in loans, which continued until the middle of April.

Open-market rates for bankers' acceptances showed successive reductions and on April 21 the offering rate for 90-day bills was 7/8 of one per cent, the same rate as prevailed between May and September, 1931. Rates on commercial paper also declined.