



# MONTHLY BUSINESS REVIEW

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in the

**Fourth Federal Reserve District**  
**Federal Reserve Bank of Cleveland**

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The sharpest advance in trade and industrial operations since the depression began occurred in this district in April and the first three weeks of May, and reports from most of the important fields were more favorable than for months. In several instances operations were at higher levels than prevailed a year ago and, whereas in most recent years some slackening developed in May, the past month showed continued improvement in the more important lines of this district. Electric power consumption was greater than a year ago and so were car loadings in the latter part of May.

Retail buying was much improved in April, the seasonally adjusted index of department store sales advancing to 62.3 per cent of the 1923-25 monthly average from 46.2 in March. This was the sharpest increase on record back to 1919. Buying in April was stimulated by several factors, among which were rising wholesale prices, release of bank deposits which permitted buying in April prior to the late Easter, and increased employment and in some cases, wages, which meant greater buying power that apparently was utilized for purchases deferred in earlier months.

In the industrial field, the improvement in steel production was spectacular. Rising from a low of about 12 per cent of capacity in early March, operations increased until a 43 per cent rate prevailed in the entire country in late May. Steel centers in this district outside of Pittsburgh were producing at much-better-than-average rates. Tin plate mills in the third week of May were operating at 80 per cent; Cleveland output was at 58 per cent, Youngstown 45 and Pittsburgh 25 per cent of capacity. Lack of rail and structural orders affected operations in the eastern part of this district whereas automobile material buying was responsible for much of the activity at other centers, though considerable ordering by general manufacturers has been reported recently. Steel production in April was eight per cent greater than a year ago and while in most years there is a seasonal decline in May, indications are that May production will exceed April by a good margin.

Tire companies stepped up schedules sharply in late April and May in response to greater dealer and retail demand. Employment at Akron factories was increased by more than 3,000 and the expansion in operations was much greater than seasonal. Tire prices were raised five per cent on May 1.

In the automobile parts and accessory field, operations

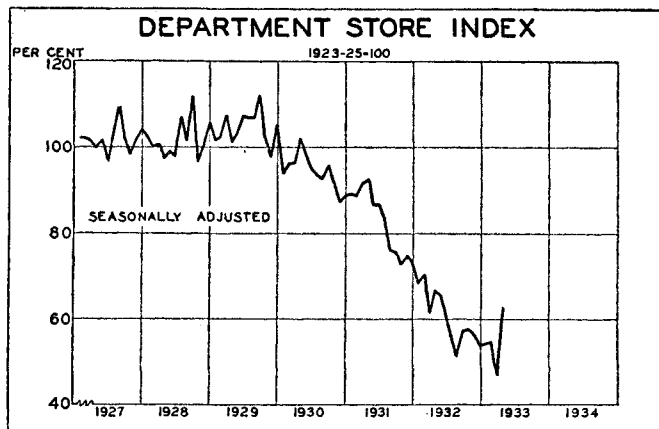
improved coincident with the expansion in automobile assemblies. Shoe production was 40 per cent higher in April than in the same month of 1932. Most of the smaller manufacturing lines reported marked improvement in the first part of May, though in many cases operations are still below a year ago.

Building activity continues to lag and contracts awarded are less than half as large as a year ago. Building material sales were reported larger in May than for some time, but much of this apparently represented repair work.

The crop season has been retarded about three weeks by the cool, wet weather, but conditions are better in this district than in most parts of the country. Winter wheat is in better-than-average condition and the estimated crop for Ohio is the second largest in the entire country. The rise in grain prices has been encouraging to local farmers in this connection.

## FINANCIAL

A further easing of the strained financial conditions occurred in the month ended May 25. This was reflected in the decline in borrowings of member banks, the drop in note circulation in the face of higher prices and expanding industrial operations and wages, and the increase in deposits. Ten banks were granted licenses to resume full operations in the period and some unlicensed banks were placed in liquidation. Reorganization plans for many of the approximately 300 unlicensed banks were nearing completion, but in some sections deposits impounded in



Index of Dollar Sales at Fourth District Stores

closed banks were quite a hindrance to industrial expansion and trade improvement.

Savings deposits at selected banks declined 2.4 per cent in April and at the end of the month were 11.5 per cent smaller than a year ago. The decline was proportionately greater at Ohio banks than at those in western Pennsylvania.

Bank debits to individual accounts were 28 per cent smaller in April than in the same month of 1932 and the reduction in the first four months was 24.5 per cent. The sharpness of the decline in the dollar volume of bank debits which represent chiefly check payments is shown by the fact that in April they were only 46 per cent of the monthly average of the three years 1923-25. Price changes of course are a factor affecting these figures.

Commercial failures continue below a year ago, both in number and the amount of liabilities involved. In April, failures in this district numbered 182, a reduction of 14 per cent from last year. Liabilities of the defaulting concerns were down 25 per cent from a year ago in April and 27 per cent in the first four months.

**Reserve Bank Credit.** By May 24 over \$100,000,000 in Federal reserve notes, put in circulation in this district immediately prior to the bank holiday, had been retired and only approximately \$20,000,000 were still outside the Federal Reserve Bank of Cleveland. Only a small part of the decline in recent weeks reflected the increase in the volume of Federal reserve bank notes outstanding, for on the latest date only \$3,015,000 of these notes of this bank were in circulation, there having been a slight reduction in the four most recent weeks.

Total deposits of member banks increased in the month ended May 24 as money was retired from circulation, and borrowings of member banks were reduced. Bills discounted, which increased in late April and the first part of May to \$79,000,000 on May 3, were reduced to \$61,500,000 by May 24. One year ago loans to member banks were \$52,000,000. Acceptances held were reduced in the four latest weeks to a very nominal figure.

This bank's holdings of Government securities remained unchanged in the first three weeks of May, but in the week ended May 24 an increase of \$2,750,000 occurred. Holdings of Government securities were \$31,000,000 higher than a year ago, but somewhat below the peak touched in early March of this year.

Total earning assets of this bank on May 24 were approximately the same as in late April, but they were about \$40,000,000 higher than a year ago.

**Member Bank Credit.** Publication of condition figures of reporting member banks in leading cities was resumed in mid-May, but the statement includes figures for a much smaller group of banks which have been licensed to resume full banking operations. In recent weeks there has been an increase in demand deposits and a slight reduction in time deposits. Investments were increased through the purchase of Government securities, but loans, both on securities and "all other", still show a downward trend.

#### MANUFACTURING, MINING

##### Iron and Steel

Iron and steel producers in the month ended May 20 entered the zone where, taking into account drastic economies, they were believed to be breaking even and re-entering

the profit stage. According to *Steel*, at 50 to 55 per cent of capacity, on a declining scale, operations ceased being profitable; it has been estimated that the situation would be reversed at 35 to 40 per cent, on an increasing volume.

When the industry from the second week of March to the third week of April expanded from 13½ to 25 per cent, based on ingot capacity engaged, this was an achievement rarely equalled in the industry's history. But from the third week of April to the last week of May the rate pushed up from 25 to 43 per cent.

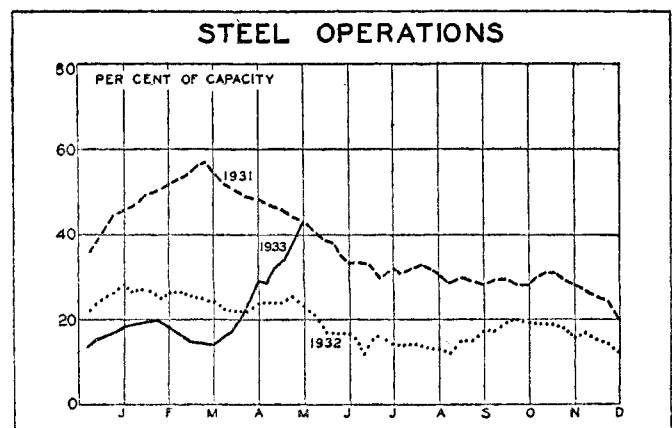
In the month ended May 20 the steel rate at Pittsburgh increased from 21 to 25 per cent, at Youngstown from 24 to 45 and at Cleveland from 41 to 58 per cent. Except for the Wheeling district, where tin plate dominates, the Cleveland and Youngstown rates were the highest for the country.

Automotive requirements remain the base of the iron and steel market, with May assemblies of motor vehicles estimated at more than 200,000 units and releases for steel indicating an equally good June. Tin plate also was a major factor; some mills in the Pittsburgh district operated fully in May, and the average as of May 20 was 80 per cent.

Miscellaneous general manufacturing requirements increased, both for current consumption and for a moderate rebuilding of inventories, the latter due to a stiffening of the price structure. Building steel requirements were conspicuous by their absence. Railroads were committing themselves only for necessary equipment repairs, pending action at Washington on the measure coordinating them.

About May 15, iron and steel scrap prices, which had been advancing for more than a month, reached their peak and a slight easiness set in. This was in part due to the satisfaction of mills' requirements and also because the rise in scrap quotations brought that commodity practically up to parity with pig iron. About that time pig iron began to rise, advancing \$1 at Pittsburgh and Youngstown and 50 cents at Cleveland. Following the withdrawal of most concessions for the second quarter, sheet mills announced a \$3 per ton advance for the third quarter. Hot-rolled strip was put up \$1 and cold-rolled strip \$2. Quantity differentials by warehouses increased the price to small buyers. Reinforcing bars were advanced \$4 a ton.

This upward tendency in prices was evidenced by the



Steel's weekly estimate of ingot production; no allowance for seasonal variations.

advance in the iron and steel composite of the magazine *Steel*. From \$28.18 as of April 22, this index rose to \$28.50 by May 27. At the beginning of the year this index stood at \$28.83; its low for 1933 was \$28.12 on April 1.

Statistics of both pig iron and steel ingot production in April show important gains. The daily average output of coke pig iron in April was 20,770 gross tons, compared with 17,484 tons in March, and 28,524 tons in April, 1932. The April rate was the highest since November, 1932. A net gain of ten was registered in active blast furnaces in April, with six more lighted in the first three weeks of May. The April total of 623,097 tons of pig iron gave 1933 a four-month total of 2,286,962 tons, compared with 3,754,736 tons in the same period of 1932.

The April open-hearth and bessemer steel ingot daily rate was 53,392 gross tons, compared with 33,006 tons in March; it was the highest since February, 1932. The month's total was 1,334,797 tons, the highest since March, 1932. The four-month total of ingots for 1933 is 4,299,307 gross tons, and 5,542,283 tons in the same period of 1932.

Little change occurred in the coal industry of this district or the entire country in April, but a slight increase in production was reported in early May and because of the falling-off which developed in April and May last year, output in the four latest weeks was ahead of a year ago.

In this district the recent advance was due in part to larger industrial takings and also to increased lake shipments to upper lake ports. So far this season such shipments, while as yet somewhat limited in volume, were 16.8 per cent ahead of a year ago.

April output of fourth district mines was 7,886,000 tons, a reduction of 10.8 per cent from the same period of 1932 and represented only slightly more than half the ten-year average April production of 14,258,000 tons. In the first four months output was down 5.8 per cent from the corresponding period of last year.

Stocks of bituminous coal in hands of commercial consumers and retail dealers, as of April 1, were the smallest on record and were 21 per cent below a year ago. A reduction in stocks generally occurs in the first quarter,

but this year the decline in reserves was unusually heavy. In terms of current consumption, stocks represented 27 days' supply compared with 33 days' supply a year ago. With potential capacity almost double current consumption, and assured transportation facilities, it is unnecessary to keep a large supply of coal on hand at the present time.

The order of the Interstate Commerce Commission restoring the old Ohio coal shipping rate so that the ten-cents-a-ton differential in freight rates between Ohio and western Pennsylvania and northern Ohio towns would again prevail was regarded very favorably by Pennsylvania producers and just as unfavorably by Ohio mine operators. When the freight rates from Ohio coal fields were lowered about a year ago, coal from western Pennsylvania was virtually excluded from northern Ohio markets.

Producers and dealers in this district reported some improvement in buying in the first part of May with more coal contracted for than a year ago. Prices have shown little change.

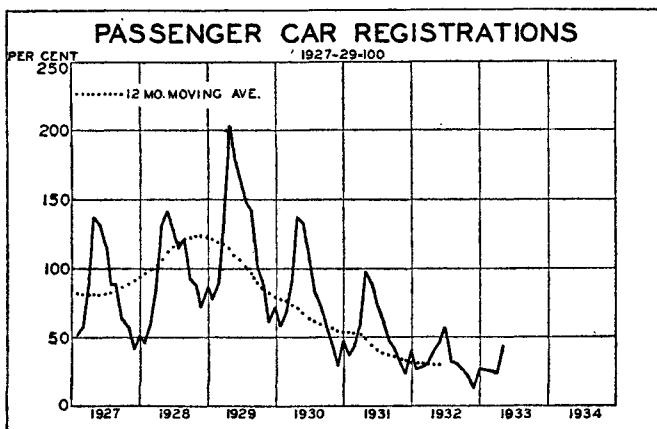
An unusually sharp increase developed in the automobile industry in April, and the expansion continued in May, judging by weekly reports. According to the Department of Commerce, factory sales of passenger cars and trucks totaled 181,029 units in April. This was an increase of 52.6 per cent from March, 22 per cent from April, 1932, and output was higher than for any month since last June. The expansion from March was considerably more than seasonal, the Federal Reserve Board's adjusted index rising from 27 to 44 per cent of the 1923-1925 monthly average. In April, 1932, the index was 35.

The increase from March was proportionately greater in the truck industry than in the passenger car field, but compared with a year ago, the improvement was entirely in passenger car production which was up 27 per cent. Truck production in April was 0.3 per cent smaller than in the same month last year. In the first four months passenger car output was up 9.6 per cent from that of the same period of 1932, whereas truck production was off 9.2 per cent in the four-month interval.

While the week-to-week expansion in April was quite pronounced, some slackening in the rate of increase was apparent in the first half of May. That output would probably exceed 200,000 units in the latest month, however, was quite clearly shown by the weekly figures, which for the first three weeks of May was more than 50,000 cars in each period.

The greater part of the recent advance has been confined to the lower-priced cars, but the trend has not been uniform. Makers of some of the medium-priced cars have increased production quite sharply.

Retail buying of cars improved in most parts of the country in April and May, but this is partly seasonal and sales are still much below the average of past years. The accompanying chart is a monthly index of passenger car registrations in Ohio and western Pennsylvania for 1927 to date, with the monthly average of 1927-29 representing 100. A sizeable increase in registrations was reported in April in this district as well as in other parts of the country and sales in the latest month were greater than a year ago.



Index of new passenger car registrations in Ohio and western Pennsylvania. (1927-1929 Monthly Average = 100)

**Tires, Rubber** In the rubber tire industry in the past six weeks operations and sales increased sharply and prices have been advanced slightly. The industry, along with steel production, has been leading the way recently so far as expanding operations are concerned.

Consumption of crude rubber in the United States in April was up 45 per cent from March and was only slightly under April, 1932. Takings by domestic plants exceeded imports by a good margin and stocks declined two per cent, but remained 11.4 per cent above a year ago at 382,167 tons. Imports in April were only 19,459 tons, a decrease of 30 per cent from March and of 47 per cent from a year ago.

Prices of crude materials used in tire production have increased quite sharply in recent weeks, cotton advancing from around 6 to 8  $\frac{3}{4}$  cents a pound and rubber from 2  $\frac{1}{2}$  to 5 cents. Because of these increases, etc., tire manufacturers raised prices about five per cent, effective early in May. So far, according to reports, these advances have been maintained.

Conditions in Akron, the center of the tire industry in this district, have improved markedly in recent weeks, despite the fact that the financial situation is unfavorable. Employment has increased about 3,000 in the rubber industry alone, but, despite the expansion, employment in the entire city as well as the rubber industry is about 40 per cent below the level of 1926.

Several plants are reported to be operating at capacity levels and working twenty-four hours a day, on four six-hour shifts. Present capacity, however, is very much below what it was in pre-depression years.

As a matter of record tire production in March, according to the *Rubber Manufacturers Association*, was 44.7 per cent below the corresponding month of 1932, and in the first quarter was off 40 per cent. Output in that period was smaller than for any quarter since 1921 when only approximately 11,000,000 cars were in use, whereas at the present time automobile registrations are close to, if not in excess of 22,000,000.

In April and the first part of May, a marked change occurred in dealer buying and, according to reports, more orders have been placed for delivery than since the enactment of the tax on rubber products last June. The seasonal increase in April replacement sales in past years was close to 12 per cent. This year, according to a reliable source, the increase was 54 per cent and sales were only 17 per cent below April, 1932. The peak of the tire selling season is from the middle of May to the fifteenth of June and present indications point to an increase in sales from April to May of about 28 per cent in contrast with an average increase for that time of year of about 8 per cent. Dealers' stocks are known to be low and some of the recent buying no doubt has been to replenish them, but retail sales also have increased in the past few weeks. In the latter part of May manufacturers reported demand holding up well and some difficulty obtaining cotton fabric from mills fast enough to take care of current operations was mentioned.

**Other Manufacturing** Substantially increased operations were reported in most of the smaller manufacturing lines of the fourth district in the month ended May 15. The expansion in most cases

was considerably more than or contrary to seasonal changes of past years and reports from the various lines were more favorable than for many months.

**Auto Parts, Accessories.** The sharp increase in automobile production was preceded by expanded operations at many local plants and April sales exceeded those for many previous months. In several cases both employment and pay rolls in early May were considerably above a year ago. According to the Ohio State Bureau of Business research, employment in this industry in April was up 19 per cent from March compared with a five-year average change of two per cent. Further substantial increases occurred in the first half of May. A few companies reported higher wage rates and prices of raw materials. Prices on finished products have been raised in a few instances to cover the increased costs.

**Brick and Tile.** An increase of 17 per cent in employment in this industry was reported in April, whereas the five-year average change from March was 2.4 per cent. Sales of brick and tile have improved recently.

**China, Pottery.** Some increased buying developed in early May because quotations on materials were raised. Operations have expanded only slightly.

**Clothing.** Most clothing factories are operating at very low levels at the present time, production of spring and summer goods having been completed and work on fall goods not yet having started. Orders, however, have been placed in a much larger volume recently, partly, it is thought, because of the sharp advance in the price of wool and woolen fabrics. Salesmen have just started out with fall samples, and no reports on future buying are yet available. The outlook, according to the trade, is more favorable than for some time. Makers of knitted clothing have increased operations recently as a result of a greater volume of orders of both summer and fall goods. Sales, however, continue below previous years. Employment in the clothing and textile industry of this district was 86 per cent of the 1926 monthly average in April.

**Electrical Equipment.** Orders in April increased for the third successive month, and though they still are below a year ago considerable improvement has developed in recent weeks. The employment index was 91.2 per cent of the 1926 average in April, up 6.9 per cent from March in contrast with a five-year average change of 1.2 per cent.

**Glass.** The plate and molded branches of the glass industry experienced considerable improvement in sales in late April and early May, and additional furnaces were lighted. Employment in the entire industry in April at 26 Ohio plants was 19 per cent higher than a year ago. Demand for plate glass came chiefly from the automobile industry, for little building activity has developed. Prices have remained steady.

**Hardware, Machinery.** As a result of increases in raw material prices, quotations on some lines of hardware have advanced, but the change has been only nominal. Volume of incoming orders was much larger than for several months, and consequently, employment in some cases has improved.

**Paint.** Sales of some types of paint in the past four

weeks were larger than a year ago, but industrial demand, except from the automobile industry, and sales of house paint were behind a year ago, the latter being unfavorably affected by the rainy weather. Raw material prices have increased quite sharply recently.

**Paper.** Little change occurred in paper production in April, but boxboard output was up quite sharply, according to reports. Orders of both improved in early May and prices on a few lines have advanced. Inventories remain low.

**Shoes.** April output of 31 shoe establishments in this district was 40 per cent higher than in the same month of 1932 and the decline from March was much less than the average falling-off of the past ten years. In the first four months shoe production was 18 per cent greater than in the corresponding period of the preceding year. Raw material prices have advanced sharply, the latest hide quotation being 10½ cents a pound, compared with a low of 4½ cents touched earlier this year. April buying was stimulated by the late Easter, but orders continued to arrive in good volume in the first half of May.

### BUILDING

Sales of building materials and supplies improved in the past month, according to reports from all parts of the district. The *Lumber Manufacturers Association* reported that production and orders were above a year ago and shipments also have increased quite sharply. Prices have changed only slightly and, since new construction reported continues in very limited volume, the buying of lumber by dealers was thought to be partly to replenish stocks and also for renovizing and repair projects.

The building industry as a whole continues in a very depressed state. Contracts awarded in April, according to the F. W. Dodge Corporation, were valued at \$4,943,882, a reduction of 55 per cent from a year ago, and compared with \$6,192,000 in March this year. In the first half of May building awards in this section were little changed and continued to be less than half what they were a year ago.

Residential building in this district expanded almost 20 per cent in April from the preceding month, but compared with last year a reduction of ten per cent was shown. Public works contracts were only about one-sixth what they were in April, 1932, and public utility work was almost negligible in the period. A sizeable increase in contemplated projects was reported in April, compared with the preceding month, and the total was almost equal to the volume reported in April, 1932.

### AGRICULTURE

Because of rainy weather farm work has been delayed three to four weeks this spring, and planting of oats in many sections was not done at all, while preparation of ground for corn has been very difficult. Winter wheat conditions in this district are above the average of past years and fruit prospects are fair.

The general agricultural situation has changed materially in the past two months and prices have advanced considerably, more than 100 per cent in some cases, such as hides. These increases were due in part to unfavor-

able developments in the actual crop situation, but in the case of some crops the advance was sympathetic and in line with the general upturn in stock and commodity prices.

Winter wheat in the entire country showed the poorest condition on record as of May 1 and at the present time indications suggest that not enough winter wheat will be harvested this year to meet domestic requirements, but the carryover from preceding years is large. Compared with past years, this season's indicated crop is smaller than since 1904 and is 43 per cent below the average harvest of the five years 1926-1930. Almost one-third of the acreage sown last fall has been abandoned whereas the ten-year average abandonment was 14.7 per cent. In the states of the fourth district the May 1 condition was considerably above the average of the entire country and also above the average of past years. The expected Ohio crop is the second largest in the entire country and is only slightly below last year's harvest of over 32,000,000 bushels. The stand is exceptionally good on high ground, but low fields in many sections were drowned. While abandonment on local farms was only 2.5 per cent compared with a ten-year average abandonment of about 13 per cent, wet weather was a factor which cut down the abandonment, for fields could not be prepared for other crops and many in poor condition are still left untouched.

Growth of pastures and hay in April was retarded by the cool, wet weather and on May 1 the condition of both was several points below the average of past years. Considerable improvement occurred in May, but hay fields and pastures in many sections are still in poor condition.

Fruit prospects are good in this district, with the exception of peaches which were damaged by early spring freezes. Early apples also were affected to some extent, but late varieties were not harmed and a fairly large crop of the latter, together with sizable crops of grapes and pears are in sight at the present time.

Prospects for a larger burley tobacco acreage than was harvested last year continue, but field preparation and planting has been delayed by unfavorable weather. In the third week of May the season was reported to be about ten days late. A very small acreage of tobacco was transplanted prior to May 20, but tobacco fields generally were in poor condition. An increase in the size and number of seed beds this year indicates that there will be a plentiful supply of plants even though considerable damage to plant beds by insects, leaf spot, etc., is reported.

Agricultural prices advanced 17 per cent between April 15 and May 15, the greatest advance in 14 years. Based on the five-year pre-war average the index of the Bureau of Agricultural Economics grows from 53 to 62 in the 30-day period. Most of the recent rise occurred in grains and fruits and vegetables, but prices of other commodities have also advanced, livestock and hide prices working upward in May. The index in mid-May was six points higher than a year ago.

### TRADE

**Retail** One of the sharpest increases in retail buying on record was reflected in the April reports of department stores in the fourth district. Several factors worked together to

bolster buying in the period. Purchases which were deferred in March because of the bank holiday were made in April and much pre-Easter buying occurred in the latter month. The index of sales rose from 41.6 per cent in March to 67.2 per cent of the 1923-25 monthly average in April, and, after allowing for seasonal variations and changes in the Easter date, the index was 62.8 compared with 46.2 in March.

Sales in the month were only down three per cent in dollar volume from a year ago, which, when allowing for price declines that have occurred in the period, meant that the physical volume of goods sold was larger than a year ago. According to *Fairchild's* index, retail department store prices in April were 11.3 per cent below last year at that time. The decline in the month, however, was only 0.5 per cent and women's apparel prices advanced slightly. Dollar sales in the first four months of this year were 21.7 per cent below the corresponding period of 1932.

Judging by April figures, little stocking-up has yet occurred at reporting stores, for the seasonally adjusted index of the dollar value of stocks was 48.8 per cent of the 1923-25 monthly average, compared with 49.8 in March. Compared with a year ago the value of stocks was down 26.8 per cent.

Some improvement in collections was evident in April and the ratio of credit to total sales declined slightly.

Other lines of retail trade showed improvement in April, furniture sales being off only 12.7 per cent in dollar value

from last year, whereas the decline in the first quarter was over 30 per cent. Sales of wearing apparel stores were down 19 per cent in April and 32 per cent in the first four months from similar periods of 1932. Chain drug store sales were off 18 per cent in April and sales of grocery chains 8.7 per cent in the same period.

#### Department Store Sales By Department

An analysis of sales by departments of reporting department stores in the fourth district which shows the percentage of sales done in each month of the year has just been completed, and is presented below. The figures represent the averages of the three years 1930, 1931 and 1932, and the tabulation is similar to that presented in September, 1926. Figures of 61 stores were used in this study, but each department does not include figures for all the stores. The majority of departments include figures from 30 to 55 stores for the three years.

While some of the departments have changed in the past eight years, which makes a close comparison of the present table with the earlier study impossible, many of the departments are unchanged. It is interesting to observe that in some departments there has been little variation in the monthly distribution of sales from the preceding period, whereas in others the change has been quite marked.

In some departments sales are fairly steady throughout the various months of the year, while in others the seasonal fluctuations are very great. In toys and sport goods,

### Percentage of Sales Made In Each Month of the Year

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total per cent
11. Silks and Velvets.....	9.40%	8.91%	10.11%	9.77%	9.93%	9.39%	7.15%	5.36%	6.74%	8.16%	7.36%	7.72%	100%
12. Woolen Dress Goods....	7.76	7.31	11.07	9.25	4.35	2.73	2.86	6.27	11.91	16.35	11.55	8.59	100%
13. Cotton Wash Goods....	8.31	8.85	8.97	9.44	10.79	11.95	10.14	6.13	5.78	6.60	5.84	7.20	100%
14. Linens.....	13.67	8.11	7.81	7.06	6.92	6.61	6.84	7.60	7.41	7.35	7.84	12.78	100%
15. Domestics.....	10.58	7.45	7.26	7.61	7.40	6.69	6.31	8.77	10.25	10.17	7.62	9.91	100%
21. Laces, etc.....	7.26	7.42	12.63	10.05	9.06	7.86	5.16	4.64	7.32	8.23	7.66	12.71	100%
23. Notions.....	8.81	8.13	8.53	9.04	9.05	8.87	7.54	6.41	8.35	8.31	7.05	9.91	100%
24. Toilet Articles, etc....	8.21	8.71	8.11	7.61	7.01	8.21	7.47	6.96	8.38	7.64	7.21	14.48	100%
25S. Silverware.....	8.15	7.36	7.98	6.52	6.66	7.76	5.44	5.87	7.47	8.34	9.18	19.27	100%
25J. Jewelry.....	6.77	7.21	7.35	7.39	7.66	7.97	5.32	5.78	7.64	7.69	7.79	20.93	100%
27. Art Needlework, etc....	8.49	8.66	8.38	7.55	6.72	5.89	5.29	5.85	8.58	9.34	9.67	15.58	100%
28. Books, Stationery.....	6.87	7.22	6.75	6.05	5.81	5.72	4.62	4.99	6.97	7.15	8.63	29.22	100%
31. Neckwear, Scarfs.....	7.35	6.84	8.80	10.50	7.94	5.69	4.16	3.93	7.23	8.92	8.59	20.05	100%
33. Handkerchiefs.....	6.68	5.75	5.85	5.74	5.93	5.49	5.02	5.31	6.11	6.14	8.07	33.91	100%
34. Millinery.....	4.70	5.97	11.36	14.39	10.54	9.25	4.72	6.91	11.88	9.29	6.01	4.98	100%
35. Gloves.....	6.40	5.96	8.80	10.74	7.76	6.72	3.93	3.64	7.64	10.82	9.28	18.31	100%
36. Foundation Garments..	9.57	7.80	9.00	9.97	10.21	9.50	7.22	6.24	7.67	7.89	6.89	8.04	100%
37. Women's Hosiery.....	6.33	7.20	8.57	9.30	9.46	8.53	6.74	6.32	7.30	8.03	7.57	14.65	100%
38. Knit Underwear.....	7.74	6.05	6.08	6.95	7.71	7.65	8.26	5.26	6.82	10.00	9.83	17.65	100%
39. Silk and Muslin Underwear.....	6.96	5.93	6.03	7.06	9.24	9.76	8.57	6.25	5.57	6.23	7.06	21.34	100%
42. Negligees.....	5.07	4.97	4.85	5.34	6.54	7.66	7.54	5.80	6.07	6.47	7.59	32.10	100%
43. Infants' Wear.....	6.49	6.79	8.37	9.41	7.69	6.45	5.31	5.94	8.68	11.21	8.97	14.69	100%
46. Leather Goods.....	5.05	4.80	7.56	9.47	8.43	8.65	6.22	5.44	7.89	7.59	6.72	22.18	100%
47. Women's Shoes.....	6.60	6.37	8.57	10.58	10.89	10.67	7.05	6.18	8.91	8.34	7.10	8.74	100%
48. Children's Shoes.....	4.98	5.59	8.60	11.15	9.15	8.50	6.05	6.54	9.82	8.99	9.08	11.57	100%
51. Women's Coats.....	8.05	5.78	11.63	15.35	6.35	2.14	1.71	7.97	6.98	15.69	11.39	6.96	100%
52. Women's Suits.....	4.69	9.18	22.08	18.44	5.58	2.27	2.06	4.28	12.07	12.18	4.09	3.08	100%
53. Women's Dresses.....	8.19	7.24	8.75	10.25	11.50	11.56	6.97	5.55	7.24	8.04	6.74	7.97	100%
55C. Misses' Coats & Suits..	5.69	5.02	12.09	15.49	5.79	2.65	2.80	10.08	8.72	15.86	9.92	5.89	100%
55D. Misses' Dresses.....	7.89	7.31	9.05	10.07	10.81	10.75	6.21	5.72	8.73	8.60	6.88	7.98	100%
55J. Juniors' & Girls' Wear..	5.63	5.88	10.25	11.11	8.27	6.94	4.57	5.87	8.84	11.18	9.08	12.38	100%
56. Sports Wear.....	6.63	5.68	6.60	8.13	9.94	11.40	8.83	6.67	9.40	9.91	7.00	9.81	100%
57. Aprons, House Dresses..	7.60	7.63	7.26	8.88	12.07	14.75	11.63	5.63	5.00	5.17	4.96	9.42	100%
59. Furs.....	11.31	8.27	6.85	5.50	3.15	1.50	2.46	20.16	8.08	11.41	10.87	10.44	100%
60. Men's Clothing.....	8.73	7.57	8.34	9.77	8.76	9.44	7.14	5.48	7.47	9.78	8.38	9.14	100%
61. Men's Furnishings.....	5.87	5.19	5.98	7.00	7.61	8.84	7.40	5.88	6.25	6.81	7.88	25.29	100%
65. Men's Hats & Caps.....	5.98	6.34	8.29	10.10	10.47	10.78	5.42	4.75	11.74	8.81	7.84	9.48	100%
66. Boy's Wear.....	4.92	5.59	10.17	10.67	8.36	7.26	4.43	5.77	8.26	10.06	9.16	15.35	100%
67. Men's & Boys' Shoes....	6.59	6.41	8.04	8.98	9.47	10.50	7.01	5.41	7.46	7.58	7.70	14.85	100%
71. Furniture.....	6.28	14.95	7.75	10.26	9.79	7.52	5.22	11.99	7.18	6.98	5.52	6.56	100%
72. Oriental Rugs.....	10.34	10.94	9.70	10.22	10.48	6.34	4.79	6.70	5.65	11.37	7.32	6.15	100%
73. Domestic Floor Coverings	7.56	8.13	10.40	14.40	13.65	7.89	5.31	6.62	7.13	7.65	6.01	5.25	100%
74. Draperies, etc.....	6.70	7.57	9.05	12.12	13.57	8.29	5.21	5.30	7.33	8.68	7.80	8.38	100%
75. Lamps, Shades.....	7.39	8.57	8.25	11.26	8.09	5.96	4.30	5.62	7.51	7.92	7.81	17.32	100%
76. China, Glassware.....	7.88	8.01	8.02	7.17	7.50	7.89	6.05	6.81	8.22	8.07	8.51	15.87	100%
77. House Furnishings.....	6.57	7.68	8.96	12.02	11.11	8.22	6.36	6.24	8.92	8.03	6.40	9.49	100%
82. Musical Instruments, Records & Radios....	14.26	10.99	8.54	9.35	4.97	4.38	3.41	4.72	10.21	9.08	7.65	12.44	100%
91. Toys and Sport Goods....	1.84	2.42	3.37	5.33	5.69	6.44	5.72	4.03	4.19	4.93	8.35	47.69	100%
93. Luggage.....	6.50	5.16	5.25	5.79	8.74	10.38	9.67	9.66	7.62	4.55	5.25	21.43	100%

nearly half of the year's total sales are made in December, while over 25 per cent of all men's furnishing sales occur in that month. Handkerchief sales also are large in December. Furniture sales are important in February and August and linens and domestics in January and the latter again in September. A chart showing these seasonal fluctuations by departments will be available upon request.

**Wholesale** Sales of the four reporting wholesale lines in April increased about seasonally in the aggregate, but not all lines shared in the improvement. Grocery sales were 1.6 per cent smaller in April than in March and were down 13.7 per cent from April, 1932. Drug firms reported a falling-off of 2.8 per cent from March and 24 per cent from last year. Dry goods sales were up 8.3 per cent from March, but were 12.7 per cent smaller than a year ago. Hardware sales improved sharply in April being up 39 per cent from March, but they were still about 10 per cent smaller than in April, 1932. Dollar sales of all wholesale firms in April were only 47 per cent of the monthly average of the three years 1923-25. Stocks increased slightly in the latest month, but they were still much below a year ago.

**Fourth District Business Indexes**

(1923-1925—100)

	Apr. 1933	Apr. 1932	Apr. 1931	Apr. 1930	Apr. 1929
Bank Debits (24 cities).....	46	64	100	122	139
Commercial Failures (Number).....	125	145	114	93	108
(Liabilities).....	136	182	105	58	58
Postal Receipts (9 cities).....	86	98	115	129	123
Sales—Life Insurance (Ohio & Pa.).....	80	93	129	155	145
—Department Stores (53 firms).....	67	68	97	109	103
—Wholesale Drugs (12 firms).....	63	81	99	106	112
—Dry Goods (10 firms).....	32	36	61	80	95
—Groceries (33 firms).....	50	58	76	90	90
—Hardware (14 firms).....	46	51	73	84	102
—All (69).....	47	56	76	90	96
—Chain Drugs (3 firms)**.....	61	74	87	86	82
Building Contracts (Total).....	10	23	77	98	108
(Residential).....	10	11	56	74	110
Production—Coal (O., W. Pa., E. Ky.).....	44	49	65	85	86
—Cement (O., W. Pa., W. Va.).....	18	26	69	121	117
—Elec. Power (O., Pa., Ky.)*.....	117	129	144	147	143
—Petroleum (O., Pa., Ky.)*.....	95	105	109	129	109
—Shoes.....	87	62	74	68	91

\*March.  
\*\*Per individual unit operated.

**Debits to Individual Accounts**

(Thousands of Dollars)

	4 weeks ending		Year-to-date		Year-to-date		% change from 1932
	May 17, 1933	% change from 1932	Dec. 29, 1932 to May 17, 1933	Dec. 31, 1931 to May 18, 1932	Dec. 29, 1932 to May 18, 1932	% change from 1932	
Akron.....	24,156	-48.7	148,296	264,256	-43.9		
Butler.....	5,183	-14.8	26,593	30,767	-13.6		
Canton.....	15,146	-1.7	76,937	92,525	-16.8		
Cincinnati.....	187,882	-18.6	1,029,217	1,294,803	-20.5		
Cleveland.....	285,708	-23.3	1,591,758	2,223,338	-28.4		
Columbus.....	79,577	-16.1	403,809	507,705	-20.5		
Dayton.....	32,450	-22.2	172,289	232,540	-25.9		
Erie.....	14,007	-35.1	72,254	114,142	-36.7		
Franklin.....	1,968	-21.3	9,455	14,977	-36.9		
Greensburg.....	3,553	-24.3	18,681	28,395	-34.2		
Hamilton.....	5,724	-29.6	28,434	40,490	-29.8		
Homestead.....	1,473	-34.3	7,114	11,950	-40.5		
Lexington.....	12,038	-8.2	76,168	91,592	-16.8		
Lima.....	4,749	-38.6	27,456	39,174	-29.9		
Lorain.....	1,756	-29.4	10,422	16,316	-36.1		
Middletown.....	5,172	-10.5	23,904	30,248	-21.0		
Oil City.....	4,283	-47.4	27,855	44,526	-37.4		
Pittsburgh.....	429,341	-17.9	2,249,833	2,785,049	-19.2		
Springfield.....	8,610	-17.6	45,593	62,873	-27.5		
Steubenville.....	3,600	-21.8	19,410	28,706	-32.4		
Toledo.....	56,273	-25.6	306,051	394,260	-22.4		
Warren.....	3,864	-3.8	19,281	24,015	-19.7		
Wheeling.....	23,724	-4.6	114,379	139,509	-18.0		
Youngstown.....	22,269	-15.4	100,460	142,159	-29.3		
Zanesville.....	4,713	-10.6	22,707	29,603	-23.3		
Total.....	1,237,219	-20.7	6,628,356	8,683,918	-23.7		

**Fourth District Business Statistics**

(000 omitted)

	April, 1933	% change from 1932	Jan.-April, 1933	% change from 1932
Fourth District unless Otherwise Specified.....	\$ 1,249,000	-28.1	5,323,000	-24.5
Bank Debits—24 cities.....	\$ 575,617	-11.6	598,802 <sup>1</sup>	-9.0
Savings Deposits—end of month: 27 selected banks, O. & Pa.....	\$ 2,223	-12.4	8,912	-12.0
Postal Receipts—9 cities.....	\$ 66,851	-14.4	281,203	-21.8
Life Insurance Sales: Ohio and Pa.....	\$ 14,685	-8.0	43,359	-21.7
Retail Sales: Department Stores—53 firms.....	\$ 786	-19.3	2,199	-31.0
Wearing Apparel—11 firms.....	\$ 512	-12.7	1,517	-25.5
Furniture—44 firms.....	\$ 940	-24.2	4,013	-23.2
Wholesale Sales: Drugs—13 firms.....	\$ 778	-12.7	2,723	-21.5
Dry Goods—10 firms.....	\$ 2,880	-13.7	11,040	-17.3
Groceries—33 firms.....	\$ 902	-9.9	2,702	-19.2
Hardware—14 firms.....	\$ 1,724	-10.3	4,902	-39.4
Building Contracts—Residential.....	\$ 4,944	-54.8	18,844	-46.9
"    —Total.....	\$ 6,008	-25.2	23,780	-26.8
Commercial Failures—Liabilities.....	\$ 182 <sup>2</sup>	-14.2	793 <sup>2</sup>	-22.9
.....Number.....	623	-27.2	2,287	-39.1
Production: Pig Iron, U. S..... Tons	1,335	+8.2	4,299	-22.4
Steel Ingot, U. S..... Tons	153,721 <sup>2</sup>	+27.1	453,084 <sup>2</sup>	+9.6
Automobiles—Pass. Car..... U. S.	27,308 <sup>2</sup>	-0.3	82,423 <sup>2</sup>	-9.2
—Trucks..... U. S.	7,886	-10.8	37,101	-5.8
Bituminous Coal..... Tons	218	-29.4	691	-31.7
Cement—O., W. Pa., W. Va. Bbls.	983 <sup>3</sup>	-8.9	2,929 <sup>4</sup>	-8.3
Elec. Power—O., Pa., Ky. k.w.h.	1,753 <sup>3</sup>	-10.0	5,080 <sup>4</sup>	-10.7
Petroleum—O., Pa., Ky. Bbls.	4	+40.2	8	+18.4
Shoes..... Pairs	1,630 <sup>3</sup>	-44.7	5,307 <sup>4</sup>	-39.9
Tires, U. S..... Casings	1,338	+11.8	1,545	+16.8
Bituminous Coal Shipments: Lake Erie Ports..... Tons	9	.....	9	.....
Iron Ore Receipts: Lake Erie Ports..... Tons	9	.....	9	.....
1 monthly average.....	2	.....	2	.....
3 March.....	4	.....	4	.....
5 confidential.....	.....	.....	.....	.....

**Wholesale and Retail**

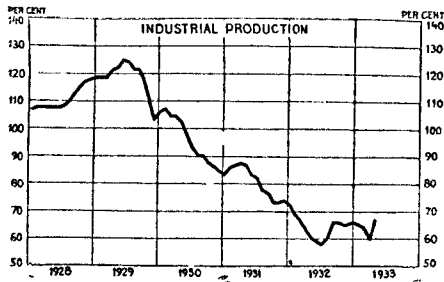
(1933 compared with 1932)

	Percentage Increase or Decrease		
	SALES April, 1933	SALES First 4 months	STOCKS April, 1933
DEPARTMENT STORES (53)			
Akron.....	-4.1	-21.8	-29.1
Cincinnati.....	-3.9	-20.3	-30.6
Cleveland.....	-3.0	-17.3	-33.3
Columbus.....	-8.7	-22.4	-20.4
Pittsburgh.....	-11.8	-23.6	-22.9
Toledo.....	-7.8	-20.8	-27.1
Wheeling.....	-4.8	-25.2	-21.6
Other Cities.....	-15.7	-25.4	-29.8
District.....	-8.0	-21.7	-26.8
WEARING APPAREL (11)			
Cincinnati.....	-11.7	-22.4	-25.0
Other Cities.....	-23.0	-35.2	-27.2
District.....	-19.3	-31.0	-26.5
FURNITURE (44)			
Cincinnati.....	-7.6	-22.8	.....
Cleveland.....	-7.3	-21.0	.....
Columbus.....	-3.4	-28.2	.....
Dayton.....	-24.8	-29.2	.....
Toledo.....	-35.6	-36.2	.....
Other Cities.....	-8.5	-26.3	.....
District.....	-12.7	-25.5	.....
CHAIN STORES*			
Drugs—District (4).....	-18.1	-19.4	.....
Groceries—District (5).....	-8.7	-8.0	.....
WHOLESALE GROCERIES (33)			
Akron.....	-13.6	-19.9	.....
Cleveland.....	-10.6	-18.0	.....
Erie.....	-28.6	-23.2	.....
Pittsburgh.....	+0.8	-8.0	.....
Toledo.....	-34.5	-30.4	.....
Other Cities.....	-7.5	-11.8	.....
District.....	-13.7	-17.3	-22.2
WHOLESALE DRY GOODS (10).....	-12.7	-21.5	-18.3
WHOLESALE DRUGS (13).....	-24.2	-23.2	.....
WHOLESALE HARDWARE (14).....	-9.9	-19.3	.....

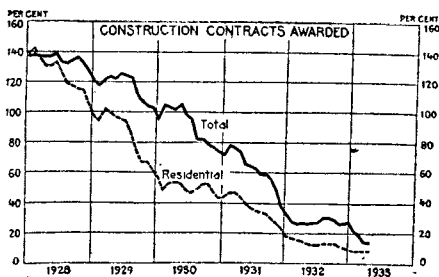
\*Per individual unit operated.

## Summary of National Business Conditions

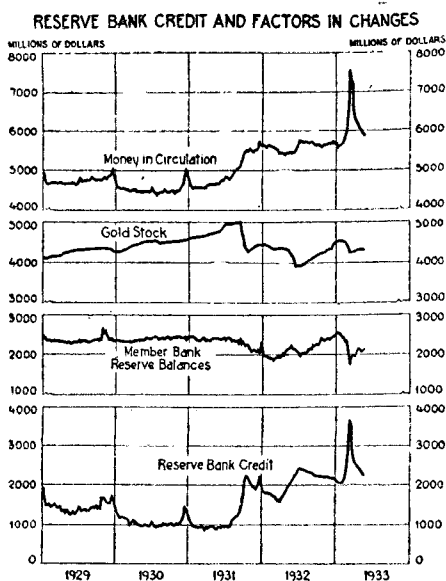
### By the Federal Reserve Board



Index of industrial production, adjusted for seasonal variation (1923-1925 average 100) Latest figure, April, 67.



Indexes based on three-month moving averages of F. W. Dodge data for 37 eastern states, adjusted for seasonal variations. (1923-1925 average = 100) Latest figure, April, 14.



Weekly figures, Wednesday series. Latest figures are as of May 17, 1933.

Industrial activity increased considerably during April and the first three weeks of May and wholesale prices of many leading commodities advanced, particularly in the latter part of April and the early part of May. Following the imposition of an embargo on gold on April 20, the exchange value of the dollar declined and on May 20 was 87 per cent of its gold parity.

#### Production and Employment

Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 60 per cent of the 1923-1925 average in March to 67 per cent in April, as compared with 63 per cent a year ago and a low of 58 per cent last July. Activity at steel mills increased from 15 per cent of capacity in March to 25 per cent in April and there was a further increase in the first three weeks of May. Increased activity in the steel industry reflected chiefly increased demand from automobile producers and from miscellaneous sources, while demand from the railroad and construction industries continued at low levels. At textile mills and shoe factories, production increased considerably during this period. Output of petroleum fluctuated widely, declining in the middle of April and subsequently increasing to a high level.

Volume of factory employment and payrolls increased between the middle of March and the middle of April by an amount somewhat smaller than the decrease in the preceding month.

Value of construction contracts, as reported by the F. W. Dodge Corporation, continued at previous low levels in April, but showed a considerable increase in the first half of May. Total value of awards in these six weeks was considerably smaller than in the corresponding period a year ago.

#### Distribution

Freight traffic, which was at a low level in March, increased during April and the first two weeks of May by more than the usual seasonal amount, reflecting chiefly large increases in shipments of miscellaneous products, grains and livestock.

Department store sales increased sharply from March to April and the total for these two months showed slightly more than the usual seasonal increase over the volume of sales in January and February.

#### Wholesale Prices

During April, particularly in the latter part of the month, there were substantial increases in the wholesale prices of grains, flour, sugar, textile raw materials and finished products, hides, pig iron, nonferrous metals and rubber. Prices of most of these commodities continued to advance rapidly in the first two weeks of May and showed little change in the third week of the month. Prices of livestock, which did not advance in April, increased considerably in the first three weeks of May. Silver prices after advancing by a substantial amount in the latter part of April subsequently showed a decline, and petroleum prices also were reduced.

#### Foreign Exchange

During the four weeks following the imposition of the embargo on gold the exchange value of the dollar declined to 83 per cent of its gold parity on May 5, but subsequently rose to 87 per cent on May 20. The noon buying rate on cable transfers from the French franc rose from 3.98 cents on April 18 to 4.50 cents on May 20, and the rate on the English pound rose from \$3.49 to \$3.87.

#### Bank Credit

During the four weeks ending May 17, about \$215,000,000 of additional currency was returned to the reserve banks, and on that date all but \$200,000,000 of the \$1,930,000,000 withdrawn by banks and individuals between February 1 and March 13 had been returned. Funds arising from the return of currency during the four-week period were used to reduce reserve bank holdings of acceptances by an additional \$130,000,000 and to liquidate \$85,000,000 of member bank indebtedness at the reserve banks. As the result of an addition of about \$100,000,000 to the reserve banks' holdings of gold and a further reduction of Federal reserve notes in circulation, the reserve ratio of the reserve banks rose considerably between April 19 and May 17. The decline in Federal reserve notes reflected in part an increase of \$50,000,000 in Federal reserve bank notes in circulation.

Loans and investments of reporting member banks in New York City increased by about \$400,000,000 between the middle of April and the middle of May reflecting chiefly a growth of \$200,000,000 in loans on securities, and of \$140,000,000 in investments in United States Government securities. Net demand deposits also increased by about \$400,000,000, of which one-third represented a further growth of bankers' balances.

Money rates in the open market continued at low levels.