



# MONTHLY BUSINESS REVIEW

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

Vol. 16

Cleveland, Ohio, April 30, 1934

No. 4

General business in the fourth district increased in March at a greater than seasonal rate and the upward movement continued in April, despite the fact that in the latter half of the month the strike situation was disturbing to operations in some fields. The recent increase in the number of interruptions, however, is merely a substantiation of the fact that general business has improved considerably, for employees seldom strike so long as operations are contracting and people are being laid off from lack of orders. But as business improves and men go back to work, labor disturbances usually increase in number as they have recently in an attempt to better working conditions and raise pay rolls.

The accompanying chart shows the improvement that has occurred in employment in about 800 Ohio concerns which report regularly to the Ohio State University Bureau of Business Research. In March this index was 87.4 per cent of the 1926 monthly average, higher than at any time in the past three years. From the low point of 59 in March last year, an improvement of about 48 per cent has been recorded at these companies, part of which are engaged in construction work. In Pittsburgh the number of man-hours worked in March (reflecting not only increased employment, but also the number of hours worked) was 21 per cent ahead of February, 47 per cent greater than in March 1933, and higher than since March 1931. As a result of the numerous wage advances granted, pay rolls have shown an even larger increase.

This has been reflected in retail trade channels. Department store dollar sales were 72 per cent larger in March in cities of the fourth district than at the time of the bank holiday a year ago when trade for a time was almost at a standstill. Several elements made the gain unusually large, among them being the fact that all pre-Easter buying was in March this year, whereas much was in April last year, but even allowing for this and seasonal changes, the index of sales was 76.4 per cent of the 1923-1925 monthly average, as against 68.8 in February. Compared with 1932, when Easter was in March, sales showed an increase of 17 per cent, a larger gain than is accounted for by changes in price level. Other lines of wholesale and retail trade also increased.

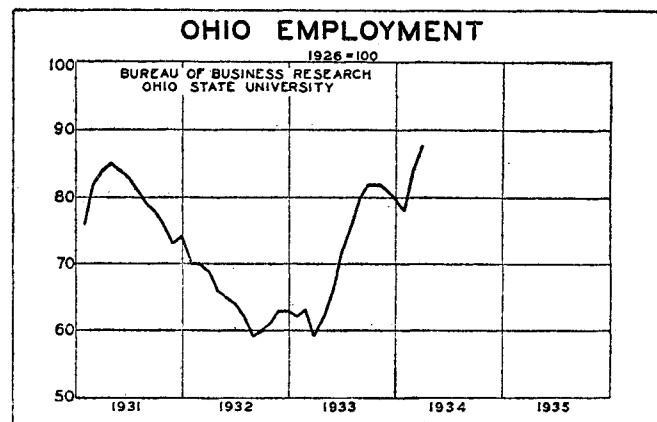
There were only 75 commercial failures reported in this district in March, compared with 182 a year ago, and liabilities of the defaulting concerns were down even

more sharply. In the first quarter there were 73 per cent fewer failures than in the same period of 1933.

Life insurance sales in Ohio and Pennsylvania in March were larger than in any month since March 1932, and they were nearly equal to the monthly average of 1923-1925.

In the industrial field the iron and steel and automobile industries which, so far as this district is concerned, are very interdependent, were responsible for the major share of the improvement experienced in March and April. Automobile production in March was 337,000 cars and trucks, according to the Department of Commerce, the highest since April 1931, and April weekly schedules were such that output was estimated at 400,000 units. Although retail demand has advanced sharply, the industry was turning out cars somewhat in excess of actual sales, partly in anticipation of interruptions. Parts and accessory, glass and tire factories were operating at high rates in March to build up stocks as well as supply the assembly plants, and releases continued large generally in April. Sales of machinery and small tools declined in April, the drop being attributed partly to the uncertainty in the general situation.

The steel industry, after announcing higher prices for most grades of steel, was almost deluged with orders placed before the increases became effective. Operating rates increased sharply in most centers, a sizable expansion occurring at Pittsburgh where activity in the first quarter was considerably below the average rate for the entire country. Buying was partly in anticipation



of future needs, but it was quite well distributed among the major users of steel.

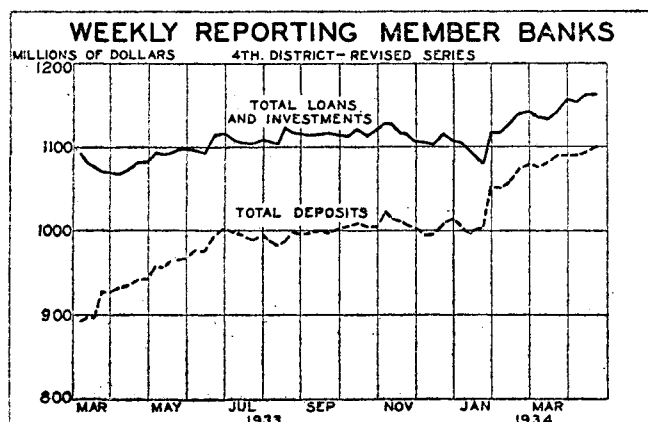
Clothing production declined seasonally in early April and demand for ceramic products fell off. Operations of electrical apparatus and supply plants increased and paint sales expanded seasonally.

Building contracts awarded in March in this section were up more than seasonally from the preceding month, but in the first half of April a falling-off was evident, particularly in the residential field.

Bituminous coal production at fourth district mines increased sharply in March to the highest point since October 1930, and output was larger than in any corresponding month since 1927. Compared with a year ago, an increase of 75 per cent was reported and the first quarter gain was 38 per cent. Unusually cold weather, increased industrial activity, and an anticipated price advance, were factors contributing to the improvement.

### FINANCIAL

Of particular significance was the increase in loans on other than security collateral at the reporting member banks in this district in the four weeks ended April 18. Although the gain was slight it was the first indication of a reversal of the downward trend in these loans evident for many months. Deposits of member banks also increased. There was a further contraction in bills discounted by the reserve banks in the four latest weeks as disbursements of Federal funds through many channels continued at a high rate. Payments to farmers through the Agricultural Adjustment Administration, refinancing of mortgages through the Home Owners' Loan Corporation and Farm Credit agencies which releases frozen funds, opening of Federal Savings and Loan companies to relieve the building and loan situation, the starting of work on Public Works' Administration projects, funds for which were allocated some time ago, the distribution of relief through the Federal Emergency Relief Corporation, which superseded the Civil Works' Administration and continued activity of the Reconstruction Finance Corporation have caused funds to flow into the fourth district and other sections of the country at an unprecedented rate. This, coupled with the improvement in general business, which has resulted in increased employment and larger wage payments, has caused a steady growth in deposits at member banks. Though demand deposits have fluctuated somewhat, time deposits have shown an almost uninterrupted increase since the beginning of 1934.



Savings deposits at 41 selected banks throughout the district increased \$6,000,000 in March, or nearly one per cent, and at the month end were 2.1 per cent larger than a year ago. The gain in Ohio banks was somewhat greater than at those in Pennsylvania, both compared with the previous month and a year ago.

Bank debits to individual accounts at 25 cities in the fourth district were 32 per cent larger in dollar volume in the four weeks ended April 18 than in the corresponding period of 1933. For the year to date the increase was 15 per cent.

**RESERVE BANK CREDIT.** There was only a slight increase in total reserves of this bank in the four weeks ended April 18, although reserves of the entire System increased considerably. Shifting of funds between districts was partly responsible for the less-than-average increase locally.

Although the volume of bills discounted for member banks and of acceptances held declined in the four latest weeks, holdings of these have been so small recently that the drop was relatively unimportant. Investments in Government securities remained at \$213,025,000, there having been no change in this item since November of last year.

Despite the improvement in business activity in March and early April, accompanied by larger pay rolls which might be expected to necessitate an increase in money in circulation, the volume of Federal reserve notes and bank notes of this bank in circulation was approximately the same on April 18 as four weeks earlier and somewhat lower than at the beginning of the year.

Member bank reserve deposits, after declining in late March and early April from the record high of \$244,000,000 to \$219,000,000, recovered most of the loss, and on April 18 amounted to \$238,000,000. Daily average excess reserves of member banks in this district in March were \$108,000,000, compared with \$93,000,000 in February and \$8,900,000 in April last year. (The March 1933, figures are not available.)

**MEMBER BANK CREDIT.** Loans on securities, made by reporting member banks in leading cities, declined slightly in the four weeks ended April 18 and on the latest date they were 15 per cent lower than in the corresponding week of 1933. "All other" loans, changes in which usually are regarded as reflecting fluctuations in loans to trade and industry, rose from \$219,000,000 on March 14 to \$228,000,000 on April 4, but dropped back to \$226,000,000 on April 18. In the first three weeks of April these loans were higher than since December, 1933.

Investments of reporting member banks increased to new high levels in the four latest weeks, but the gain represented larger holding of Government securities. Investments in other than Government securities declined in April after increasing slightly in the first three weeks of March.

Since the increase in investments in Government securities was greater than the decline in other investments and total loans, credit extended by reporting banks rose to \$1,162,000,000 on April 18, a gain of \$80,000,000 in the past year. This increase resulted from an expansion of \$159,000,000 in Government securities owned in the period offset by a decline of \$79,000,000 in loans, and investments in other than Government securities. The

funds invested by local banks in Government securities in the past year resulted in no loss of funds to the district, for the amount of money already expended or allocated to this section through the extension of credit by new Federal agencies has exceeded this figure.

This accounts in part for the fact that deposits at member banks, as shown on the accompanying chart, have increased at a faster rate than credit extended. On April 18 total deposits of reporting member banks were \$1,100,000,000, whereas a year ago they were \$941,000,000. In the four latest weeks demand deposits increased quite sharply and the gain since the first of the year was ten per cent. Time deposits in the same period increased nearly six per cent.

### MANUFACTURING, MINING

#### Iron and Steel

Steelworks operations stepped up from 39 to above 50 per cent as a national average in the month ended April 21 and an increase of about four points to 55 per cent occurred in the latter part of the month. In the Youngstown district the rate in the same period advanced from 44 to 60; at Pittsburgh from 21 to 54, while in the Cleveland-Lorain district it moved down from 74 to 69, due to the accumulation of large stocks of raw steel, but rose to 74 per cent again later in the month. Finishing mill operations in the latter district were not reduced, with sheet, strip and bar mills continuing close to capacity.

Price advances ranging from \$2 to \$8 a ton on practically all semifinished and finished steels, and \$1 a ton on pig iron for the second quarter were the most important developments of the month and the rise resulted in unusually heavy contracting in the period immediately preceding the effective dates, April 12 to 16. Tonnage of finished steel thus covered is estimated by leading producers as 25 per cent ahead of that actually booked in the first quarter. The advances in finished steel have raised *Steel's* finished steel composite \$3.80 to \$54.93, practically level with March 1930, while increases in hourly wages April 1, with those previously made under the NRA, lifted iron and steel wages to the 1929 level. Steelmakers have been buying scrap actively in anticipation of heavier operations and *Steel's* scrap composite reversed its recent trend, rising four cents to \$12.21.

Judging by the heavy covering of miscellaneous requirements as well as the increased amount of steel contracted for by the automobile industry, and releases of steel for railroad equipment recently placed, steelmakers believe second quarter steel consumption will show considerable improvement over the first quarter. Structural requirements have improved recently, but they continue in limited volume.

Steel ingot output in March averaged 103,600 gross tons a day, up 12.3 per cent, and total output for the month, 2,797,194 tons, compares with 2,213,569 tons for February. The first quarter's output, 7,007,660 tons, is somewhat more than double the 2,961,735 tons last year.

Daily average pig iron production last month was up 15.5 per cent to 52,438 gross tons; while total output, 1,625,588 tons, was 27.8 per cent above February. For the first quarter, production of 4,122,023 tons represents a gain of 147 per cent over last year. Ninety-seven stacks

were in blast at the close of March, a net gain of seven in the month.

February iron and steel exports amounted to 151,184 tons; imports, 25,407 tons. For the two months this year exports are 173 per cent higher than last year; imports, 16 per cent.

#### Coal

Output of bituminous coal by fourth district mines increased sharply in March to the highest level since October 1930, and at 15,934,000 tons, was greater than in any corresponding March since 1927. Compared with a year ago a gain of 75 per cent was recorded in this section, whereas in the entire country output was up 62 per cent. In the first quarter of this year 40,399,000 tons of coal were produced in this territory, a gain of 38 per cent from the corresponding period of 1933.

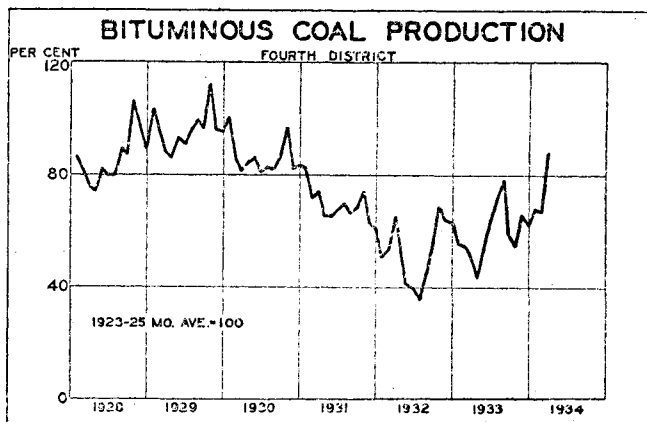
Production rose sharply in March as a result of the increased industrial activity in many lines and because of the unusually cold weather. Higher prices on coal contracts for the year beginning April 1 stimulated buying, partly for stock piles, prior to that time. In early April, following the announcement of higher prices, production dropped sharply and although a slight improvement occurred in the second week of the month, daily average production was much lower than in earlier weeks of this year.

Stocks of coal were sharply reduced in February and March and though the total supply above ground showed a slight increase from a year ago, in terms of current consumption it represented a decline. Opening of the lake shipping season, upon which local producers are quite dependent for maintaining production during the summer months, was delayed by the unseasonably cold weather, but movement of coal to upper lake ports this season is expected to exceed last year's shipments, for stocks of coal at upper lake ports are practically depleted.

Although the recent increase in coal prices was moderate, compared with a year ago a marked improvement is apparent. Miners' wages, partly as a result of the code, also have increased sharply.

#### Automobiles

There were 100,000 more cars and trucks produced in March of this year than in February and total output, at 335,993 units, according to the Department of Commerce, was the highest for any month since April 1931, when 336,939 cars were produced. Barring this month, pro-



duction was higher than since early 1930. The 42.7 per cent gain from February was considerably more than seasonal and the adjusted index of the Federal Reserve Board rose from 73 to 80 per cent of the 1923-1925 monthly average. One year ago this index was 27.

Not only was the increase in March quite pronounced, but it occurred despite the fact that the industry in the period was confronted by several uncertainties, chiefly in regard to the labor situation. The upward movement apparently was continued in April and factory schedules indicated that output would approximate, if not exceed, 400,000 cars.

Compared with March a year ago (when the industry was operating at unusually low levels for the spring season) a gain of 182 per cent was shown in total production. Passenger car output was up 170 per cent and truck production showed an increase of 219 per cent; the number of trucks manufactured in the latest month was higher than since May 1930. Increased truck production is one indication of the improvement in general business, for buying of such equipment is generally deferred in times of reduced activity.

Wage increases were quite general in the industry in March and total manufacturing costs, because of this and increased prices of raw materials, were raised. As a result, some manufacturers advanced the selling price of cars and while this was temporarily retarding to retail sales, it was felt in the trade that ultimately it would have little effect on general buying. Dealers' stocks are much lower than they have been for several years.

The effect of the improvement in the automobile industry has been very noticeable in the fourth district; the increased buying of steel and other parts and accessories has been translated into larger pay rolls and greater purchasing power, which was reflected in a sharp gain in retail trade in most centers. The unemployment situation has become less acute. One indication of the improvement is found in new passenger car registrations in this section. In March they numbered 13,486 units compared with 8,354 cars in February and 4,741 in January. In the first quarter of the year there were 26,581 cars registered in principal counties of Ohio and Pennsylvania compared with 15,597 in the same period of 1933.

**Rubber, Tires** The rubber and tire industry was generally active in the first quarter, but operations fell off slightly in early April. Consumption of crude rubber in the period was 128,636 tons, an increase of 110 per cent from the 62,591 tons consumed in the first three months of 1933, when the industry was abnormally depressed. The current figure, however, has not been equaled since 1930. Takings of domestic factories were in excess of imports by over 7,000 tons in the quarter with a consequent decline in stocks, which, nevertheless, are still large.

Official monthly production figures for the tire industry have not been released this year, but some indication of activity within the industry can be gained by the foregoing rubber consumption figures and the employment and pay roll indexes of the Federal Reserve Board. The former in March was 83.3 per cent of the 1923-1925 monthly average, after allowing for seasonal variations, compared with 80.6 per cent in February and 56.6 per

cent a year ago. Pay rolls in this same period were 74.0 per cent of this same average against 68.4 in February and 31.1 last year in March.

The much sharper increase in pay rolls was due to an advance in wage rates and also to the greater number of hours worked. Most factories have been operating at capacity levels in recent weeks for a number of reasons. The industry normally is active at this season in anticipation of increased demand for replacement tires and also because of the larger shipments to the auto industry for original equipment. Increases in raw material costs and wages indicated that higher tire prices were forthcoming if the industry was to operate at a profit, so considerable dealer buying was in anticipation of that. Under the temporary retail tire code now in effect current prices were about eight per cent higher than the average of 1933, but they were below last year at this time.

Manufacturers increased stocks sharply early this year as a precaution against any possible labor interruptions. Since none developed and the peak of the season has passed, operations were reduced slightly in early April.

Raw material prices increased further in March and April, crude rubber being about 12 cents in the third week of the month, compared with three cents a year ago. Cotton prices doubled in the past year, the current quotation being 12 cents a pound. Rubber prices in the past few weeks have fluctuated with the progress being made in production restriction plans; recently reports were more hopeful, but no definite program has been announced.

#### Clothing

Because of the seasonal nature of the clothing industry operations slowed down in the latter part of March and manufacturing was proceeding at a low rate in the first half of April. With Easter somewhat early, demand for women's spring clothes reached its peak in late March, but after the holiday orders were sharply reduced and prices weakened. Operations on fall goods will start in June and although the actual selling season has not opened, advance orders have shown a definite upward trend. Employment at 26 women's and miscellaneous clothing factories in March was up 24 per cent from last year and in the first quarter averaged 10 per cent better than in the initial quarter of 1933. The 2.7 per cent gain from February was contrary to the seasonal trend. There was an even greater increase in the average number of hours worked.

At fourth district department stores, women's and misses' clothing sales in March were 90 per cent larger than in the same month of 1933, but the increase in wearing apparel costs in the year, according to *Fairchild's*, was only 27.5 per cent. In March last year little clothing was bought on account of the bank holiday and much of the pre-Easter buying was done in early April.

Men's clothing sales in March showed almost as great an increase in dollar volume, but men's apparel prices advanced less sharply than did prices of women's wear. Operations at factories making men's clothing showed a greater increase in March, both from the preceding month and compared with a year ago. Manufacturers' sales have held up well at reasonably favorable price levels. Advance showing of fall materials indicate higher prices, due partly to higher raw material costs and also

to increases in production expenses. Collections have improved.

**Other Manufacturing** Although the sharp upward movement evident in most lines was retarded in late March, in many instances gains continued to be shown in the first half of April, though much of the improvement was seasonal. Comparison with a year ago reveals some startling increases in operating rates, the number of employees, and wages paid.

**Automobile Parts, Accessories.** Operations at auto parts and accessory plants in this section in March were more than double a year ago, despite disturbances which tended to retard activity temporarily at some factories. At 36 factories in this section employment in March was up 138 per cent from a year ago and in the first quarter it averaged 73 per cent better than in the comparable period of 1933. The gain from February was nearly 12 per cent whereas the average change in the past five years was a decline of 0.8 per cent. Further increases were reported in the first half of April. Both costs and selling prices have increased and wages in many instances have been raised. Despite the sharp improvement operations and employment still continue much below the level considered as "normal" by the industry.

**Brick and Tile.** Although employment at brick and tile plants in this section was little changed in March from the preceding month, a rather sizable gain from a year ago was shown. Despite the improvement, the industry was operating at only a small percentage of capacity. More seasonable weather in April was accompanied by an increase in brick and tile shipments, and the large volume of contracts awarded for public works' construction and the improvement in other building lines are favorable factors confronting the industry. Prices have increased, but are not yet profitable on the present volume.

**China, Pottery.** The number of employes at ten pottery and china plants declined 3.5 per cent in March from February, a little more than seasonal, but in the first quarter it averaged 37 per cent above the same period of 1933. New orders declined in April from the high level enjoyed in the first quarter of the year. Inquiries have been numerous, but orders have lagged recently.

**Electrical Supplies.** The number of employees at 29 electrical machinery, apparatus and supply companies operating in this district was 73 per cent higher in March than a year ago and the 7.9 per cent improvement from February was considerably more than seasonal. Buying of industrial and household electrical equipment increased sharply in March, both from the preceding month and a year ago and the number and size of unfilled orders were larger than at this time last year. The increase in pay rolls was even greater than the number employed, the gains being accounted for by the greater number of hours worked and also increased wage rates. Prices of raw materials have advanced and this is thought to have caused increased buying on the part of jobbers and retailers.

**Glass.** Glass factories in this district continued to operate at high levels in March and early April. The number of employees in March at eleven factories was over 80 per cent above a year ago, although there was a slight

contrary-to-seasonal decline from February. Plate glass production in March was higher than for over two years, the automobile industry being almost entirely responsible for the improvement. Production of practically all types of containers, etc., continued at a high level in March, but sales in the first part of April declined, not an unusual development at this season. Prices were advanced about 15 per cent recently.

**Hardware, Machine Tools.** Sales of machine tools fell off in late March and early April, although considerable buying for foreign account was reported in some lines. Small tools were in good demand, but rather sizable inventories were built up in the early part of this year. The hardware industry continued to show improvement and the increase in sales from last year was about 50 per cent.

**Paint.** This is the best season of the year for the paint industry and operations and sales recently have increased in keeping with the trend of past years. Although prices of raw materials entering into paint manufacture have increased, little advance in retail prices has occurred, according to reports.

**Paper.** Operations at paper and boxboard plants in March were up only slightly from February, but the gain in the first quarter from the same period of 1933 was 25 per cent. Demand for some types of paper has increased sharply, but sales of boxboard changed slightly in the past month. Boxboard inventories have been built up recently and are a retarding influence to current operations.

**Shoes.** The spring season, so far as shoe production is concerned, is rapidly drawing to a close and current operations are dependent upon reorders of spring lines. Samples of the shoes to be sold next fall are now being made, but salesmen normally do not start out until mid-May. Retail sales of shoes have improved along with other lines of trade, but shoe production at local factories in February, the latest available, was 23 per cent below a year ago, the decline being somewhat greater than seasonal. In the first two months of this year the number of shoes manufactured by local concerns was 20 per cent below the first two months of 1933.

## TRADE

**Retail** Several factors worked together in March to raise the dollar volume of retail department store sales sharply, and, even after allowing for seasonal variations and changes in the Easter date, the index of sales rose to 76.4 per cent of the 1923-1925 monthly average, the highest since 1931. In February this index was 69.8.

Compared with March 1933, a gain in dollar sales of 71.9 per cent was recorded at department stores in leading cities of the fourth district, two cities, Akron and Wheeling, showing gains in excess of 100 per cent.

The comparison with a year ago is hardly fair, for retail trade in that month was very much depressed because of the banking holiday and in addition Easter occurred in mid-April last year and on April 1 this year which meant that all pre-Easter buying occurred in March, 1934, whereas last year the greater part of it was deferred until April. In addition department store prices are about 29 per cent higher now than a year ago. Com-

pared with March 1932, an increase in dollar sales of about 17 per cent was shown at reporting stores. This comparison is not distorted by changes in the Easter date for in both years all pre-Easter buying occurred in March. Current retail prices, however, according to *Fairchild's*, are up 13 per cent from two years ago.

Sales in all the principal departments showed large gains from last year; clothing sales of all types were up about 80 per cent; house furnishings slightly more than that; shoes about 90 per cent; millinery 130 per cent and yard goods over 50 per cent, higher prices accounting for a large part of the gains.

Dollar value of stocks at department stores increased about the seasonal amount in March and was 21 per cent above a year ago. Adjusting stock figures by the increase shown in retail prices it would seem that stocks are somewhat lower than at the end of the first quarter of 1933. The adjusted index was only 62 per cent of the 1923-1925 monthly average. There was a slight reduction in the ratio of all credit to total sales in March from February, although installment buying increased. Collections on both regular and installment accounts improved in March.

Reporting wearing apparel stores showed an increase of over 100 per cent in March from a year ago and in the first quarter a gain of 45 per cent was recorded.

Representative furniture stores throughout the district showed an increase of 87 per cent in sales in March and 69 per cent in the first quarter compared with corresponding periods of 1933.

Chain drug sales were higher in March than since 1931 and the gain from last year was 36 per cent; in the first quarter sales were up 21 per cent.

**Wholesale** Sales of all reporting wholesale lines in the fourth district increased sharply in March from the preceding month and the gain was considerably more than seasonal. Dollar sales in that month were larger than since March 1931, and were 67 per cent of the 1923-1925 monthly average.

Wholesale drug sales in March were 70 per cent larger than in March 1933, and in the first quarter a gain of 47 per cent was reported. Dry goods sales were up 64 and 56 per cent, respectively, in corresponding periods, and hardware sales increased 62 and 60 per cent. Reporting wholesale grocery firms experienced an increase in sales of 34 per cent in both March and the first quarter from corresponding periods of 1933. A substantial part of the gain represented the increase in prices, but conditions generally have improved and collections are better.

### BUILDING

Following a rather sharp reduction in the value of building contracts awarded in February, a greater-than-seasonal improvement was recorded in March, both in the fourth district and the entire country, but a decline developed in the first two weeks of April.

Dollar value of total awards was larger in March than in any corresponding month since 1931, and the gain from February was significant in that all major types of construction, except public works and utilities, showed increases. Residential building was up quite sharply and had a higher March value than since 1931. The gain

from last year was 74 per cent in this section. In the first three months of 1934 residential building in the fourth district was up 27 per cent from the same period of 1933, but was about 30 per cent below the corresponding quarter of 1932. In the nonresidential field the decided increase in factory building was quite significant. Total factory construction in the first quarter was valued at nearly 100 per cent more than in the corresponding period of 1933.

Total contracts awarded in this section in the first quarter of the year were nearly four times as large as in the same period of 1933, and they were more than double the corresponding period of 1932 and only slightly less than in the first quarter of 1931. By far the major part of the \$55,000,000 total value was in the public works' field, almost half of which represented contracts for highway construction. Funds for this work were made available by the Public Works' Administration and, although they have been allotted for the various projects, little actual work has been started.

Lumber and building supply dealers throughout the fourth district reported an improvement in the volume of sales in March, but most of the pickup was due to small orders for repair work. Cement production has improved and output and also shipments of brick and tile have increased, all these changes being chiefly seasonal. Prices on most grades of building materials have increased and are somewhat higher than a year ago.

### AGRICULTURE

The situation in farm sections of the fourth district and the entire country in early April was more difficult to appraise than in past years because of the injection of so many new factors. The various crop-reduction plans, extension of Federal credit to farmers for a variety of uses, etc., have made it difficult to make the usual crop estimates or comparisons. It is too early to judge the damage wrought by the severe winter weather, particularly to the fruit and wheat crop, and spring work generally has been very much delayed. In the northern part of the district practically no spring plowing had been done prior to April 20 whereas oat seeding normally should be well under way by that time. Other work has been delayed proportionately.

Based on the April 1 condition report of the Department of Agriculture, which showed winter wheat as being 74.3 per cent of estimated normal, in contrast with the unusually low figure of 59.4 per cent a year ago and a ten-year (1922-31) average condition of 79.2 per cent, a 1934 winter wheat crop of 491,793,000 bushels might be expected in the United States. In 1933, harvest was 351,030,000 bushels and the five-year 1927-31 average crop was 632,061,000 bushels. The 1934 estimate makes no allowance for acreage which might be abandoned as a result of the reopening of the wheat acreage reduction program, but does take into account a 14 per cent abandonment of acreage sown last fall on account of winter-killing. Last year acreage abandoned was 33 per cent and the ten-year average was 12.2 per cent.

The April 1 condition was below average in all but four states, excluding the Pacific Northwest. Among them was Ohio with an April 1 condition of 74 per cent compared with 76 per cent last year. Indications point to

a total crop in the state of 31,247,000 bushels, compared with 34,732,000 bushels harvested last year. While no estimate of abandonment has been made it is expected to be below average, for, despite the cold weather, wheat fields are in good condition, having had the benefit of snow protection much of the time.

In Pennsylvania, Kentucky and West Virginia indications point to larger harvests than last year and in the two latter states estimates are larger than the five-year average harvest. In each case this is due to increased acreage, for the April 1 condition is much below last year and the ten-year average.

Stocks of wheat on farms on April 1 were smaller than a year ago in the entire country and in all states of the district except Pennsylvania. They were also under the average of the past three years in most sections. Corn and oat stocks also are somewhat lower than a year or two years ago.

Growth of pastures has been retarded this spring and the April 1 condition was much below the average of past years. Below normal precipitation for many months has been detrimental to pastures.

While it is somewhat early to approximate the extent of winter damage to the fruit crop, indications now point to very few peaches or sweet cherries, but little damage to sour cherries, apples or pears has yet been reported.

About the same number of tobacco seed beds have been started as in past years, but there are very definite indications that acreage to be planted will be materially reduced; one estimate for the burley crop is 35 per cent below last year. The season is late, but considerable progress was made in early April. Selling of last year's crop was completed in late March and prices held up remarkably well even to the end of the season.

**Wholesale and Retail Trade**

(1934 compared with 1933)

	Percentage Increase or Decrease		STOCKS March 1934
	SALES March 1934	SALES First 3 months	
<b>DEPARTMENT STORES (49)</b>			
Akron.....	+176.1	+98.2	+19.3
Cincinnati.....	+52.6	+26.9	+13.0
Cleveland.....	+89.0	+54.9	+37.8
Columbus.....	+67.8	+37.3	+20.2
Pittsburgh.....	+53.4	+31.5	+20.0
Toledo.....	+78.5	+38.1	+18.4
Wheeling.....	+105.2	+58.5	+21.0
Other Cities.....	+71.4	+45.8	+14.4
District.....	+71.9	+42.0	+21.4
<b>WEARING APPAREL (11)</b>			
Cincinnati.....	+69.5	+31.1	
Other Cities.....	+120.8	+52.4	
District.....	+101.1	+44.6	
<b>FURNITURE (42)</b>			
Cincinnati.....	+91.8	+62.6	
Cleveland.....	+103.1	+84.0	
Columbus.....	+36.5	+42.0	
Dayton.....	+28.4	+19.6	
Toledo.....	+82.0	+72.7	
Other Cities.....	+173.5	+106.6	
District.....	+87.4	+68.6	
<b>CHAIN STORES*</b>			
Drugs—District (4).....	+35.9	+21.4	
Groceries—District (5).....	+21.8	+20.5	
<b>WHOLESALE GROCERIES (33)</b>			
Akron.....	+32.8	+46.7	
Cleveland.....	+53.2	+46.9	
Cincinnati.....	+10.4	+10.1	
Erie.....	+23.9	+32.2	
Pittsburgh.....	+30.4	+22.9	
Toledo.....	+25.8	+28.8	
Other Cities.....	+33.9	+33.6	+31.7
District.....	+64.2	+56.0	+40.6
WHOLESALE DRY GOODS (10).....	+70.0	+46.7	
WHOLESALE DRUGS (13).....	+70.0	+46.7	
WHOLESALE HARDWARE (14).....	+62.2	+60.3	

\*Per individual unit operated.

**Fourth District Business Statistics**

(000 omitted)

	March, 1934	% change from 1933	Jan.-March 1934	% change from 1933
Fourth District Unless Otherwise Specified	1,622,000	+32.6	4,600,000	+12.9
Bank Debits—24 cities.....	\$ 642,398	+ 2.1	1	....
Savings Deposits—end of month:				
41 Banks, O. & Penna.....	\$ 83,017	+20.6	227,119	+ 6.0
Life Insurance Sales:				
Ohio and Penna.....	\$ 16,909	+71.9	28,844	+49.4
Retail Sales:				
Dept. Stores—49 firms.....	\$ 972	+101.2	1,465	+57.4
Wearing Apparel—11 firms.....	\$ 656	+87.4	1,683	+68.6
Furniture—42 firms.....	\$ 1,645	+70.0	4,509	+46.7
Wholesale Sales:				
Drugs—13 firms.....	\$ 1,179	+64.2	3,035	+56.0
Dry Goods—10 firms.....	\$ 3,920	+33.9	10,900	+33.6
Groceries—33 firms.....	\$ 1,050	+62.3	2,885	+60.3
Hardware—14 firms.....	\$ 14,233	+129.9	55,363	+298.3
Building Contracts—Total.....	\$ 2,282	+74.3	4,020	+26.5
— Residential.....	\$ 1,836	—71.9	5,187	—70.8
Commercial Failures—Liabilities.....	75 <sup>2</sup>	—53.1	165 <sup>2</sup>	—73.0
Commercial Failures—Number.....				
Production:				
Pig Iron, U. S..... tons	1,626	+200.0	4,120	+147.7
Steel Ingot, U. S..... tons	2,797	+207.4	7,018	+131.8
Automobiles—Pass. Car U. S.	278,151 <sup>2</sup>	+178.5	584,784 <sup>2</sup>	+95.1
Automobiles—Trucks U. S.	57,842 <sup>2</sup>	+219.3	147,679 <sup>2</sup>	+167.2
Bituminous Coal..... tons	15,934	+71.6	40,399	+38.3
Cement—O., W. Pa., W. Va.				
— bbls.	385	+314.0	655	+38.5
Elec. Power—O., Pa., Ky.				
— k.w.h.	1,148,000	+28.8	2,342,000	+20.3
Petroleum—O., Pa., Ky. bbls.	1,563	+ 0.4	3,435	+ 3.2
Shoes..... Pairs	( <sup>8</sup> ) ( <sup>6</sup> )	—23.0	( <sup>4</sup> ) ( <sup>6</sup> )	—19.5

<sup>1</sup> Not available  
<sup>2</sup> February  
<sup>3</sup> January-February  
<sup>4</sup> Actual number  
<sup>5</sup> Confidential

**Debits to Individual Accounts**

(Thousands of Dollars)

	4 weeks ended April 18, 1934	% change from 1933	Year to date Jan. 3, 1934 to April 18, 1934	Year to date Jan. 4, 1933 to April 19, 1933	% change from 1933
Akron.....	44,252	+127.2	155,228	115,676	+34.2
Butler.....	5,970	+20.8	23,055	20,223	+14.0
Canton.....	24,762	+65.8	94,685	58,577	+61.6
Cincinnati.....	241,310	+25.1	887,990	799,065	+11.1
Cleveland.....	365,282	+36.6	1,343,721	1,231,519	+ 9.1
Columbus.....	95,884	+22.2	369,245	308,577	+19.7
Dayton.....	36,969	+ 9.3	135,761	131,767	+ 3.0
Erie.....	16,551	+19.4	63,000	54,846	+14.9
Franklin.....	2,225	+30.7	8,898	7,112	+25.1
Greensburg.....	4,455	+50.1	16,307	14,294	+14.1
Hamilton.....	6,943	+15.7	26,512	21,551	+23.0
Homestead.....	1,504	+22.6	5,781	5,322	+ 8.6
Lexington.....	12,942	+23.1	79,781	59,051	+35.1
Lima.....	6,941	+45.8	27,086	21,186	+27.8
Lorain.....	2,204	+18.5	8,605	8,242	+ 4.4
Middletown.....	6,096	+31.4	22,523	17,700	+27.2
Oil City.....	5,645	+41.0	22,370	21,849	+ 2.4
Pittsburgh.....	502,380	+27.8	1,948,705	1,718,020	+13.4
Springfield.....	10,784	+25.9	42,834	35,170	+21.8
Steubenville.....	5,909	+62.3	20,833	14,931	+39.5
Toledo.....	81,538	+59.6	307,691	237,353	+29.6
Warren.....	6,819	+56.1	22,083	14,632	+50.9
Wheeling.....	26,264	+ 6.9	100,270	85,372	+17.5
Youngstown.....	32,162	+63.6	107,611	74,049	+45.3
Zanesville.....	4,778	+ 4.0	19,127	17,071	+12.0
Total.....	1,550,569	+32.2	5,859,702	5,093,155	+15.1

**Fourth District Business Indexes**

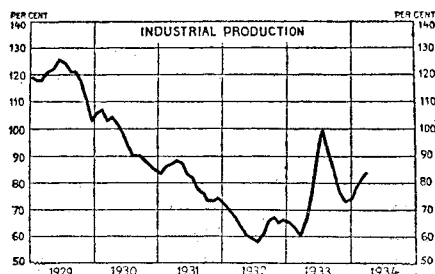
(1923-1925=100)

	March 1934	March 1933	March 1932	March 1931	March 1930
Bank Debits (24 cities).....	60	45	60	95	117
Commercial Failures (Number).....	51	110	163	160	116
— (Liabilities).....	42	148	137	147	119
Sales—Life Insurance (Ohio & Pa.).....	99	82	114	134	169
— Department Stores (47 firms).....	72	42	58	84	86
— Wholesale Drugs (12 firms).....	109	65	93	104	110
— Dry Goods (10 firms).....	48	29	40	59	81
— Groceries (33 firms).....	68	51	61	75	88
— Hardware (14 firms).....	54	33	45	56	81
— All (69 firms).....	67	45	59	72	89
— Chain Drugs (4 firms)**.....	83	61	79	89	88
Building Contracts—(Total).....	30	13	23	55	126
— (Residential).....	13	8	13	45	54
Production—Coal (O., W. Pa., E. Ky.).....	88	51	65	74	81
— Cement (O., W. Pa., W. Va.).....	32	8	20	37	100
— Elec. Power (O., Pa., Ky.)*.....	137	106	122	136	146
— Petroleum (O., Pa., Ky.)*.....	85	84	98	98	123
— Shoes*.....	72	93	85	74	81

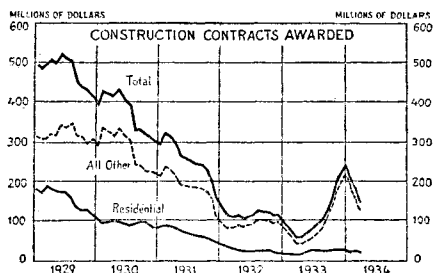
\*February.  
\*\*Per individual unit operated.

## Summary of National Business Conditions

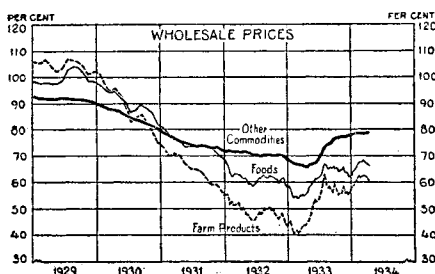
By the Federal Reserve Board



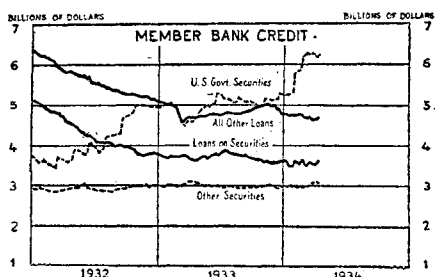
Index number of industrial production, adjusted for seasonal variation, (1923-1925 = 100). Latest figure, March, preliminary 84.



Three-month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figures based on data for February, March and estimate for April.



Indexes of United States Bureau of Labor Statistics, by months 1929-1931, by weeks, 1932 to date, (1926 = 100). Latest figures for week ending April 14.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for April 11.

Volume of industrial production increased further in March and there was considerable growth in factory employment and pay rolls. The general level of commodity prices showed little change between the middle of March and the middle of April, but in the third week of April there was a sharp decline in grain prices.

### Production and Employment

Output of manufactures and minerals, as measured by the Federal Reserve Board's seasonally adjusted index of industrial production, advanced from 81 per cent of the 1923-1925 average in February to 84 per cent in March. This advance reflected chiefly increases of more than the usual seasonal amount in the output of steel, automobiles and lumber and an increase contrary to seasonal tendency in the output of coal. Production of textiles showed little change in volume on a daily average basis. In the early part of April, activity at steel mills and automobile factories increased further, according to trade reports, while coal production declined by a more than seasonal amount.

Volume of employment at factories increased further between the middle of February and the middle of March by about four per cent, an amount larger than is usual at this season. Employment on the railroads and at mines also showed an increase. The number on the pay rolls of the Civil Works Administration was reduced from about 3,700,000 in the middle of February to about 2,400,000 in the middle of March and 1,900,000 at the end of the month.

The value of construction contracts awarded in March, as reported by the F. W. Dodge Corporation, showed a considerable increase from the low level of February, followed, in the first half of April, by a decline. For the first quarter as a whole, the value of contracts was somewhat smaller than in the last quarter of 1933; publicly-financed projects continued to make up about three-fourths of the total.

### Distribution

Volume of freight car loadings showed a further increase in March, reflecting chiefly seasonal increases in shipments of merchandise and miscellaneous freight and a continued large volume of coal shipments, which usually decline in March. In the early part of April, total car loadings showed a decline, reflecting a sharp reduction in coal shipments. Dollar volume of trade at department stores increased in March by considerably more than the estimated seasonal amount, after allowance for the early date of Easter this year.

### Prices

The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics was 73.3 per cent of the 1926 average in the week ending April 14 as compared with 73.8 per cent in the week ending March 10. During this period prices of steel, copper and automobiles advanced, while prices of farm products decreased somewhat. In the third week of April, wheat prices declined sharply and there were also declines in the prices of other grains, cotton and silver.

### Bank Credit

During the four weeks ending April 18 member bank reserve balances increased by \$220,000,000 raising the volume of reserves in excess of legal requirements to \$1,600,000,000. This increase reflected a growth of \$105,000,000 in the monetary gold stock and further disbursements by the Treasury of funds from its cash holdings and its deposits with the reserve banks.

At reporting member banks in leading cities an increase of \$400,000,000 in net demand and time deposits for the four-week period ending April 11 reflected chiefly the deposit by the public of funds disbursed by the Treasury, as well as a growth in bankers' balances. Government deposits were reduced by about \$200,000,000. Holdings by these banks of securities, other than United States Government obligations, increased by \$64,000,000 and their loans, both on securities and all other also increased slightly, with the consequence that total loans and investments showed a growth of \$100,000,000 for the period.

Money rates in the open market declined further in April. Rates on prime four-six month commercial paper were reduced from a range of 1 to 1½ per cent to 1 per cent, and rates on ninety-day acceptances were reduced from ¼ per cent to a range of ⅛-¼ per cent. Yields on Government securities also declined.