

# MONTHLY BUSINESS REVIEW

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and agricultural conditions



Fourth Federal Reserve District  
Federal Reserve Bank of Cleveland

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Except for the fact that automobile production continued to increase at about the seasonal rate in February and in the first three weeks of March was at the highest level for that season since 1929, industrial operations in this district were somewhat irregular and most lines of trade in the period were adversely affected by a combination of factors.

Output of automobile assembly plants in the third week of March amounted to more than 100,000 units (for the first week since 1930) according to *Cram's* reports. This exceeded the peak last year, which was reached in late April. In contrast with a year ago production was up more than 20 per cent and practically all manufacturers either maintained or have increased schedules in recent weeks. In the first two months of 1935 automobile production was 63 per cent above the same period of 1934 and it is generally agreed in the trade that first quarter production will be in excess of 1,000,000 cars.

Indications of a slowing down in this industry were discernible in reports from auto parts makers in the northern part of the district in mid-March, and in steel mill operations. Orders for parts received in the first half of March were about equal to those received in February, while in most past years an increase was reported at that time. Steel mill operations were reported in the trade at 46 per cent of capacity in the third week of March, a drop of seven points from the peak this year. This falling-off was distinctly contrary to seasonal movements of most years, but the industry as a whole has completed the best first quarter since 1931.

With automobile production up so sharply from 1934, the tire industry, so far as original equipment sales are concerned, showed correspondingly large increases in the opening months of the year. Demand for replacement tires has been rather limited, but the most active season for this branch is just getting under way. Tire production recently was reported at a rate somewhat in excess of current shipments to dealers.

Clothing and shoe factories in this district in the first half of March were operating at unusually high rates. The former had obtained permission to operate 40 hours a week during the month instead of 36 hours as provided by the

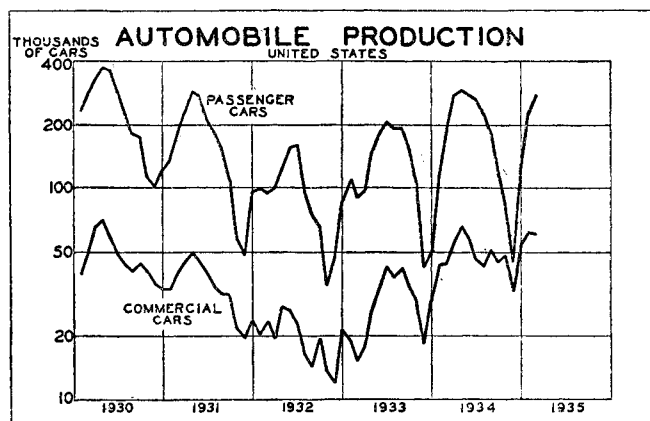
code, and output of the latter in February (the latest month for which complete information is available) was higher than since 1928.

In several of the smaller industries some hesitation was reported in mid-March. Machine tool sales have declined; the labor situation was confusing to china and pottery manufacturers; demand for industrial paints has slackened, but orders for other types of paint continue well above last year; and paper and boxboard plant operations have receded slightly. On the whole, however, the current rate of activity compares favorably with last year at this time.

Talk of a shut-down in the coal industry on April 1 stimulated buying by industrial users, and mine operations in recent weeks have shown an upward tendency. Fourth district mines reported an increase of 10.7 per cent in production in February, with larger gains indicated for March.

Except for a slight increase in residential building in this district, construction activity continues at low levels. Comparison with last year is unfavorable because of the large volume of publicly-financed contracts awarded at that time.

Retail trade has been affected by the fact that Easter is so late this year and as a result much spring buying has been deferred. February sales at department stores were



under a year ago, partly because considerable forward buying occurred late in January, prior to the effective date of the Ohio sales tax. Wholesale trade in February was slightly above the previous year, but the gain was smaller than in January.

Life insurance sales in February in Ohio and Pennsylvania were 13 per cent larger than in February 1934, but the gain in the first two months from the previous year was 25 per cent.

Employment in this district, judging by reports available, improved more than seasonally in February; in Ohio it was about seven per cent above last year at approximately 700 factories. The rise in payrolls was greater because of the increased number of hours worked per week at many plants and also because of higher wages now in effect at some factories.

### FINANCIAL

In the four weeks ended March 20 there was a slight increase in the volume of credit extended by the Federal Reserve Bank of Cleveland and also by weekly reporting member banks in leading cities of the district. Deposits continued to show an upward trend in the period and savings deposits at selected banks throughout the district on March 1 were 5.4 per cent larger than on the corresponding date of 1934. Debits to individual accounts at banks in principal cities of the district were 20 per cent larger in the four weeks ended March 20 than in the same period of 1934. This represented a slight improvement from the first two months of the year.

**Reserve Bank Credit.** There was a sharp increase in the volume of gold certificates on hand at this bank or due from the United States Treasury in the four weeks ended March 20. On the latest date, at \$442 million, they were more than \$100 million larger than a year ago and represented a new high level. The gain in the four latest weeks was \$41 million and since the beginning of the year an increase of \$59 million was evident.

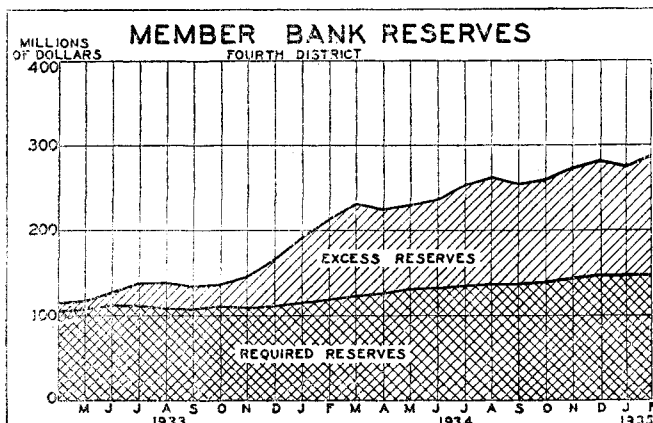
There was a very slight increase in the volume of credit extended by this bank in the four latest weeks. Bills discounted for member banks increased in early March, but a falling-off was evident in the middle of the month. Holdings of acceptances were reduced \$20,000 in the week ended March 20, while holdings of Government securities have remained unchanged since the first of the year. Direct industrial advances made by this bank to provide working capital were up \$138,000 in the four latest weeks

and advances for this purpose on March 20 amounted to \$1,353,000. Total earning assets of the bank on March 20, amounting to \$215,545,000, were slightly under a year ago at this time.

The increase in Federal reserve note circulation which was evident in the first part of February continued through the first two weeks of March, but a slight reduction in note circulation occurred in the third week of the month. This bank's liability for notes in circulation on the latest date was \$207,360,000, approximately the same as a year ago at this time. A sharp increase in reserves in recent weeks caused the ratio of total reserves to deposit and note liability combined to rise above 70 per cent in mid-March, the highest point since 1931. Member bank excess reserves on deposit with the Federal Reserve Bank of Cleveland averaged \$142 million a day in February, the highest amount on record. This was an increase of \$13 million from January and a further gain was indicated for March. A year ago excess reserves amounted to approximately \$93 million.

**Member Bank Credit.** At weekly reporting member banks in leading cities of the district there was an increase of \$5 million, or approximately four per cent, in commercial loans in the four weeks ended March 20. Small but persistent gains were shown throughout the four weeks. Loans on securities and real estate loans were unchanged in the period, while holdings of Government securities by these banks dropped from \$599 million to \$584 million in the four weeks ended March 20 and on the latest date they were smaller than since December 1934. Holdings of other than Government securities also declined in the period and total investments, at \$795 million on the latest date, compared with \$814 million on February 20 and were lower than since early December. One year ago total investments were \$711 million. The increase in investments in the year more than offset the contraction in loans in the period so that total credit extended by these banks, at \$1,178 million on March 20, was up \$36 million from last year at this time.

The rise in total deposits in the year, however, was 10.6 per cent—considerably more than in credit extended. In the three weeks ended March 13 demand deposits increased quite sharply to \$725 million, the highest point this year. A sizable decline was reported in the following week, which reduced demand deposits to \$709 million on March 20. Time deposits showed minor fluctuations in the period; on March 20 they were up slightly from the same date in February, but they were materially higher than at the beginning of the year and were up slightly from last year at this time.



### MANUFACTURING, MINING

#### Iron and Steel

Steelworks' operations in the entire country declined from the highest point reached so far this year—53 per cent in the week ended February 16—to 46 per cent in the week ended March 23. In the Cleveland-Lorain district in the same period the rate dropped from 77 to 70 per cent; at Youngstown the rate fluctuated somewhat, but was 60 per cent in the latest week; Pittsburgh dropped from 39 to 35, while at Wheeling the rate increased from 87 to 92 per cent.

So far this year the national rate of steel production has been about 12 per cent above the average rate for the

year 1934; this is approximately the same gain as 1934 made over 1933.

Although demand for raw materials, chiefly pig iron and coke, has been heavy (the threat of a strike in the bituminous coal fields being partly responsible for the abnormal stocking of the latter), large scrap supplies have depressed that market. *Steel's* scrap composite is down to \$10.46, lower than since last November.

Demand from automobile manufacturers has sustained Cleveland and nearby sheet and strip mills at capacity levels, but the pressure for delivery under which most mills have operated in recent weeks has subsided.

Structural shape awards so far this year generally have been only 75 per cent of the tonnage ordered in the same period of 1934, while rail orders amount to only 46 per cent of those in the comparable period last year.

Pig iron production in February made another substantial gain, the fifth consecutive advance. Daily average output, at 57,686 gross tons, was up 20.9 per cent, and the total—1,615,207 tons—was 9.2 per cent above January. These tonnages were the largest since last June. The number of active blast furnace stacks was increased in the month by 7 to 96, out of a total of 281. For the two months this year, pig iron output, at 3,093,650 tons, was up 23.9 per cent from the comparable period of 1934.

Steel ingot production in February averaged 114,255 gross tons daily, 8.8 per cent above January, and highest since June last year. With fewer working days, total output for the month was 2,742,125 tons, down 92,045 tons. In the first two months this year 5,576,295 tons of steel were made, a gain of 34 per cent over the first two months of 1934.

**Coal** Output of bituminous coal in the fourth district as well as the entire country has increased in every week except one since the beginning of the year and the improvement has been somewhat more than seasonal. The rise in industrial activity and electric power production were partly responsible for the advance, but considerable buying for stock purposes was reported in late February and in March.

The coal year ends March 31 and the miners' wage question must be considered at that time. There has been so much discussion of the possibility of a strike developing in the bituminous fields that large coal users have been ordering much greater quantities than are required for current operations. Production of fourth district mines in February was 13,438,000 tons, slightly more than in Janu-

ary, an increase of 10.7 per cent from February 1934, and the highest for that month since 1930. The increase in the first two months from the same period of last year was 9.3 per cent.

A further rise in production was shown in the first half of March and the weekly figures even exceeded those for corresponding periods of 1930.

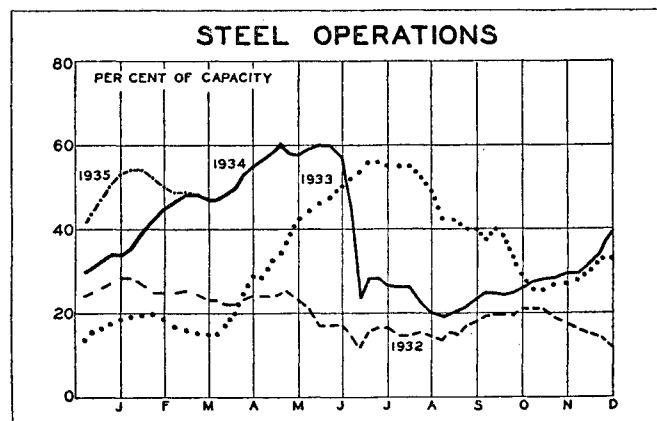
**Automobiles** The automobile industry continued to be the main support of industrial operations in the fourth district in late February and the first half of March. Some parts' makers, however, reported a leveling-off in orders in mid-March and indicated that sales to assembly plants were only slightly above the February level. Nevertheless, activity at most parts' plants continued at relatively high rates.

According to the Department of Commerce, 340,544 cars and trucks were made in February. This was 47 per cent above a year ago and represented the largest output for any similar month since 1929. The gain from January, when 292,765 cars and trucks were made, was a little more than seasonal and the Federal Reserve Board's adjusted index was 105 per cent (preliminary) of the 1923-1925 monthly average. In February 1934, this index was 71 per cent and the figure in the latest month was higher than since 1929. The increase from January to February was entirely in passenger car production, the number of trucks manufactured in February being slightly under the preceding month, but 42 per cent ahead of February 1934. Passenger car output in February was 48 per cent ahead of a year ago.

In the first two months of the year 633,309 cars and trucks were assembled. This was an increase of 63 per cent from the same period of 1934 and production figures for the first three weeks in March indicated that output for the first quarter would exceed 1,000,000 units by a safe margin. According to *Cram's* report for the week ended March 23 assemblies exceeded 100,000 units for the first time since 1930. This compared with 80,000 in the corresponding period of 1934. Although operating schedules in the first half of March failed to increase by the estimated seasonal amount the sharp rise in the third week of the month made up for earlier losses.

Retail sales in several sections of the country, according to reports, increased in mid-March as a result of the favorable spring weather. Dealers' inventories are limited, particularly on some makes and models, but most of the difficulties in this connection, which were reported a month ago, are no longer present. New passenger car registrations in 80 Ohio counties were 63 per cent larger in February and up 109 per cent in the first two months of this year from corresponding periods of 1934.

**Tires, Rubber** With automobile production in the first quarter of 1935 now estimated at over 1,000,000 cars and trucks or nearly 50 per cent more than in the same period of 1934, demand for original equipment tires from manufacturers, the majority of which are located in this district, showed a corresponding increase. This ordinarily is a dull season so far as demand for replacement tires is concerned and therefore the heavy orders from the automobile industry enabled the tire companies to report gains from 1934. In January tire production was 18 per cent greater than in the corresponding



month of 1934. There has been considerable manufacturing for stock purposes in recent weeks, partly in anticipation of increased replacement demand and also to build up stocks generally. In this connection, however, manufacturers' inventories have been relatively large for some time and it has been reported recently that plant operations have been reduced to a four-day-a-week basis. Employment at rubber plants in this district in February was up more than seasonally from January and was 4.3 per cent above February 1934. Wages of most rubber workers were increased on February 1.

The tire price situation was somewhat confused in early March by reductions which were made on certain grades, but current quotations are still higher than a year ago.

Crude rubber consumption by manufacturers in the United States was 43,187 tons in February compared with 47,103 tons in the longer month of January. In contrast with a year ago consumption in February was up 8.3 per cent, according to the *Rubber Manufacturers Association*. Imports of crude rubber in February were 35,383 tons, a reduction from January, but a gain of 14 per cent from the corresponding month of 1934. Domestic stocks of rubber on hand were estimated at 377,976 tons, compared with 410,157 tons at the end of February 1934. World stocks of crude rubber, despite the production restriction program now in effect, have risen to a new high figure of 692,700 long tons, a gain of 45,000 tons in the past year.

Crude rubber prices have declined recently. In the third week of March smoked sheets were quoted at 10½ cents a pound compared with approximately twelve cents a year ago.

#### **Clothing**

Clothing manufacturers in this district reported a much greater than seasonal increase in production in February and activity at most plants in the first part of March continued at the highest rate permitted by the code. In fact, the clothing code authority has given all clothing manufacturers permission to operate 40 hours per week instead of 36 hours from March 4 to April 6 because it was felt that under the more limited schedule much spring clothing might be delivered too late in the season.

Manufacturers of men's clothing report that this spring season has been the best in five years. In the entire country, label sales and trade reports indicate that the volume of business so far this year has been approximately 25 per cent ahead of the same period of 1934. Employment at men's clothing factories in the fourth district increased 16 per cent in February from the preceding month and was 14 per cent greater than in February 1934. The January-February increase compared with a five-year average gain of five per cent.

Manufacturers' sales of women's ready-to-wear clothing to retailers so far this season have been considerably above a year ago in number of pieces, but the dollar volume was up only slightly. Sales of knit goods, particularly outerwear, have exceeded last year. Makers of women's and miscellaneous clothing reported an increase of 12 per cent in employment in February compared with the preceding month, but the number of employes was only slightly greater than in February 1934.

In the retail field demand for clothing has been limited in the past six weeks. This was attributed to a number of things. A contraction in sales was somewhat expected fol-

lowing the imposition of the Ohio sales tax in late January and the fact that Easter occurs late in April this year has caused spring clothing purchases to be deferred.

#### **Other Manufacturing**

There were reports of a less-than-seasonal increase in operations in several lines in the first half of March, but it should be remembered in this connection that February was an unusually good month in most lines of production. Operations at most plants compared quite favorably with a year ago and the first quarter on the whole was the best in several years.

**Auto Parts, Accessories.** Makers of automobile parts and accessories reported operations in the first half of March at approximately the level of February. Ordinarily an increase is experienced at this time of year, but the unusual demand for materials in the first two months of the year affected the seasonal pattern for this industry. With automobile production in the first quarter more than 50 per cent ahead of the same period of 1934, output of local parts companies has shown a correspondingly large increase. Employment at a group of representative factories reporting to the Ohio State University Bureau of Business Research increased more than seasonally in February and was 6.2 per cent ahead of February 1934. The index of employment at these plants was 14.5 per cent higher than the average of 1926. Local companies reported larger increases in sales and payrolls in February, than in employment.

**Brick and Tile.** Little change was reported in output of brick and tile plants in this district in February and employment was reported under a year ago. Shipments in the latest month were considerably under the corresponding period of 1934, and orders on hand and inventories were down.

**China, Pottery.** Conditions in the china and pottery industry in mid-March were somewhat confused, chiefly because the labor and wage situation had not been settled. The agreement between labor unions and manufacturers expired on March 1, but a working agreement until the first of April has permitted factories to operate during March. So far this year sales have been quite satisfactory, although one company reported a noticeable decrease in orders in mid-March. Unsettled conditions in the industry proved disturbing both to manufacturers and distributors.

**Electrical Supplies.** Sales of electrical materials and supplies in the first two months of the year were in considerably larger volume than in the corresponding period of 1934. While a gain continued to be shown in the first half of March it was smaller than in the two opening months of 1935. Employment increased more than seasonally in February and at 27 local factories was ten per cent higher than in the previous February. The number employed at these factories was 50 per cent above the monthly average of 1926.

**Glass.** Operations of plate glass factories in the past several weeks have been contingent upon the demand from automobile assembly plants and as a result have been at an unusually high rate. In the first half of March output was reported to be approximately 20 per cent above the same period of 1934. Employment at local factories in February was 17 per cent above a year ago. **Building glass**

shipments were unusually large in the first two months of the year. A large volume of orders had been placed in December prior to the price advances on January 1. Stocks in manufacturers' hands were below normal in March.

**Hardware.** The increase in operations and sales in early March was reported to be less than seasonal, although both compared favorably with a year ago at this time. Demand for metal products from the automobile industry has slackened slightly, but sales of agricultural hardware have improved. Employment at reporting local concerns in February was 15.8 per cent above last year. Foundry products have been in good demand in recent weeks.

**Machinery, Machine Tools.** New orders for machine tools received by members of the *National Machine Tool Builders Association* declined quite sharply in February from January, but continued above a year ago. Demand has been chiefly from the automobile industry. New orders for foundry equipment also declined in February, but they exceeded the same month of 1934. Fewer inquiries for all types of machinery were reported in recent weeks than in the opening weeks of the year.

**Paint.** A slackening in demand for industrial paints was reported in the first half of March and sales of materials to be used for industrial maintenance purposes have declined contra-seasonally. Production of household products has been in excess of demand recently, but dealers generally build up stocks at this time in preparation for the active spring season. Production has been slightly above last year. Prices of oils have increased recently, but pigment prices have shown little change.

**Paper, Boxboard.** A slowing down in demand for paper and boxboard was reported in early March, following a period since the first of the year in which orders were somewhat above the same interval of 1934. Employment in February was little changed from January or a year ago, but there was an increase in the number of hours per week that plants were operating. Little manufacturing for inventory purposes was reported.

**Shoes.** Output of fourth district shoe factories in February was higher than in any similar month since 1928, and was 14 per cent above last year. In the first two months of 1935 an increase in production of 27 per cent was shown. Most factories operated at or near capacity in the period and continued at this high rate in the first half of March. Sales to dealers so far have been quite satisfactory, but retail distribution has been unfavorable, due in part to the late occurrence of Easter.

## TRADE

**Retail** There was a decline in the volume of retail sales at department stores in the fourth district in February, compared with the preceding month, which was contrary to the seasonal trend of past years. This drop, however, was not wholly unexpected in trade circles; it was generally felt that considerable buying, which normally would occur in February, took place in late January, prior to the effective date of the Ohio sales tax.

The seasonally adjusted index of daily average sales

dropped nearly ten points to 67.8 per cent of the 1923-1925 monthly average. In January the index was higher than since late 1931, while in February it had dropped to approximately the level of late 1933.

Dollar sales at fourth district stores were 1.6 per cent smaller in February than in the corresponding month of 1934. Increases in sales of 4.8 and 10.4 per cent were reported at Pittsburgh and Wheeling stores in the month, but reductions ranging from one to nine per cent were shown in principal cities of Ohio. Total sales in the first two months of 1935 were 6.7 per cent larger than in the same period of 1934.

According to reports, sales in the first three weeks of March were down considerably from the same period of the preceding year, but it should be remembered in this connection that Easter occurred in early April last year, so that much of the seasonal spring buying, which generally precedes this date, occurred in March, whereas this year, with Easter on April 21, much of the buying will be deferred until the later month.

Reductions in sales were shown in February in a majority of the individual departments, compared with a year ago, and the declines were largest in those departments which showed sizable increases in January.

There was an increase of approximately 10 per cent in the value of department store merchandise on hand at stores in the fourth district in February and the seasonally adjusted index at the end of that month was 62.5 per cent of the 1923-1925 monthly average, a gain of about three points in the month. Merchandise on hand, however, was valued at two per cent less than at the end of February 1934 and was only slightly larger than in December of that year.

Collections on 34.4 per cent of all accounts receivable at the end of January were reported during the month of February by department stores in this district. The ratio of installment collections was slightly smaller in the month than in February 1934, but collections on regular accounts continue above last year.

Sales of reporting wearing apparel stores were two per cent smaller in February than in the corresponding month of 1934, but an increase of eight per cent was reported for the first two months of the year. Chain grocery sales in February were two per cent larger than a year ago, while the increase in the first two months from the same period of 1934 was eight per cent. Chain drug store sales were down 3.7 per cent in February, but showed an increase of 1.3 per cent in the first two months of the year from the corresponding period of 1934.

**Wholesale** Dollar sales of reporting wholesale companies in the fourth district declined more than seasonally from January and were only slightly above last year at this time. All reporting lines except dry goods showed a falling-off from January to February and the gain in sales of groceries, hardware, and dry goods from February 1934 was little more than might be due to the rise in prices in the past year.

Sales of reporting wholesale drug firms were five per cent smaller than in February 1934 and a reduction of four per cent in sales was shown in the first two months of 1935 from the corresponding period of last year.

Wholesale grocery sales were up 1.5 per cent in February and 7.8 per cent in the first two months of 1935 from corresponding periods of 1934. The increases in dry goods sales

in the same intervals were 3.5 and 4.5 per cent, while hardware sales were up 5.7 per cent in February and approximately two per cent in the first two months.

Collections generally were reported better than a year ago.

### BUILDING

Except for an improvement in the residential construction field, building activity in the fourth district showed little change in February or early March. In fact, total contracts awarded, at \$6,535,000 in February, were down 43 per cent from January, a somewhat greater-than-seasonal falling-off. Compared with a year ago a decline of 23 per cent was reported by the *F. W. Dodge Corporation*. The decline, however, was due entirely to reduced activity in the public works' and utilities' field. In February 1934, contracts awarded for this type of work, largely financed by Federal funds, had a value five times as great as in February of this year. Contracts awarded in this district for nonresidential building, other than public works and utilities, had a somewhat larger dollar value than in February last year.

Dollar value of contracts awarded for residential construction in the fourth district was \$1,791,000 in February, a gain of 125 per cent from the corresponding month of 1934. In the first two months of this year residential contracts awarded were valued at more than twice as much as in the same period of the preceding year.

Reports received in mid-March from lumber and building supply companies were a little more favorable than for some time. Actual sales continue in a very limited volume, but there has been a considerable increase in the number of inquiries received. Lumber production recently has been running ahead of both shipments and orders, but inventories, particularly in hands of retail lumber distributors, are low, especially for this season of the year.

### AGRICULTURE

The Department of Agriculture's March 1 report of planting intentions shows that approximately 46,000 farmers in all parts of the country *intend* to plant for harvest materially larger acreages of all principal crops, except potatoes, this season than were harvested in 1934. Since large acreages of many crops planted last year were not harvested because of the unfavorable growing conditions, it is interesting to note that farmers' planting intentions this spring for most crops even exceed the acreages which were *planted* in 1934.

These figures should only be considered as indicative of planting intentions at the present time. Adjustments have been made to allow for normal difficulties at planting time, reduction in acreages from various causes, etc., but the acreage actually harvested in 1935 may be larger or smaller than these figures would indicate, because of weather conditions,

price changes, developments in the AAA program for crop acreage adjustment, etc.

The table below gives estimated acreages of principal crops which might be harvested in the four states included in the fourth district, as well as the entire country, in the crop season which is now getting under way. The table also shows that figure as a per cent of the acreage actually harvested in 1934. According to the Department of Agriculture, total acreage of 18 important crops (including winter grains, but excluding cotton) which is expected will be planted this year, is approximately 17 per cent larger than the small acreage which was harvested in 1934, and slightly above 1933. Farmers in states of this district, according to these figures, *intended*, at the time this report was compiled, to increase their acreage by less than the average shown for the entire country. This was explained in part by the fact that local farmers harvested a far greater percentage of the acreage planted in 1934 than in many other sections of the country.

Some shifts between crops are indicated, which reflect the influence of several factors. A smaller potato acreage than was harvested in 1934 is indicated generally, partly because of the unusually low prices which were received this past season in most areas. Corn and tobacco acreages show the effect of control programs now in operation, although Ohio farmers intended to plant a six per cent larger acreage of corn than was harvested in 1934.

Burley tobacco acreage in 1935 is expected to be about the same as was harvested in 1934, but at 347,400 acres, is considerably below the five-year average 1927-1931, when 398,060 acres were harvested. Most of the increase in total tobacco acreage is found in the section of the country which raises flue-cured types. Selling of the Burley tobacco crop was completed by March 1, and total sales for the season were estimated to be about 260,000,000 pounds on the auction markets. The average price was approximately \$17 a hundred pounds, though official figures have not yet been received. Prices averaged somewhat higher than in 1934, and on the whole growers seemed to be well satisfied, although there has been complaint all season that the better grades of tobacco brought no more than last year.

Farm prices increased quite sharply in February, the Department of Agriculture's index rising four points to 111 per cent of the five-year pre-war average. One year ago this index was 83 per cent. Prices paid by farmers for goods purchased also increased in the past year, but the rise was much less than in prices of farm products, with the result that the ratio of prices received by farmers to prices paid advanced 17 points, to 87 per cent of the pre-war figure.

The index of gross cash income from Ohio's principal agricultural crops was 28 per cent higher in February than a year earlier, excluding farm benefit payments; including these figures the index was 34 per cent higher than a year ago. In the 12 latest months farm income in Ohio averaged 27 per cent higher than in the preceding 12-month period.

### Farmers 1935 Planting Intentions

(Acreage figures in Thousands)

	Corn		Oats		Potatoes		Tobacco		Hay	
	Acres	% of 1934	Acres	% of 1934	Acres	% of 1934	Acres	% of 1934	Acres	% of 1934
Ohio.....	3,103	106	1,257	104	106	97	24	100	2,419	92
Pennsylvania.....	1,228	101	897	99	190	95	15	100	2,420	100
Kentucky.....	2,618	100	121	110	67	105	354	102	1,116	95
West Virginia.....	450	102	113	105	38	95	3	100	635	100
United States.....	95,692	109.4	39,108	128.7	3,272	99.1	1,511	113.1	53,117	103.1

**Wholesale and Retail Trade**

(1935 compared with 1934)

	Percentage Increase or Decrease		
	SALES Feb., 1935	SALES First 2 months	STOCKS Feb., 1935
<b>DEPARTMENT STORES (50)</b>			
Akron.....	- 8.8	+10.0	+12.7
Cincinnati.....	- 2.7	+13.4	- 3.1
Cleveland.....	- 7.1	+ 4.8	+ 3.2
Columbus.....	- 6.2	+ 4.8	+ 3.3
Pittsburgh.....	+ 4.8	+ 2.6	-10.3
Toledo.....	- 0.6	+ 9.1	+ 6.3
Wheeling.....	+10.4	+ 3.2	- 4.6
Other Cities.....	- 4.9	+11.3	+ 8.0
District.....	- 1.6	+ 6.7	- 2.2
<b>WEARING APPAREL (12)</b>			
Cincinnati.....	- 4.6	+ 7.9	- 9.4
Pittsburgh.....	+18.9	+10.3	+13.9
Other Cities.....	- 6.1	+ 7.9	+ 5.8
District.....	- 2.0	+ 8.3	+ 3.4
<b>FURNITURE (42)</b>			
Cincinnati.....	+42.9	+26.3	
Cleveland.....	-34.9	- 9.0	
Columbus.....	- 8.7	+14.3	
Dayton.....	-10.4	+18.3	
Toledo.....	- 1.9	+25.1	
Other Cities.....	+ 1.6	+24.0	
District.....	-16.8	+ 6.4	
<b>CHAIN STORES*</b>			
Drugs—District (4).....	- 3.7	+ 1.3	
Groceries—District (5).....	+ 1.9	+ 8.0	
<b>WHOLESALE GROCERIES (32)</b>			
Akron.....	+19.3	+25.7	
Cleveland.....	- 7.0	- 0.4	
Erie.....	+19.6	+14.8	
Pittsburgh.....	+ 3.2	+ 9.5	
Toledo.....	+ 1.5	+ 6.7	
Other Cities.....	+ 4.3	+10.6	
District.....	+ 1.5	+ 7.8	+ 6.7
WHOLESALE DRY GOODS (10).....	+ 3.5	+ 4.5	- 5.2
WHOLESALE DRUGS (13).....	- 5.2	- 4.1	
WHOLESALE HARDWARE (14).....	+ 5.7	+ 1.9	

\*Per individual unit operated.

**Fourth District Business Indexes**

(1923-1925=100)

	Feb. 1935	Feb. 1934	Feb. 1933	Feb. 1932	Feb. 1931
Bank Debts (24 cities).....	60	53	50	59	86
Commercial Failures (Number).....	52	59	137	175	138
(Liabilities).....	22	31	120	199	161
Sales—Life Insurance (O. & Pa.).....	96	85	85	106	114
—Department Stores (47 firms).....	56	57	45	58	74
—Wholesale Drugs (12 firms).....	86	91	66	87	96
—Dry Goods (10 firms).....	40	39	26	36	49
—Groceries (32 firms).....	62	60	43	56	68
—Hardware (14 firms).....	47	44	29	38	52
—All (68 firms).....	58	57	40	54	65
—Chain Drugs (4 firms)**.....	67	70	60	76	81
Building Contracts (Total).....	14	18	8	14	35
(Residential).....	10	5	5	12	29
Production—Coal (O. W. Pa., E. Ky.).....	74	67	55	53	71
—Cement (O. W. Pa., W. Va.).....	5	17	14	18	34
—Elec. Power (O. Pa., Ky.)*.....	156	142	126	130	151
—Petroleum (O. Pa., Ky.)*.....	113	101	96	105	106
—Shoes.....	103	90	93	85	74

\*January.

\*\*Per individual unit operated.

**Fourth District Business Statistics**

(000 Omitted)

FOURTH DISTRICT UNLESS OTHERWISE SPECIFIED	Feb. 1935	% Change	Jan.-Feb. 1935	% Change
Bank Debts—24 cities.....	\$ 1,619,000	+12.8	3,452,000	+15.9
Savings Deposits—end of month; 41 banks, O. and Pa.....	\$ 667,845	+ 5.4	1	
Life Insurance Sales: Ohio and Pa.....	\$ 80,155	+13.1	180,349	+25.2
Retail Sales: Dept. Stores—50 firms.....	\$ 11,818	- 1.6	25,399	+ 6.7
Wearing App.—12 firms.....	\$ 498	- 2.0	1,197	+ 8.3
Furniture—42 firms.....	\$ 464	-16.8	1,093	+ 6.4
Wholesale Sales: Drugs—13 firms.....	\$ 1,295	- 5.2	2,749	- 4.1
Dry Goods—10 firms.....	\$ 986	+ 3.5	1,940	+ 4.5
Groceries—32 firms.....	\$ 3,520	+ 1.5	7,498	+ 7.8
Hardware—14 firms.....	\$ 914	+ 5.7	1,870	+ 1.9
Building Contracts—Total.....	\$ 6,535	-23.0	17,987	-56.3
Building Contracts—Residential.....	\$ 1,791	+125.6	3,658	+110.5
Commercial Failures—Liabilities.....	\$ 961	-29.0	2,162	-35.5
Commercial Failures—Number..	76 <sup>2</sup>	-11.6	179 <sup>2</sup>	- 5.8
Production: Pig Iron, U. S..... Tons	1,615	+27.1	3,062	+23.2
Steel Ingot, U. S..... Tons	2,742	+25.6	5,576	+34.2
Auto—Pass. Car, U. S.....	278,150 <sup>2</sup>	+48.2	507,349 <sup>2</sup>	+68.4
Auto—Trucks, U. S.....	62,394 <sup>2</sup>	+41.7	125,960 <sup>2</sup>	+44.3
Bituminous Coal..... Tons	13,438	+10.7	26,749	+ 9.3
Cement—O., W. Pa., W. Va. Bbls.	61	- 70.1	115	-57.4
Elec. Power—O., Pa., Ky., k.w.h.	1,310,000 <sup>3</sup>	+ 9.7	.....	.....
Petroleum—O., Pa., Ky. Bbls.	2,089 <sup>3</sup>	+11.6	.....	.....
Shoes..... Pairs	4	+14.0	.....	+27.1
Tires, U. S..... Casings	4,488 <sup>3</sup>	+18.0	.....	.....

<sup>1</sup> Not available

<sup>2</sup> Actual number

<sup>3</sup> January

<sup>4</sup> Confidential

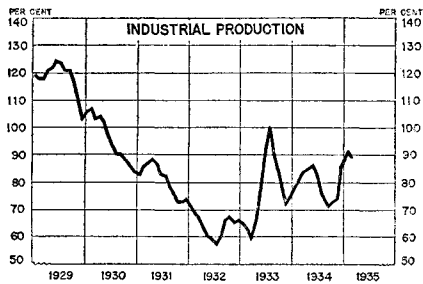
**Debts To Individual Accounts**

(Thousands of Dollars)

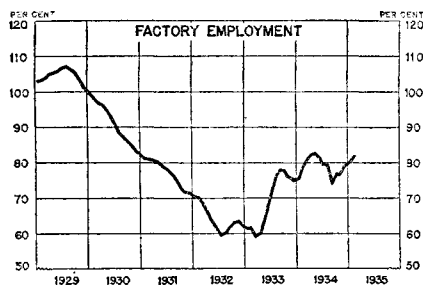
	4 weeks ended March 20, 1935	% change from 1934	Year to Date Jan. 2, 1935 to Mar. 20, 1935	Year to Date Jan. 3, 1934 to Mar. 21, 1934	% change from 1934
Akron.....	45,663	+17.0	133,885	110,976	+20.6
Butler.....	6,005	+ 7.9	17,832	17,085	+ 4.4
Canton.....	24,757	+ 7.1	73,329	69,923	+ 4.9
Cincinnati.....	255,418	+21.6	741,068	646,680	+14.6
Cleveland.....	381,604	+16.0	1,136,978	978,439	+16.2
Columbus.....	142,747	+53.6	443,203	273,361	+62.1
Dayton.....	44,961	+28.6	136,292	98,792	+38.0
Erie.....	17,677	+16.6	55,459	46,449	+19.4
Franklin.....	2,414	+ 6.0	7,247	6,673	+ 8.6
Greensburg.....	4,463	+ 4.2	14,771	11,852	+24.6
Hamilton.....	7,590	+10.4	22,639	19,569	+15.7
Homestead.....	1,943	+36.3	5,549	4,277	+29.7
Lexington.....	16,361	-13.6	72,334	66,839	+ 8.2
Lima.....	8,076	+22.0	23,476	20,145	+16.5
Lorain.....	2,693	+16.4	7,936	6,401	+24.0
Middletown.....	6,225	+ 5.5	18,566	16,427	+13.0
Oil City.....	8,012	+48.7	22,324	16,725	+33.5
Pittsburgh.....	542,536	+22.4	1,681,984	1,446,325	+16.3
Springfield.....	13,495	+18.5	37,900	32,050	+18.3
Steubenville.....	6,063	+12.4	17,140	14,924	+14.8
Toledo.....	83,014	+ 2.6	245,039	226,153	+ 8.4
Warren.....	6,163	+ 9.2	16,786	15,264	+10.0
Wheeling.....	24,739	- 3.6	73,445	74,006	- 0.8
Youngstown.....	30,787	+12.8	89,564	75,449	+18.7
Zanesville.....	5,532	+16.9	16,626	14,349	+15.9
Total.....	1,688,938	+20.0	5,111,372	4,309,133	+18.6

## Summary of National Business Conditions

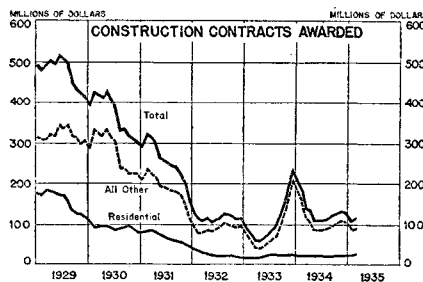
By the Federal Reserve Board



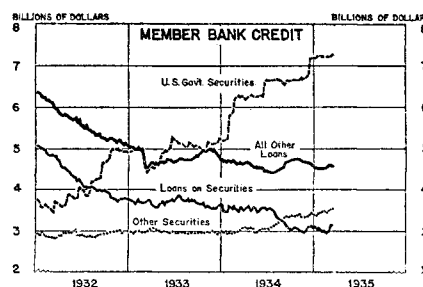
Index of industrial production, adjusted for seasonal variation (1923-1925=100). Latest figure, February, preliminary 89.



Index of factory employment, adjusted for seasonal variation (1923-1925=100). Latest figure, February 81.9.



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



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for March 13.

In February industrial production increased by less than the usual seasonal amount, following sharp advances in December and January. Wholesale prices of many leading commodities showed little change in February and declined in the early part of March; prices of livestock and meats, however, advanced further in February and continued at relatively high levels during the first three weeks of March.

### Production and Employment

Daily average output of basic industrial commodities increased in February by an amount smaller than is usual at this season and the Federal Reserve Board's index, which makes allowance for seasonal variations, declined from 91 per cent of the 1923-25 average in January to 89 per cent in February. At steel mills activity increased further during the early part of February; later in the month and in the first three weeks of March, however, activity declined, contrary to seasonal tendency. In the automobile industry production continued to increase and the output indicated for the first quarter is larger than in the corresponding period of any other year since 1929. Lumber production remained at a low level. At textile mills activity in February declined somewhat from the relatively high rate of the preceding month. In the meatpacking industry output continued to decline.

Factory employment increased between the middle of January and the middle of February by more than the usual seasonal amount, reflecting substantial increases in working forces in the automobile, machinery, iron and steel, and wearing apparel industries and smaller increases in many other lines. At meatpacking establishments employment continued to decline and at tobacco factories it showed less than the usual seasonal growth. Payrolls at manufacturing establishments also increased considerably in February. In non-manufacturing industries employment and payrolls showed little change.

Total value of construction contracts awarded in the period from January 1 to March 15, as reported by the F. W. Dodge Corporation, was smaller than in the corresponding period last year, reflecting a reduction in the volume of public projects. The value of contracts awarded for residential building during this period showed a slight increase over the low level of a year ago.

### Distribution

Daily average volume of revenue freight-car loadings showed a seasonal increase in February and little change in the first half of March. Department store sales increased in February, a month when there is usually little change, and the combined total for the first two months of the year was larger than a year ago by 5 per cent.

### Wholesale Commodity Prices

During the period from the beginning of February to the middle of March there were wide movements in prices of many individual commodities, while the general level of wholesale prices, as measured by the Bureau of Labor Statistics index, showed little change. In the third week of March prices of cotton and other textiles, grains other than wheat, coffee, rubber and tires, scrap steel and tin were considerably lower than at the beginning of February, while prices of livestock, meats and sugar were higher.

### Bank Credit

During the four weeks ended March 20 member bank reserve balances declined by \$280,000,000, principally in consequence of an increase in Treasury deposits with Federal Reserve banks built up in connection with March 15 fiscal operations. Excess reserves of member banks declined to about \$1,950,000,000.

Demand deposits (net) of weekly reporting member banks in leading cities increased further by \$380,000,000 during the four weeks ended March 13. The balances of other banks with reporting banks increased by \$100,000,000 while Government deposits declined, reflecting the withdrawal of funds from depository banks. Loans and investments of reporting banks increased by \$275,000,000. There was a further growth of \$85,000,000 in holdings of direct obligations of the United States Government and a smaller increase in obligations guaranteed by the Government. Loans to brokers and dealers in securities increased by \$130,000,000, while other loans showed little change.

Yields on United States Government obligations declined slightly further, and open-market money rates continued at a low level.