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Further nominal gains occurred in the volume of fourth district industry and trade during February and the first part of March. Several new production records were established in February, after allowance is made for the fewer number of working days in the month. Operations were curtailed in some continuous process industries to allow for necessary maintenance work, but suspensions usually were brief, and schedules were expanded rapidly thereafter. Shortages of raw materials, parts, or accessories were evident in a few instances, principally of items manufactured from products on the critical list. Such situations most often have been overcome by the adoption of substitute specifications. They have been both a result and a cause of considerable inventory accumulation even on the part of industries only indirectly associated with the rearmament program. Labor stoppages also impeded work at some plants in this district.

Industrial working forces in a number of cities, however, are larger than those at the peak in 1929. Ohio manufacturing employment last month increased 2.3 percent from the high January level, according to *Bureau of Labor Statistics* data. Before adjustment to the 1939 Census, the index at 111 percent of the 1926 average was 16 points above a year ago. Greatest improvement from the previous month was registered in employment at metal-producing and metal-working plants, though gains also were reported in the style goods' industries. In most cases payrolls increased more than working forces, continuing the trend evident in the recent past. For all manufacturing industries, February payrolls were 5.7 percent larger than those of the previous month.

Augmented purchasing power in this form was reflected in retail trade. Dollar volume of sales at fourth district department stores last month were the largest for any February in the nineteen years that data have been compiled, and on a seasonally adjusted basis, the second best for any month since September 1929, being exceeded only in November last year.

The steel industry late in March was producing more raw metal than at any other time in history. Operations the last week in the month were estimated by the *American Iron and Steel Institute* at 99.8 percent of theoretical capacity, the highest rate reported since mid-1929 when total steelmaking facilities were 18 percent smaller than now. Approximately half of all ingot capacity is in the

fourth district. Sales of most steel companies early in March were running ahead of the February volume, despite the fact that bookings during that month were at an all-time high. Scarcity of non-ferrous metals for alloying and coating is an important problem facing the industry.

Distributors' and dealers' inventories of both new and used automobiles reached record proportions late in February, having been increased materially during the month. Retail deliveries of new cars rose contraseasonally between January and February, but not so much as assemblies. Manufacturers have maintained production at high levels ever since introduction of 1941 models last September. Approximately 2,750,000 vehicles have come off domestic assembly lines in the past six months, almost 600,000 more than were made during the comparable period a year before.

Because of moderately larger demand last month for industrial coal, fourth district mine operations were expanded, on a daily average basis, from the high January level, and more bituminous coal was produced than during any other February on record. The consequent greater demand for open-top railroad cars for transporting steel products and building materials consigned to new plant construction projects as well as for coal hauling resulted in requests for the most expeditious routing and handling of such equipment.

Operating schedules in many other industries were well maintained in February and the first part of March. Manufacturers of style goods were busy shipping merchandise for the Easter trade, as were carton and paperboard box makers. New business of most concerns in all lines was continuing in sizable volume, and although shipments were moving out pretty much as requested by consumers, backlog of unfilled orders were increasing. Inventories generally have been increasing in size as manufacturers and industrial consumers stocked up against the eventualities of possible limited supplies later in the year. This in itself has somewhat restricted the quantities available.

COST OF LIVING

Living costs of wage earners' and lower salaried clerical workers' families were moderately higher this February than last in the eight fourth district cities in which the *National Industrial Conference Board* monthly surveys such costs. Experience has varied considerably in different cities, but in many cases the cost of living has

changed comparatively little during the two years that data have been compiled, apparently having been relatively unaffected by unsettled conditions both in this country and abroad. The Toledo index in February was no higher than at the inception of the individual city indexes in January 1939. As is indicated in the accompanying chart, living costs have risen less than two percent during the past 26 months in the three largest fourth district cities—Cincinnati, Cleveland, and Pittsburgh. An equal rise has been registered in Erie. The Youngstown index in February was three percent above the January 1939 base, but month-to-month fluctuations have been somewhat greater there than elsewhere. In Akron and Dayton, costs have increased more or less persistently, being four percent and five percent, respectively, higher than in January 1939.

Moderate changes between the two most recent months and from February last year, as well as from the base month of the indexes, were recorded in Dayton, where costs were up about $2\frac{1}{2}$ percent in the twelve latest months. A somewhat smaller increase over a year ago was noted in Akron; living costs there have tended to taper off recently. Direct Government contracts for defense items awarded in these two industrial areas have been comparatively large in proportion to their populations. As a result, there has been some inflow of labor that has taxed immediately available housing capacity. Rents, consequently, have risen more in these cities than elsewhere in the fourth district and account for much of the total change.

Further breakdown of the indexes for each city into the six components considered in computing an over-all cost of living figure—food, housing, clothing, fuel and light, housefurnishings, and sundries—reveals that rises in fuel and light costs and food prices most generally have been principal contributing factors to whatever changes have been noted. Interestingly, fuel costs in several cities were higher last winter than this, the increases coinciding, to a marked degree, with the heavy industrial demand for such items late in 1939. Since then it is evident that domestic and industrial fuel supplies have become relatively better proportioned. Production has been increased considerably, and retail dealers' coal stocks on the latest reporting date were somewhat larger than those of a year before. Little change in fuel and light costs has occurred since minimum at-the-mine price schedules under provisions of the National Bituminous Coal Act became effective last October.

Retail food costs were 1.3 percent higher in mid-February this year than last according both to *Conference Board* information and *Bureau of Labor Statistics* data which attributed the increase primarily to a 14 percent rise in meat prices, chiefly pork. Dairy product prices advanced slightly. Moderate decreases were reported for all other groups of foods except eggs, which were 13 percent cheaper. Unfavorable weather conditions in growing areas that interfered with harvesting and marketing operations resulted in some increases in fresh vegetables and fruits between January and February, but prices of these foods were below those of a year ago.

Clothing costs generally were lower this February than last in most of the eight cities surveyed in this district; the two increases reported were fractional. In recent months, these costs have been decreasing. Prices of housefurnishings also have tended downward.

FINANCIAL

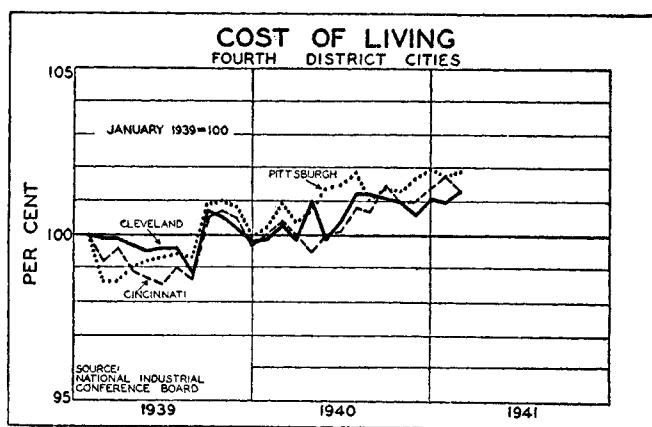
Reserve Bank Credit Earning assets of the Federal Reserve Bank of Cleveland showed little change during the four weeks ended March 19.

The amount of bills discounted was at the same low total reached in June 1940, namely \$49,000. Industrial advances, while having increased slightly from the previous week, were \$20,000 under the total reported four weeks earlier, but \$60,000 greater than on the corresponding date a year ago. Industrial advances have moved forward slowly, but commitments for industrial loans, under section 13b of the Federal Reserve Act, reflected, to a larger degree, the result of defense activity, in that the total of these commitments expanded more than $2\frac{1}{4}$ times, or \$933,000, in the four weeks ended March 19 to \$1,738,000.

Total note circulation of this bank has continued to grow more or less steadily since mid-January, reaching \$559,000,000 on March 12. In the following week there was some slight decline. The amount outstanding on March 19, however, still was approximately \$7,500,000 above the total reported in December, when extra funds were in demand for holiday shopping. The increasing activity in business, with larger payrolls, additional employment, and a disposition on the part of the public to hold more currency probably has been responsible for the greater amount of Federal reserve currency in circulation.

There was a decrease of \$44,000,000 in member bank reserves held at the Federal reserve bank between March 12 and March 19. This decline reflected several things, among which were increased income tax payments as a result of the greater number of returns filed and the larger taxes paid, and the purchase by banks of Government securities in larger volume than maturing obligations held by banks. In the corresponding week of 1940 reserve deposits were reduced approximately \$13,000,000.

Member Bank Credit Since mid-September of last year, weekly reporting member banks of this district have steadily increased the volume of their commercial, industrial, and agricultural loans. During the four weeks ended March 19, an advance of \$16,000,000 was recorded, bringing the total of this type of loan outstanding to \$368,000,000. The increase from the corresponding date a year ago was \$95,000,000, reflecting the cooperation of member banks with industry and the defense program. Loans other than those for commercial, industrial, or agricultural purposes also have increased. For the four-week period ending March 19, such loans



expanded \$12,000,000, while the increase over the same reporting date a year ago was \$24,000,000.

Investments of member banks in United States Treasury bonds showed an increase of \$21,000,000 in the four weeks ended March 19, of which \$19,000,000 may be accounted for as a shift from United States Treasury notes. It is to be noted that this shift in holdings of United States Government securities by member banks is a reversal of the policy evident earlier this year when the trend was away from longer-term obligations to short-term notes. Since the tax-exempt feature of Treasury securities has been eliminated, the more extended maturities apparently have been in greater demand for investment.

Demand deposits of weekly reporting member banks of the fourth district declined \$46,000,000 from March 12 to March 19, reflecting the payment of March 15 income taxes. Time deposits remained at the same level for the second week, although they had decreased \$2,000,000 in the four weeks prior to March 19.

NEW MEMBER BANKS

The Commercial Bank Company, Green Springs, Ohio.
Polk State Bank, Polk, Ohio.

MANUFACTURING, MINING

Iron and Steel

Steel companies generally received new orders during the first weeks of March in somewhat greater volume than in other recent months. Tonnages booked during February, in many instances, were larger than those of January, despite the fact that there were fewer working days in the month. The bulk of steel orders recently has been for third quarter delivery, and a number of consumers have been releasing specifications on items to be shipped during the fourth quarter. This practice has been most evident where requirements are well standardized, as in bolts and nuts. Deliveries within the next ninety days are difficult to obtain except against orders placed several months ago. Ordinary shipping dates on most major steel products, according to trade publication surveys, are extended from four to seven months.

The automobile industry early in March still was the principal buyer of steel products, notably sheets, where the largest backlog of unfilled orders apparently is held. Tool steel also was in great demand, and purchases of tin plate were larger than a few months ago. Future canned food requirements of the armed forces stimulated this buying to an extent.

Despite suspensions for furnace repairs and labor disputes that temporarily closed steelmaking departments of

several mills, February ingot production, on a daily average basis, was only fractionally under the all-time record established in January. Actual output was 6,250,413 net tons, compared with 6,943,084 tons in the previous month and 4,527,141 tons a year ago, when operations were being curtailed markedly after a period of substantial inventory buying on the part of fabricators.

Operating rates in several fourth district steelmaking centers were advanced further early in March. The third week in the month Pittsburgh mills were producing at 101½ percent of theoretical capacity, the computation of which makes considerable allowance for suspensions to permit necessary maintenance work. A month earlier, the rate was 94½ percent. Several open hearth furnaces that had been unused for more than a decade were eliminated recently from the list of available facilities in the Cleveland-Lorain area. As a consequence, the weekly operating rates reported for this territory since the beginning of the year have been revised upward, reaching 98 percent in mid-March after touching a 1941 low of 89½ percent the first week of the previous month. In the Wheeling and Youngstown regions production was maintained at 88 percent and 97 percent, respectively, during the first three weeks of March. Greater variation was noted in steelmaking activity at mills in the Cincinnati area where an operating rate of 93½ percent late in March compared with 97½ percent a month earlier. Schedules were curtailed in mid-March when some producers relined furnaces; operations at that time averaged 89 percent of rated capacity.

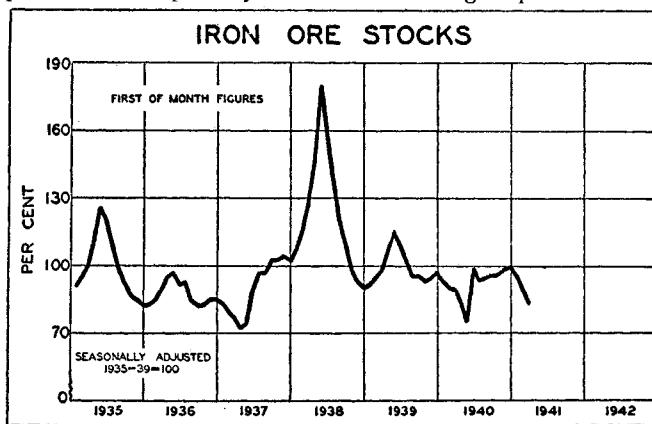
Pig iron production declined somewhat in February from the record output reported in January, as a result of withdrawal of four blast furnaces for repairs. Three of the stacks were in the fourth district. One of them was returned to production before the month end when 202 out of 229 potential blast furnaces throughout the country were operating, compared with 157 a year before.

Consumption of Lake Superior ore was the largest for any February since monthly data became available in 1919; 5,673,166 tons were used, compared with 6,333,018 tons in the previous month and 4,241,839 tons in February 1940. Less iron ore was used during February than in January when an all-time monthly record was established, both because February is a shorter month and there were fewer furnaces in blast.

The recent heavy withdrawals have reduced ore stocks at blast furnaces and on Lake Erie docks sharply, as can be seen in the accompanying chart. March 1 inventories, seasonally adjusted, were the second smallest for that reporting date in the past twenty years. In 1937 less ore was stored on March 1, but during the previous Great Lakes' navigation season there had not been the concerted effort to bring down huge tonnages of ore that was evident last year. Shipments in 1940, the third best on record, were 42 percent greater than those of 1936. At the average rate of consumption during the last three months, March 1 ore stocks of 24,195,165 tons would last until early summer, or considerably after the 1941 shipping season opens.

Coal

Greater industrial demand for bituminous coal, notably from steel mills and railroads, has resulted from the increased business activity engendered to a large extent by the de-



fense program. In recent months these two groups of consumers have been building up stock piles while inventories generally were being reduced somewhat. During January, the latest period for which data are available, steel producers increased stocks $12\frac{3}{4}$ percent; inventories held by railroads on February 1 were $4\frac{3}{4}$ percent larger than those at the beginning of the year. Aggregate stocks of all industrial consumers, on the other hand, were down $2\frac{1}{2}$ percent during January. In years when labor contracts are negotiated between miners and operators, inventories customarily have been built up as a precaution against possible coal shortage should operations not continue after April 1. There apparently has been less apprehension of suspension this year, for no strong buying movement got under way until late February, according to correspondents. The fact that February 1 inventories—amounting to 41,920,000 net tons, or 39 days' supply at the January rate of consumption—were the largest for any similar reporting date in the last decade probably mitigated against any greater stocking before then. Much of the inventories held apparently had been carried since the third quarter last year when stocks generally were increased in anticipation of the raised minimum at-the-mine prices that became effective in October.

Coal shipments on the Great Lakes between Toledo and Detroit were resumed in mid-March after a short layoff when harbors were closed by ice. Three bulk carriers and two barges were actively engaged in this trade late in the month. At other Lake Erie ports, vessels were being loaded in preparation for a possible early shipping season.

Allowing for the fewer number of working days in the month, February output of coal mines in the fourth district was four percent greater than January's and 17 percent larger than that of a year ago. In fact, last month's actual production was the best for any February on record. Mines in this district produced 15,949,000 tons of coal in February as compared with 16,603,000 tons in the previous month and 14,212,000 tons last year.

Automobiles Automobile manufacturers expanded assembly schedules further in February and early March in an attempt to provide dealers with additional stocks against possibly limited production of passenger cars later this year when the defense effort becomes a more dominant factor in the national economy. The second week in the month more than 131,000 vehicles came off production lines of plants in the United States and Canada for the first time since

May 1937. Subsequently there was a slight decline in the number of assemblies as shortages of items manufactured from materials under some type of priority action were experienced. Parts and accessories makers reported that deliveries were delayed on a number of raw materials, particularly nickel alloy steels. Such conditions necessitated quick changeovers to substitute specifications. Shipments from parts suppliers, however, were keeping pace with releases against contracts, which recently have been markedly larger than those in immediately preceding months. Employment at these plants consequently rose as production expanded.

Exceeding the previous record for the month established in 1929 by approximately 20,000 units, domestic automobile production in February, as reported by the *Department of Commerce*, totaled 485,523 vehicles. Making allowance for the fewer number of working days in the month, February output was $9\frac{1}{2}$ percent greater than that of January, and $26\frac{1}{4}$ percent larger than February 1940 production.

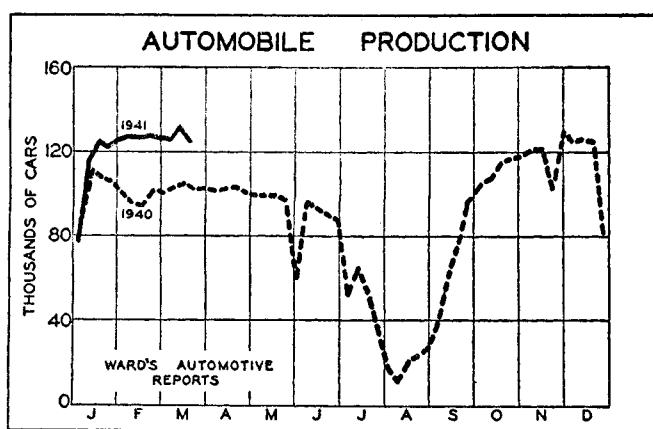
Truck assemblies last month accounted for $18\frac{3}{4}$ percent of total production, a somewhat greater proportion than in the recent past. February output of 91,040 units compares with 89,673 in the previous month and 66,276 a year ago. In fact, more than 91,000 trucks had been made during only three other months in history—June 1929, and April and May 1937. A part of this large total represented Army reconnaissance and scout car production.

Rubber and Tires Daily average crude rubber consumption reached an all-time peak in February, surpassing the former record reported in January by three percent. Total tonnage used also was the largest for any February since monthly information first became available in 1925. Domestic industry consumed 61,016 gross tons as compared with 64,225 tons in the previous month and 49,832 tons a year ago.

Shortage of shipping space from the Far East late last year resulted in some reduction in the amount of crude rubber arriving in the United States during February. Imports, amounting to 73,973 tons, were approximately 13,000 tons smaller than those of January. A year ago 43,088 tons were imported. In order that supplies might be available for shipment to this country and elsewhere, export quotas of producing areas for the second quarter of 1941 have been reaffirmed at 100 percent by the International Rubber Regulation Committee.

Gross receipts last month again exceeded consumption by a relatively wide margin, and inventories were increased to 353,733 tons. Not since December 1934 had more crude rubber been stored in this country on a reporting date. Stocks were $3\frac{3}{4}$ percent bigger than a month before, and nearly $2\frac{2}{3}$ times as large as those of a year ago. The greatest proportion of net additions to inventories were to the defense pool. Seven-eighths of the excess of imports over consumption was acquired for strategic purposes or received in exchange for cotton. Government holdings at the end of February accounted for 41 percent, or 145,570 tons, of all stocks in the United States.

Maintenance of a relatively high rate of activity in the tire and mechanical rubber goods industries has been indicated in the continued heavy consumption of crude rubber. Shipments of original equipment casings to automobile manufacturers since January have averaged 28



percent larger than those of a year ago. There also has been a sustained demand for special heavy-duty tires on the part of truck and bus operators and makers of tractors and earth-moving equipment who are now entering their most active selling season. Production of such items requires large quantities of rubber per individual casing. Replacement tire sales to distributors and dealers have increased somewhat less than seasonally since the first of the year, being hindered principally by bad weather in many parts of the country.

Mechanical rubber goods divisions have been busy on Government contracts for such military items as tank tracks, gas masks, and barrage balloons. Automotive demand for running-boards, window seals, and engine and body mountings also has been heavy.

Textiles and Clothing Fourth district manufacturers of men's ready-to-wear suits and topcoats were

experiencing some delay in receipt of cloth early in March. Coverts and gabardines, fabrics largely used for medium-weight wear, were scarce as a result of military demand, and great quantities of worsteds and serge also were being taken by the Army. Consequently, some clothing makers could not readily handle new orders requesting immediate delivery, of which there apparently was a considerable number. Shipments under contracts written earlier in the season were continuing in volume. Manufacturers' backlogs of unfilled orders were being reduced seasonally in February and the first part of March as retailers took out increasing quantities for the Easter trade. Sales of men's clothing were running considerably ahead of last year's at most apparel shops and department stores in this district, particularly in those cities where purchasing power has been increased by augmented factory payrolls resulting from defense work.

Manufacturing operations at women's ready-to-wear coat and suit plants and millinery factories expanded with the approach of Easter, but retail sales of these items were somewhat smaller in February than those of a year ago, perhaps because the holiday date is three weeks later this year than last. On the other hand, consumer purchases of women's and misses' dresses were larger than those of last February, and this activity was reflected, to some degree, in production schedules of needlework shops making such merchandise.

New orders were being received by overall and cotton work garment manufacturers in about the same volume early in March as a month before. Although shipments had been increased, they did not keep pace with the volume of new business. Consequently, unfilled orders were larger than those of mid-February. A limited supply of skilled labor reportedly precluded any considerable expansion of operations, though some factories stepped up schedules during February.

Other Manufacturing Conditions in most other manufacturing industries that are important in this dis-

trict were but little changed from January to February since many concerns already were working near capacity. There were some increases in the volume of new orders received during the month, notably by paper and paperboard makers; in some other instances incoming business was large for this season of year. Shipments generally were being made as requested by purchas-

ers. Raw material shortages were reported in mid-March by a number of manufacturers.

Machine tool shipments in February were valued at \$52,100,000, according to a survey of 95 percent of the industry made by the *National Machine Tool Builders' Association*. January deliveries were unofficially estimated as being five percent smaller, while a year ago shipments were only 80-85 percent as large. This new method of reporting activity in the industry has been adopted so that account would be taken of parts made and sub-assembly work done outside of plants operated by association members. Despite some difficulties, subcontracting has become an important factor in machine tool production. A number of builders in this district have as many as 20 to 35 subcontractors making individual parts. Others are having complete machines assembled on a subcontract basis. Most concerns in the industry also have increased manufacturing facilities by building plant additions.

Screw machine products have been in great demand recently and such companies, though increasing production schedules materially, have expanding backlogs of unfilled orders. New business has continued in large volume.

Principally because February was a shorter month, fewer new orders were received by some electrical equipment manufacturers than in January. For the year to date, however, nearly twice as much business had been booked this year as last. Although shipments have been considerably larger than those late in 1940, unfilled orders have increased substantially in recent months. Shortages of such products as galvanized malleable castings were reported in mid-March.

Irregular deliveries of raw materials and shop supplies, particularly zinc and aluminum, have hampered operations in the forging and die castings' industries. Sales of companies manufacturing these items were 60-75 percent greater in February and early March than those at that time a year ago. Production has been at capacity levels for some months in both industries, and shipments have been heavy.

Demand for flat glass has been well sustained, there being no appreciable change in the rate of incoming business during the first part of March as compared with the previous month. At that time some slackening in demand for plate glass from automotive consumers was reported. This fact was reflected in the production figures for February; output amounting to 15,664,000 square feet was 19 percent under the near-record total for January and the smallest for any month since September 1940. Window glass production was off ten percent between January and February to 1,397,000 boxes. Shipments of major companies have about kept pace with new orders, and finished inventories were considered to be correctly proportioned to the amount of business being handled.

Manufacturers in the dinnerware branch of the ceramics industry during February and the early part of March received new orders in practically the same volume as in January, contrary to usual seasonal experience. Most potteries apparently were shipping these orders as requested by purchasers. In some instances, production schedules were arranged so that inventories could be built up more than customarily at this time of year.

There was a substantial increase in activity in the paper and paperboard industries in February and the first weeks of March. Customers were taking out their commit-

ments for cartons more freely than in other recent months. Paperboard boxes also were in seasonal demand for the Easter trade. Aggregate orders for all types of paperboard early in March were the largest placed in more than a year; as a consequence, production schedules were advanced. Fine papermakers also reported an increase in the volume of incoming business, and inventories of finished stock that had been built up in February were being reduced.

Output of fourth district shoe factories increased slightly more than seasonally in February, more shoes being made then than during any other month in the past year and a half. Fill-in orders for current season merchandise were in somewhat greater volume, in a number of instances, than those received at the same time last year. Manufacturers' inventories of raw materials approximated those held a year ago, but in some cases, a larger portion of the standard staple materials needed for the fall season which gets under way about May 1 have been stocked.

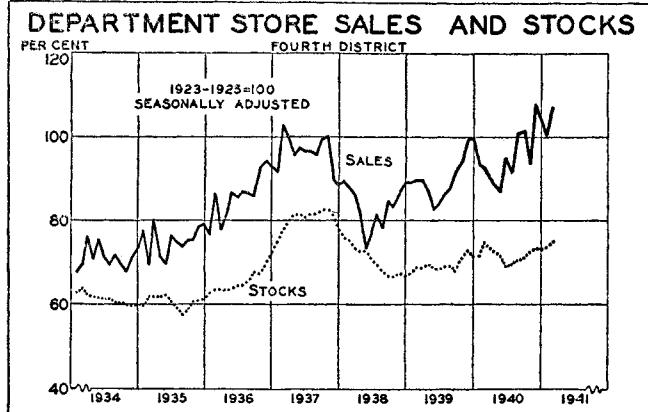
TRADE

Retail

Seasonally adjusted indexes of total department store sales reached a high of 107 percent of the 1923-25 average for February. This was an increase of seven percent over January and the highest index figure on record for the month of February.

Reporting department stores in the fourth district showed a dollar volume sales increase of 12½ percent over the month of February last year. The largest gains were experienced at Canton and Youngstown where increases of 32 percent and 19 percent, respectively, were reported.

Inventories of reporting stores in the district were at the same level in February as a year ago, while a more than seasonal gain of eight percent was evident in the dollar value of stocks in comparison with January 31. Though total inventories were unchanged from last year, the amount of outstanding orders for merchandise placed by the department stores of this district were 41 percent larger at the end of February than on the corresponding date of 1940. The increased volume of orders placed is an indication of the effort on the part of the department stores of the district to augment their stocks in anticipation of expected increased demand. There also is some evidence of buying further ahead than usual supplies of various items which might be affected by the defense effort.



Wearing apparel shops in Pittsburgh and Cincinnati had a decrease in total sales from February a year ago; however, the change may be accounted for by the fact that February of this year had one less shopping day than last year and also that Easter is three weeks later this year than last.

Response to February furniture sales was mixed with Toledo stores having a 50 percent increase over a year ago. All reporting stores in the district showed a gain of 15 percent.

Chain drug and grocery store sales, per individual unit operated, increased nine percent and ten percent, respectively, over February of last year. However, the comparison of sales with January reflects that drug sales increased ten percent while the grocery trade declined four percent.

Wholesale

While February total sales of the 213 wholesale firms within the fourth district, reporting to the *Department of Commerce*, were less than in January, they were, however, 22 percent above February a year ago. The lines reflecting sizable gains were those influenced by seasonal conditions such as building, remodeling, and decorating, showing a trend toward spring activity. Paint and varnish sales increased 40 percent, electrical goods 56 percent, hardware 39 percent, and heating and plumbing supplies 51 percent. The greatest gain was recorded in items of industrial hardware supplies, namely 66 percent.

Inventories of 110 reporting firms were down in many lines from February a year ago; a few in the grocery group were at the same level and the lines having the largest sales gains also had increased their stocks. The total dollar value of inventories held were eight percent larger than the previous year.

CONSTRUCTION

New construction awards in the fourth district during February were valued at \$26,499,000. This total, on an average daily basis, exceeded the awards in January by six percent and was 49 percent greater than February a year ago. Contracts for other than residential construction were responsible for a greater amount of building in both Northern Ohio and Western Pennsylvania, while in Southern Ohio, residential work predominated.

Among the nonresidential awards that helped to increase the dollar total for the month of February, were a large factory and office building near Columbus, valued at \$4,000,000 and contracts for erection of a blast furnace at Weirton, West Virginia, costing \$2,000,000. Both expansions were a result of the defense program, which has been responsible for much of the construction activity in recent months. Residential building was particularly large in Southern Ohio during February, being 54 percent above the total a year ago. In Western Pennsylvania residential building was 27 percent less than that of February a year ago, due mostly to the fact that speculative building of one-family dwellings for rent or sale decreased 28 percent from the previous year. In Northern Ohio the construction of small homes, while having a somewhat smaller dollar value than in January, continued to play an important part in building activity. While the dollar value of residential building, as reported by the *F. W. Dodge Corporation* data for February, was lower than in January, it nevertheless had the greatest value of any February since 1928.

Although poor weather conditions in February retarded outside building work somewhat, the lumber industry has continued at a high level. Sales and shipments by wholesale lumber dealers in the district continued well in excess of the corresponding period of a year ago. An increased demand for lumber has been experienced from the industrial trade. Inventories tend to be on a somewhat reduced basis.

AGRICULTURE

Prospective Plantings Slightly more acreage will be planted to corn and small grains this year than last in the fourth district, according to crop reporters cooperating with the *Department of Agriculture*. Two percent more land in Ohio was sown to winter wheat in the fall of 1940 than in the previous planting season. As reported early in March, Ohio farmers expected to increase acreage of corn one percent and of oats and barley nine percent each. Indicated planting of burley tobacco, while five percent smaller in Southern Ohio, was unchanged from last year's total acreage in the Kentucky belt.

Debits to Individual Accounts

(Thousands of Dollars)

	4 Weeks ended March 19, 1941	% change from 1940	Year to Date Dec. 26, 1940	Year to Date Dec. 28, 1939	% change from 1939
Akron.....	79,984	+30.3	232,239	189,692	+22.4
Butler.....	10,691	+24.1	30,570	26,858	+13.8
Canton.....	47,814	+37.7	135,047	104,434	+29.3
Cincinnati.....	376,250	+23.5	1,092,046	914,966	+19.4
Cleveland.....	679,741	+28.1	2,040,461	1,663,059	+22.7
Columbus.....	194,420	+7.3	529,972	493,389	+7.4
Dayton.....	83,652	+30.8	237,652	191,422	+24.2
Erie.....	33,305	+27.8	95,828	79,589	+20.4
Franklin.....	3,517	+28.5	9,804	8,952	+9.5
Greensburg.....	7,536	+18.2	23,074	21,763	+6.0
Hamilton.....	12,284	+21.8	36,414	30,663	+18.8
Homestead.....	3,297	+12.3	10,386	8,808	+17.9
Lexington.....	19,906	+6.8	87,688	88,798	-1.3
Lima.....	15,987	+26.3	46,646	41,656	+12.0
Lorain.....	5,339	+14.0	15,727	14,171	+11.0
Middletown.....	13,081	+19.1	38,506	34,115	+12.9
Oil City.....	9,437	-1.1	28,636	30,411	-5.8
Pittsburgh.....	801,010	+23.1	2,617,834	1,971,301	+32.8
Sharon.....	9,467	+29.0	28,414	23,729	+19.7
Springfield.....	19,710	+20.9	56,784	47,099	+20.6
Steubenville.....	9,893	+8.3	29,012	27,007	+7.4
Toledo.....	147,508	+25.1	423,925	350,612	+20.9
Warren.....	14,227	+49.9	39,735	28,383	+40.0
Wheeling.....	27,247	+18.7	89,294	74,492	+19.9
Youngstown.....	54,496	+24.2	160,148	140,339	+14.1
Zanesville.....	9,002	+18.5	26,989	23,368	+15.5
Total.....	2,688,801	+23.6	8,162,831	6,629,076	+23.1

Fourth District Business Indexes

(1923-25 = 100)

	Feb. 1941	Feb. 1940	Feb. 1939	Feb. 1938	Feb. 1937
Bank debits (24 cities).....	91	79	67	64	81
Commercial Failures (Number).....	46	36	41	97	55
" " (Liabilities).....	27	21	18	63	27
Sales—Life Insurance (O. and Pa.).....	82	78	80	69	88
" —Department Stores (46 firms).....	107	93	90	88	103
" —Wholesale Drugs (6 firms).....	110	116	106	98	110
" —Dry Goods (6 firms).....	54	46	41	35	49
" —Groceries (48 firms).....	71	67	62	63	73
" —Hardware (37 firms).....	93	67	57	56	76
" —All (97 firms).....	77	68	61	61	73
" —Chain Drugs (4 firms)*.....	104	95	91	86	93
Building Contracts (Total).....	60	49	41	26	34
" " (Residential).....	56	39	48	30	37
Production—Coal (O., W. Pa., E. Ky.).....	88	79	66	51	88
" —Cement (O., W. Pa., E. Ky.).....	60	50	19	15	31
" —Elec. Power (O., Pa., Ky.)*.....	260	236	204	187	199
" —Petroleum (O., Pa., Ky.)*.....	114	114	115	120	116
" —Shoes.....	125	121	122	120	122

*Per individual unit operated.

**January.

Wholesale and Retail Trade

(1941 compared with 1940)

	SALES February 1941	SALES first 2 months	STOCKS February 1941	Percentage	
				Increase or Decrease	
DEPARTMENT STORES (93)					
Akron.....	+18	+18	+2		
Canton.....	+32	+27	a		
Cincinnati.....	+11	+12	+7		
Cleveland.....	+14	+12	-1		
Columbus.....	+14	+7			
Erie.....	+13	+13	+4		
Pittsburgh.....	+10	+8	-1		
Toledo.....	+7	+7	+1		
Wheeling.....	+12	+9	+4		
Youngstown.....	+19	+12	a		
Other Cities.....	+14	+14	-5		
District.....	+13	+11	-0		
WEARING APPAREL (15)					
Cincinnati.....	-4	+7	+12		
Cleveland.....	+3	+2	+3		
Pittsburgh.....	-8	-3	-1		
Other Cities.....	+8	+7	+4		
District.....	+2	+4	+4		
FURNITURE (39)					
Cincinnati.....	+14	+26			
Cleveland.....	+12	+14			
Columbus.....	+8	+23			
Dayton.....	+23	+28			
Toledo.....	+50	+40			
Other Cities.....	+12	+32			
District.....	+15	+22			
CHAIN STORES*					
Drugs—District (5).....	+9	+6			
Groceries—District (4).....	+10	+12			
WHOLESALE TRADE**					
Automotive Supplies (11).....	+14	+6	-6		
Brew (7).....	+8	+16	+17		
Clothing and Furnishings (4).....	+7	+3	a		
Coal (3).....	+28	a	a		
Confectionery (3).....	+3	+2	+5		
Drugs and Drug Sundries (6).....	-6	+3	+5		
Dry Goods (6).....	+18	+6	+8		
Electrical Goods (18).....	+56	+52	+42		
Fresh Fruits and Vegetables (6).....	-3	+3	-3		
Furniture & House Furnishings (4).....	+18	+25	+11		
Grocery Group (48).....	+5	+7	0		
Total Hardware Group (37).....	+39	+39	+15		
General Hardware (12).....	+19	+17	+12		
Industrial Supplies (12).....	+66	+58	+27		
Plumbing & Heating Supplies (13).....	+51	+48	+20		
Jewelry & Optical Goods (3).....	-7	a	a		
Lumber and Building Materials (3).....	+26	a	a		
Machinery, Equip. & Sup. (exc. Elect.) (4).....	+29	+39	a		
Meats and Meat Products (5).....	+14	+10	+16		
Metals (4).....	+96	a	a		
Paints and Varnishes (6).....	+40	+19	-14		
Paper and its Products (6).....	+16	+12	a		
Tobacco and its Products (15).....	+3	+6	-1		
Miscellaneous (14).....	+28	+30	+11		
District—All Wholesale Trade (213).....	+22	+21	+8		

*Per individual unit operated.

**Wholesale data compiled by U. S. Department of Commerce, Bureau of the Census.

a. Not available.

Figures in parentheses indicate number of firms reporting sales.

Fourth District Business Statistics

(000 omitted)

	February from 1940 1941	Jan.- Feb. from 1941 1940	% change
Fourth District Unless Otherwise Specified			
Bank Debts—24 cities.....	\$2,477,000	5,487,000	+39.1
Savings Deposits—end of month 40 banks: O. and W. Pa.	\$ 795,965	+ 0.7	a
Life Insurance Sales: Ohio and Pa.	\$ 78,956	+ 5.3	155,199
Retail Sales: Dept. Stores—93 firms.....	\$ 22,342	+12.7	43,749
Wearing Apparel—15 firms.....	\$ 807	+1.8	1,701
Furniture—39 firms.....	\$ 923	+14.5	1,748
Building Contracts—Total.....	\$ 26,499	+42.5	53,974
" " Residential.....	\$ 10,317	+23.6	21,362
Commercial Failures—Liabilities.....	\$ 1,168	+24.3	2,501
" " —Number.....	67	+26.4	120
Production: Pig Iron—U. S. net tons	4,204	+27.2	8,870
Steel Ingots—U. S. net tons	6,250	+38.1	13,193
Auto—Passenger Car—U. S.	394,483b	+16.8	805,741b
" " —Trucks—U. S.	91,040b	+37.4	180,713b
Bituminous Coal, O., W. Pa., E. Ky. net tons	15,949	+12.2	32,552
Cement—O., W. Pa., W. Va. bbls.	717	+18.9	1,322
Elec. Power, O., Pa., Ky. thous. k w.h.	2,184c	+10.0	—
Petroleum—O., Pa., Ky. bbls.	2,103c	-0.4	—
Shoes Pairs	e	+2.8	+3.1
Tires, U. S. casings	5,165	+5.7	10,637

a not available

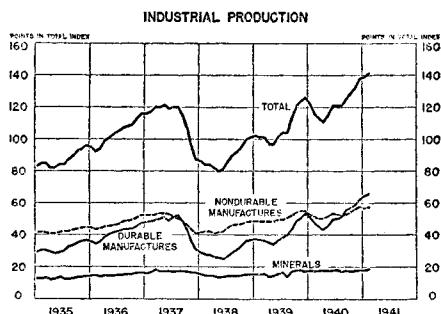
c January

b actual number

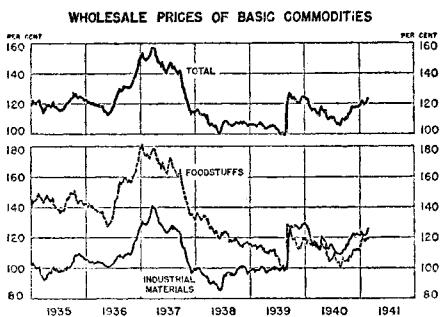
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Summary of National Business Conditions

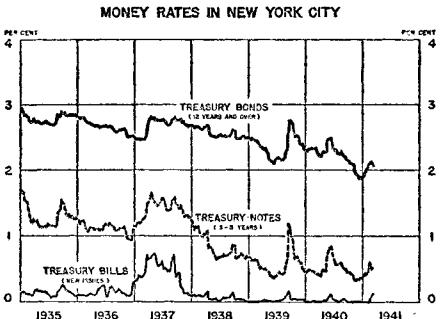
By the Board of Governors of the Federal Reserve System



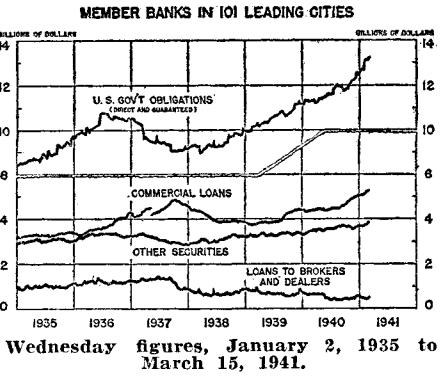
Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average = 100. Subgroups shown are expressed in terms of points in the total index. By months, January 1935 to February 1941.



Bureau of Labor Statistics' indexes based on 12 foodstuffs and 16 industrial materials, August 1939 = 100. Thursday figures, January 3, 1935 to March 13, 1941.



Weekly averages of daily yields of 3- to 5-year tax-exempt Treasury notes, Treasury bonds callable after 12 years, and average discount on new issues of Treasury bills offered within week. For weeks ending January 5, 1935 to March 15, 1941.



Industrial activity and employment increased further in February and the first half of March. Buying by producers and consumers continued in large volume and wholesale commodity prices, particularly of imports, advanced.

Production

In February volume of industrial output, on a daily average basis, rose more than seasonally, and the Board's adjusted index advanced from 139 to 141 per cent of the 1935-39 average.

Increases in February, as in other recent months, were largest in the durable goods industries where a large proportion of defense program orders have been placed. Activity continued to rise sharply at machinery plants, aircraft factories, shipyards, and in the railroad equipment industries. Steel production fluctuated around 96 per cent of capacity in January and February and rose to 99 per cent in the first half of March. New orders for steel continued large and, despite the high rate of output, unfilled orders increased further. Many orders have been placed for delivery in the second half of this year, reflecting the prospect of heavy consumption and some uncertainty on the part of steel users regarding future availability of supplies. Output of pig iron, coke, and nonferrous metals was likewise at near capacity rates in February and unfilled orders for these products, too, were at exceptionally high levels. Demand for lumber continued large owing to a high rate of construction activity and output was sustained in large volume for this time of year. Automobile production increased in February and the first half of March to about the peak rate attained last November. Retail sales of new and used cars advanced to unusually high levels.

In industries manufacturing nondurable goods, activity continued at the record levels reached in the latter part of 1940. There were further increases in the cotton textile, rubber, and chemical industries and activity at woolen mills also increased, following a temporary reduction in January. In most other lines activity was maintained at the high levels of other recent months.

Coal production rose less than seasonally in February but increased considerably in the first half of March when, according to trade reports, there was some inventory accumulation in anticipation of a possible shutdown on April 1 at the expiration of the present contract between the mine operators and the miners' union. Copper and zinc production increased in February and recently domestic supplies of copper have begun to be supplemented by imports from South America. Output of crude petroleum continued at about the rate that had prevailed during the three preceding months.

Value of construction contract awards in February declined somewhat more than seasonally, reflecting decreases in both public and private work, according to reports of the F. W. Dodge Corporation. Awards for public construction, although sharply reduced from the high levels reached in the latter half of 1940, were somewhat above those of a year ago, and awards for private construction were nearly half again as large as in February of last year.

Distribution

Distribution of commodities to consumers increased more than seasonally from January to February. Sales at variety stores and by mail-order houses were the largest on record, making allowance for usual seasonal changes, and department store sales were also at a high level.

Freight-car loadings increased by about the usual seasonal amount. Shipments of miscellaneous freight, consisting mostly of manufactured products, showed an increase while loadings of forest products rose less than seasonally and grain shipments declined.

Wholesale Commodity Prices

Prices of a number of basic imports rose sharply from the early part of February to the middle of March. Cotton yarns and gray goods and nonferrous metal scrap showed further increases in this period and there were also advances in prices of some other domestic commodities, including lead, wheat, cotton, and oils and fats.

Bank Credit

Commercial loans continued to increase at member banks in 101 leading cities in February and the first half of March and these banks also purchased additional Treasury notes and bills issued in connection with the defense program. As a result of the increase in loans and investments, bank deposits showed a further marked advance.

United States Government Security Prices

Prices of Government securities increased after February 15, following a sharp decline in the preceding ten weeks. The 1960-65 bonds on March 15 were about 3 1/8 points above their price on February 15 and about 1 1/4 points below the all-time peak of December 10.