

4  
Federal Reserve Bank  
of Cleveland

1932

EIGHTEENTH ANNUAL REPORT  
TO THE  
FEDERAL RESERVE BOARD

ANNUAL REPORT

of the

Federal Reserve Agent

of the

Fourth Federal  
Reserve District

to the

Federal Reserve Board

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Covering Operations

for the

Calendar Year

1932

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FEDERAL RESERVE BANK OF CLEVELAND

# Directors and Officers, 1933

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## DIRECTORS

### CLASS A

BEN R. CONNER, Ada, Ohio, 1933  
CHESS LAMBERTON, Franklin, Pa., 1934  
ROBERT WARDROP, Pittsburgh, Pa., 1935

### CLASS B

J. E. GALVIN, Lima, Ohio, 1933  
R. P. WRIGHT, Erie, Pa., 1934  
G. D. CRABBS, Cincinnati, Ohio, 1935

### CLASS C

W. W. KNIGHT, Toledo, Ohio, 1933  
L. B. WILLIAMS (Chairman), Cleveland, Ohio, 1934  
E. S. BURKE, JR., (Deputy Chairman), Cleveland, Ohio, 1935

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## OFFICERS

L. B. WILLIAMS, Chairman of the Board and Federal Reserve Agent	E. R. FANCHER, Governor
W. H. FLETCHER, Assistant Federal Reserve Agent	M. J. FLEMING, Deputy Governor
J. B. ANDERSON, Assistant Federal Reserve Agent	F. J. ZURLINDEN, Deputy Governor
HOWARD EVANS, Assistant Federal Reserve Agent	H. F. STRATER, Cashier and Secretary
F. V. GRAYSON, Auditor	W. F. TAYLOR, Assistant Cashier
	C. W. ARNOLD, Assistant Cashier
	G. H. WAGNER, Assistant Cashier
	D. B. CLOUSER, Assistant Cashier
	P. A. BROWN, Assistant Cashier
	E. A. CARTER, Assistant Cashier

## CINCINNATI BRANCH

### DIRECTORS

THOS. J. DAVIS  
FRED A. GEIER  
B. H. KROGER  
C. N. MANNING  
C. F. McCOMBS  
JOHN OMWAKE  
GEO. M. VERITY

### OFFICERS

C. F. McCOMBS, Managing Director  
B. J. LAZAR, Cashier  
H. N. OTT, Assistant Cashier  
BRUCE KENNELLY, Assistant Cashier

## PITTSBURGH BRANCH

### DIRECTORS

A. E. BRAUN  
RICHARD COULTER  
A. L. HUMPHREY  
J. S. JONES  
R. B. MELLON  
J. C. NEVIN  
JAMES RAE

### OFFICERS

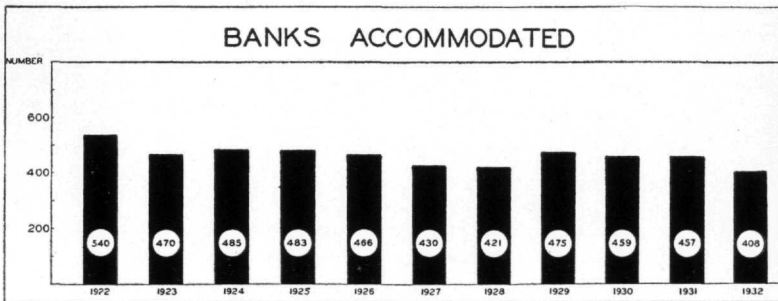
J. C. NEVIN, Managing Director  
T. C. GRIGGS, Cashier  
F. E. COBUN, Assistant Cashier  
C. J. BOLTHOUSE, Assistant Cashier

# EIGHTEENTH ANNUAL REPORT OF THE FEDERAL RESERVE BANK OF CLEVELAND

Despite the low level of business activity, operations of the Federal Reserve Bank of Cleveland were maintained at relatively high levels in comparison with the preceding year, although certain departments were affected more or less by factors not directly related to the volume of business.

The total volume of credit extended amounted to \$1,889,000,000, an increase of approximately \$300,000,000 over the preceding year, notwithstanding that the number of banks accommodated was reduced from 457 to 408.

The daily average of earning assets was \$206,000,000, compared with \$127,000,000 in the preceding year. The greater part of the difference is represented by increased holdings of Government

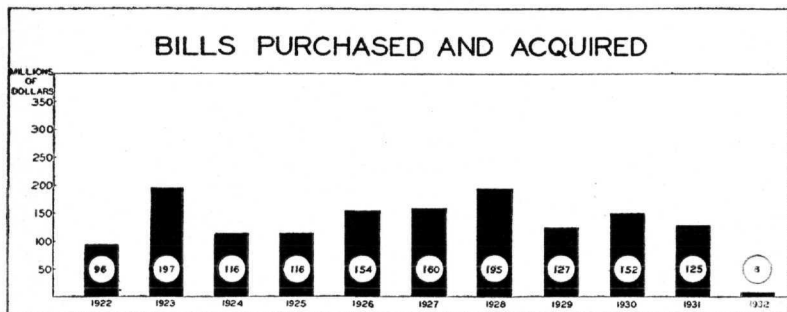


securities, which rose from slightly less than a \$66,000,000 daily average in 1931, to more than \$138,000,000 in 1932. Bills discounted for members increased from \$40,000,000 to \$63,000,000, not in response to the demands of trade, but reflecting largely the discount of paper to obtain currency to meet deposit withdrawals.

The total number of items handled by the Discount Department increased from 37,533 in 1931 to 46,140 in the past year. Rediscounts alone increased about 75 per cent, while the number of bankers' acceptances declined from more than 9,000 in 1931 to less than 600 in the past year.

Holdings of Government securities were substantially increased during the year in connection with the system's program of maintaining easy conditions in the money market and facilitating busi-

ness recovery. The volume of Government securities purchased by this bank in the special investment account was practically double that of last year, amounting to more than \$341,000,000. In 1931 a total of about \$125,000,000 of bankers' bills was acquired. During 1932 bankers' acceptances purchased amounted to but \$8,000,000.



During the past year the number of approved applications for loans and rediscounts increased to 14,553 from 10,794 the year before.

#### RESULTS OF OPERATION

Net earnings available for dividends, surplus and franchise tax for the year amounted to \$1,871,256.37. Of this amount \$858,427.26 was paid to stockholding member banks as dividends. There was transferred to surplus a total of \$180,083.21 and the sum of \$832,745.90 was credited to the account of the United States Treasurer as franchise tax in accordance with the law.

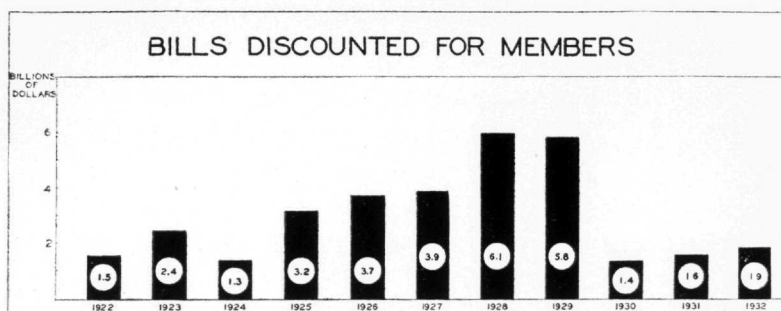
By reason of bank suspensions throughout the year, paid-in capital stock decreased approximately \$500,000, and for the first time surplus fund, after restoration to surplus of reserve for depreciation on United States bonds which had previously been set up, exceeded the amount of subscribed capital stock. After closing of the books, the capital structure of the bank was as follows:

Capital stock paid in.....	\$14,100,600.00
Capital stock subscribed.....	28,201,200.00
Surplus.....	28,293,727.32

#### MEMBER BANK CREDIT

The liquidation of bank credit which has been in progress since 1929 continued throughout the year. Total resources of all member banks declined from \$3,501,000,000 to \$3,265,000,000, only a small part of which is reflected in the suspension of member banks. The loan account decreased from \$1,807,000,000 to \$1,538,000,000, while investment account increased \$47,000,000 to \$1,105,000,000. Government securities owned increased slightly more than \$100,000,000, while other securities declined about \$55,000,000.

The total of demand deposits shows a decline of about \$70,000,000 from a year ago, and the reduction in time deposits approximates \$90,000,000.



During the year there has been a slight decrease in the ratio of cash to deposit liabilities, an increase in the ratio of reserve to deposits and of Government securities owned to deposits, the latter item increasing nearly 30 per cent. In this same period the ratio of loans to deposits has declined nearly ten per cent.

Strictly savings deposits held by fourth district members were reduced about \$100,000,000 during the year, or approximately ten per cent; but the average account has declined only slightly—from \$411 in December of 1931 to \$400 a year later.

*Condition of Fourth District Member Banks*

(Figures in Millions)

	Dec. 31, 1932	Dec. 31, 1931	Net Change
Total Loans and Discounts.....	\$1,538	\$1,807	-\$269
Investments—U. S. Securities.....	591	489	+102
Investments—All Other.....	514	569	- 55
Investments—Total.....	1,105	1,058	+ 47
Total Loans, Discounts and Investments.....	\$2,643	\$2,865	-\$222
Demand Deposits.....	1,263	1,334	- 71
Time Deposits.....	1,243	1,334	- 91
Government Deposits.....	33	29	+ 4
Total Deposits.....	\$2,539	\$2,697	-\$158

**MOVEMENT OF MEMBERSHIP**

Changes in membership throughout the year were largely the result of receiverships, or of purchases, mergers, and consolidations. At the close of the preceding year there were 682 member banks. During the year five national banks and one state bank were admitted to membership. Fifty-four banks were stricken from the list of members during the year, leaving 634 member banks as of December 31. The table below gives the detail of these changes.

*Changes in Membership*

**Withdrawals** (evidenced by cancellation of Federal reserve bank stock.)

Purchases, mergers or consolidations.....	14
Receiverships.....	36
Voluntary Liquidations.....	4
State bank withdrawals.....	0

**Additions**

State banks.....	1
National banks.....	5

Number of banks — 12/31/31.....	682
Admitted during 1932.....	6

688

Withdrawals during 1932.....	54
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Number of banks — 12/31/32.....	634
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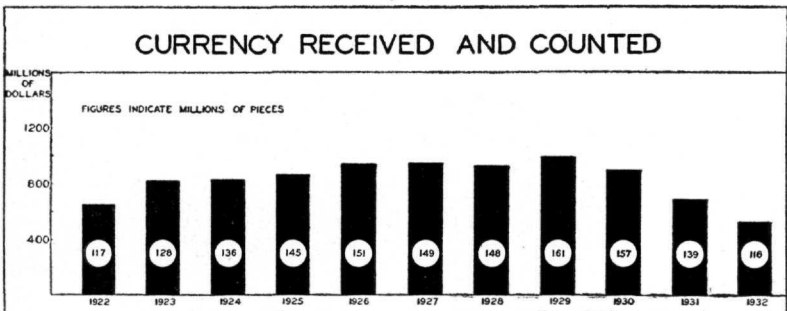
**BANK SUSPENSIONS**

In the Fourth District during the calendar year 1932 there were 58 bank suspensions, 23 of which were member banks and 35 non-member banks. Of the suspended member banks 22 were national banks and one a state bank. Total deposits of all suspended institutions amounted to \$36,870,000, of which approximately \$23,000,000 was in member banks and \$13,000,000 in non-members.

It is of interest to note that during the year 19 banks, having total deposits of nearly \$70,000,000, were reopened. Deposits of reopened banks were nearly double those of banks suspended during the year.

**FEDERAL RESERVE NOTES**

The volume of Federal reserve notes in circulation in the Fourth Federal Reserve District throughout 1932 was substantially in excess of the amount which normally would have been required because of the low state of business activity. Following bank suspensions in Toledo and Pittsburgh in the early fall of 1931, note circulation rose rapidly. The usual seasonal contraction in January and February of 1932 did not materialize, and the volume of notes of this bank

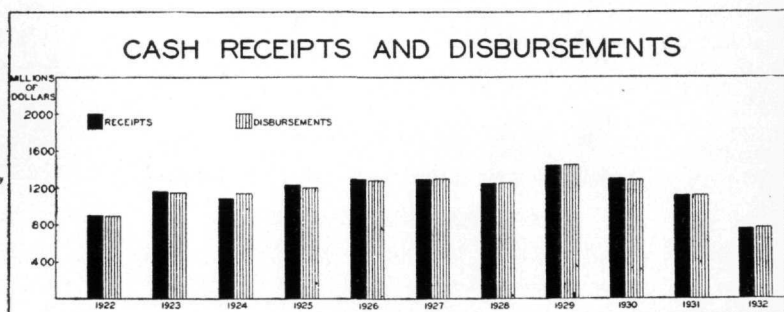


in circulation remained practically unchanged until mid-September when a slight decline occurred. At the end of the year, note circulation was approximately \$100 millions in excess of the amount in circulation in the boom year of 1929.

While without question some of this money is hoarded, there is no way in which the amount can be determined. To an extent, cash requirements have been increased in communities where bank suspensions have occurred, and there is substantial reason to believe that smaller business units and individuals are using cash in payment of obligations to avoid taxes and service charges on checks issued. Evidence exists also that large sums of public funds are maintained by public treasurers in cash in places where banking facilities are not available, or banks are unable to qualify as depositories.

#### *Total Cash Receipts and Disbursements*

	Receipts	Disbursements
Cleveland .....	\$344,677,899.33	\$348,270,123.31
Cincinnati .....	151,850,595.32	153,450,131.71
Pittsburgh .....	259,555,124.49	266,183,210.77
	<b>\$756,083,619.14</b>	<b>\$767,903,465.79</b>



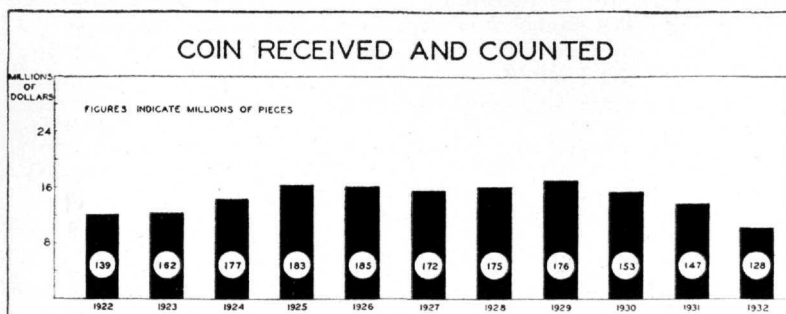
#### *Currency Received and Counted*

	Pieces	Amount
Cleveland .....	50,182,630	\$260,056,100
Cincinnati .....	26,773,166	99,484,020
Pittsburgh .....	39,191,767	173,752,450
	<b>116,147,563</b>	<b>\$533,292,570</b>

#### *Coins Received and Counted*

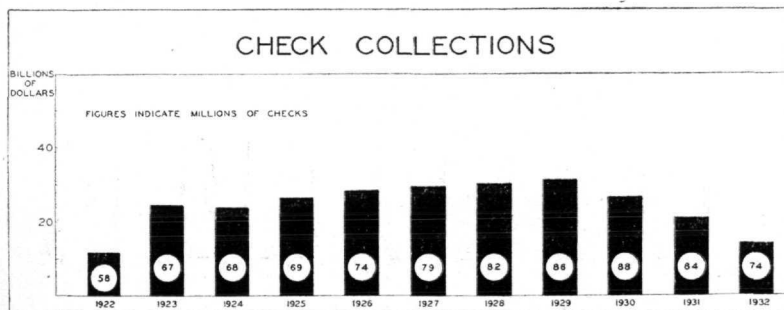
	Pieces	Amount
Cleveland .....	42,077,404	\$ 3,591,854
Cincinnati .....	46,604,078	4,453,219
Pittsburgh .....	39,125,165	3,211,261
	<b>127,806,647</b>	<b>\$11,256,334</b>





### CHECK COLLECTIONS

During the year 73,237,653 checks were collected through the Federal Reserve Bank of Cleveland, aggregating \$14,271,000,000. These figures represent declines of 11.7 per cent and 31.1 per cent, respectively, from the preceding year. It is noteworthy that the decline in the volume of checks handled during the latter half of the year was much greater than in the first six months. This is occasioned in part by the imposition of metered service charges, Federal taxes on checks drawn on deposit accounts, and increased postal rates.



The daily average number of checks handled by this bank in 1932 was 15.8 per cent under 1930 and 12 per cent below 1931, the decline in general business being responsible for part of the downward movement in the past three years. During the latter half of the year the number of checks cleared through this reserve bank was close to the level of 1924.

The decline in the dollar volume of checks handled reflected, in addition to the reduced volume of business, the lower level of prices, wages, etc.

The falling-off in the volume of checks handled during the last half of the year is confirmed by the drop in the index of bank deposit turnover from an average of better than 65 in the first half to less than 60 in the last half of the year.

*Transit Department Check Clearings and Collections for Year 1932.*

**Cleveland**

	Items	Amounts
On Cleveland banks .....	5,767,976	\$3,278,646,621.64
On other banks in District No. 4 .....	21,411,303	1,618,678,656.85
On banks in other Districts .....	929,863	70,771,612.45
On Treasurer of United States .....	1,470,292	245,522,019.69
<b>Total .....</b>	<b>29,579,434</b>	<b>\$5,213,618,910.63</b>
Items sent to Cincinnati and Pittsburgh Branches .....	303,276	\$ 27,996,540.75

**Cincinnati**

	Items	Amounts
On Cincinnati banks .....	3,644,893	\$1,459,147,633.77
On other banks in District No. 4 .....	11,195,534	612,409,821.35
On banks in other Districts .....	234,317	34,104,788.93
On Treasurer of United States .....	990,478	105,556,106.82
<b>Total .....</b>	<b>16,065,222</b>	<b>\$2,211,218,250.87</b>
Items sent to Main Office and Pittsburgh Branch .....	118,634	\$ 18,283,754.82

**Pittsburgh**

	Items	Amounts
On Pittsburgh banks .....	8,106,221	\$5,544,808,812.15
On other banks in District No. 4 .....	17,727,490	972,815,998.46
On banks in other Districts .....	972,123	238,839,899.16
On Treasurer of United States .....	787,163	89,384,444.89
<b>Total .....</b>	<b>27,592,997</b>	<b>\$6,845,849,154.66</b>
Items sent to Main Office and Cincinnati Branch .....	107,624	\$ 32,485,819.31

**Recapitulation**

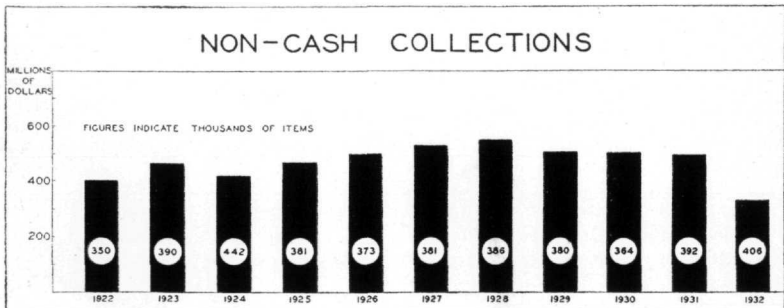
	Items	Amounts
Total number of items handled .....	73,237,653	
Total amount of items handled .....		\$14,270,686,316.16
Items and amounts handled by both Main Office and Branches and not duplicated in above figures .....	529,534	\$ 78,766,114.88

**NON-CASH COLLECTIONS**

In 1932, 405,733 items amounting to \$332,183,976.91 were handled through the non-cash collection department.

The number and amounts of items handled at the main office and branches at Cincinnati and Pittsburgh are as follows:

	Number	Amounts
Main Office .....	336,610	\$252,296,197.89
Cincinnati Branch .....	37,132	46,923,966.17
Pittsburgh Branch .....	31,991	32,963,812.85
<b>Total .....</b>	<b>405,733</b>	<b>\$332,183,976.91</b>



On items handled through the three offices, collecting banks made collection charges on 31,075 items, aggregating \$10,150,000.11, at a rate slightly more than one-tenth of one per cent.

Member banks sent direct to other Federal reserve banks and branches for collection, 76,153 items, aggregating \$55,831,165.61.

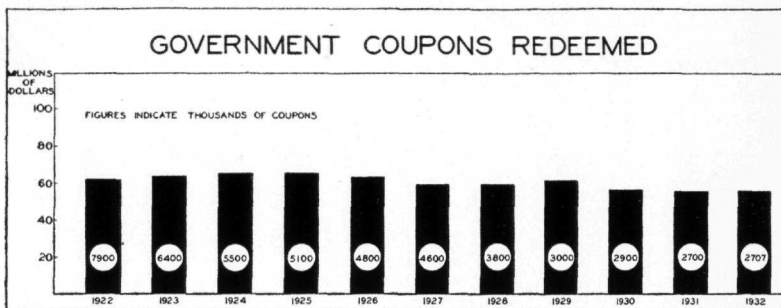
### FISCAL AGENCY OPERATIONS

During the year 1932 there were issued thirty-one series of Treasury bills, nine series of certificates of indebtedness, and seven series of notes. Allotments thereon in this district were as follows:

January 13	Ninety-one day bills.....	\$ 000
January 25	Ninety-three day bills.....	150,000
February 1	Six month 3½% certificates.....	8,398,000
February 1	One year 3¾% certificates.....	5,437,000
February 8	Ninety-three day bills.....	000
February 15	Ninety-three day bills.....	10,000
February 24	Ninety-one day bills.....	150,000
March 2	Ninety-one day bills.....	000
March 15	Seven month 3½% certificates.....	15,038,500
March 15	One year 3¾% certificates.....	14,885,500
March 15	One year 2% certificates.....	2,442,750
March 30	Ninety-one day bills.....	62,000
April 13	Ninety one day bills.....	000
April 20	Ninety-one day bills.....	000
April 27	Ninety-one day bills.....	000
May 2	One year 2% certificates.....	12,206,500
May 2	Two year 3% notes.....	11,225,800
May 11	Ninety-one day bills.....	000
May 18	Ninety-one day bills.....	000
May 25	Ninety-one day bills.....	50,000
June 1	Ninety-one day bills.....	000
June 15	One year 1½% certificates.....	17,024,000
June 15	Three year 3% notes.....	20,821,300
June 29	Ninety-one day bills.....	60,000
July 13	Ninety-one day bills.....	65,000
July 20	Ninety-one day bills.....	000
July 27	Ninety-one day bills.....	000
August 1	Two year 2½% notes.....	19,214,900
August 1	Four year 3¼% notes.....	14,866,900
August 10	Ninety-one day bills.....	000
August 17	Ninety-one day bills.....	177,000
August 24	Ninety-one day bills.....	000
August 31	Ninety-one day bills.....	000
September 15	One year 1¼% certificates.....	16,963,000
September 15	Five year 3¼% notes.....	30,719,700
September 28	Ninety-one day bills.....	50,000
October 11	Ninety-two day bills.....	150,000
October 15	Four one-half year 3% notes.....	9,807,100
October 19	Ninety-one day bills.....	000
October 26	Ninety-one day bills.....	000
November 9	Ninety-one day bills.....	000
November 16	Ninety-one day bills.....	000
November 23	Ninety-two day bills.....	000
November 30	Ninety-one day bills.....	000
December 15	One year ¾ of 1% certificates.....	5,876,500
December 15	Four year 2¾% notes.....	15,180,900
December 28	Ninety-one day bills.....	000

Government securities delivered on allotment numbered 29,597 pieces.

Government securities received for exchange of denomination or form (within the issue) consisted of 36,572 pieces in coupon form and 12,365 pieces in registered form, aggregating \$129,465,000, including \$70,602,100, received for transfer by wire.



Wire transfers of Government short-term securities from other districts to this district aggregated \$30,846,600; from this district to other districts, \$70,602,100.

Government coupons redeemed totaled 2,420,106, aggregating \$46,576,063.17. Federal farm loan coupons redeemed totaled 287,027, aggregating \$8,723,189.58.

Government obligations presented for redemption numbered 124 in registered form and 18,407 in coupon form and had a value of \$48,144,255.

Federal Farm Loan bonds and Federal Intermediate Credit bank debentures presented for redemption numbered 29 and had a value of \$370,000.

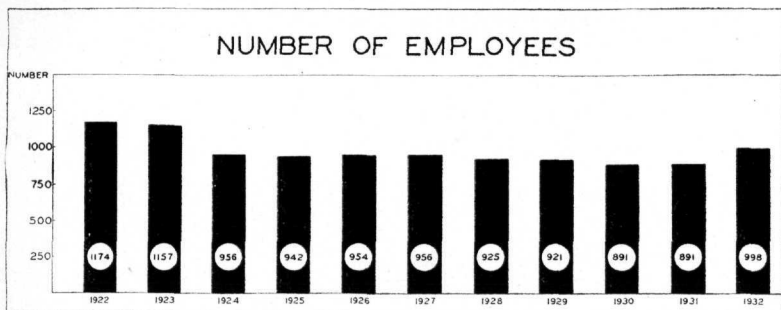
Early in February the Cleveland office began to function as custodian for Reconstruction Finance Corporation. At the close of the year, about one hundred persons were employed in the organization developed for that purpose.

#### PERSONNEL

It is with deep regret that we record the passing away on June 2, 1932, of Mr. O. N. Sams of Hillsboro, Ohio, who had been a director of this bank continuously since November, 1918. In a special election to select a successor to Mr. Sams, Mr. Ben R. Conner of Ada, Ohio, was elected. His term expires December 31, 1933.

In the annual election of directors, Mr. Robert Wardrop of Pittsburgh and Mr. G. D. Crabbs of Cincinnati were reelected Class A and Class B directors, respectively, for three-year terms. Mr. C. N. Manning, President of the Security Trust Company, Lexington, Kentucky, was appointed a director of the Cincinnati Branch. Mr.

Richard Coulter, President of the First National Bank and Trust Company, Greensburg, Pennsylvania, was appointed a director of the Pittsburgh Branch.



There were no changes in the official staff throughout the year.

The number of employees, including those engaged in Fiscal Agency and Reconstruction Finance Corporation operations whose salaries are reimbursable to the bank, shows an increase for the year occasioned almost entirely by the employment of additional help in connection with the Reconstruction Finance Corporation operations.

On December 15, through voluntary contributions on the part of all officers and employees a fund was created through which employment for a six-month period was given to approximately fifty employees. This contribution and the resulting increased employment represents a contribution by the officers and employees of this bank to the National Share-the-Work Movement. Employment was limited to the most deserving cases and some cases of acute distress have been alleviated.

#### BANKING AND INDUSTRIAL COMMITTEE

On June 1, 1932, Governor E. R. Fancher of this bank appointed a Banking and Industrial Committee consisting of fifteen members, under the chairmanship of Mr. Lewis B. Williams of Hayden, Miller and Company. The personnel of this committee follows:

W. M. BALDWIN, President, Union Trust Company, Cleveland,  
 J. J. BERNET, President, Chesapeake and Ohio Railway Company,  
 GEORGE D. CRABBS, President, The Philip Carey Manufacturing Co.,  
 HARRIS CREECH, President, The Cleveland Trust Company,  
 H. G. DALTON, Pickands, Mather and Company,  
 T. J. DAVIS, Chairman, First National Bank, Cincinnati,  
 E. W. EDWARDS, President, Fifth-Third Union Trust Company,  
 H. S. FIRESTONE, Chairman, Firestone Tire and Rubber Company,  
 HOWARD HEINZ, President, The H. J. Heinz Company,  
 H. C. McELDOWNEY, President, Union Trust Company, Pittsburgh,  
 WM. COOPER PROCTER, Chairman, Procter and Gamble Company,  
 A. W. ROBERTSON, Chairman, Westinghouse Electric & Manufacturing Co.,  
 GEORGE M. VERTY, Chairman, The American Rolling Mill Company,  
 E. T. WEIR, Chairman, National Steel Corporation,  
 L. B. WILLIAMS, Hayden, Miller and Company.

Colonel Leonard P. Ayres contributed his services to the committee as economic advisor.

This committee was organized in an effort to encourage a wider use of credit that had been made available through open market operations of the reserve banking system, which took the form of the purchase of approximately one billion dollars in United States Government securities during the latter half of the year.

A survey was made of the credit requirements of industry in this district, which developed the fact that while banks generally were meeting the legitimate demands of business for credit for current use there was a great demand for funds for capital purposes, or for long-term loans secured by real estate mortgages.

Under prevailing conditions loans of this latter type were practically impossible to secure. Banks, in an effort to acquire or maintain a greater than usual degree of liquidity, were making, in the main, commercial loans of a type which were eligible for rediscount at Federal reserve banks. In a number of instances, this committee was successful in bringing borrower and lender together, generally in cases where usual banking accommodations were no longer available, as a result of suspensions, or where individual units had outgrown their banking facilities.

Other activities of this committee were concerned with plant rehabilitation, this work being organized under the direction of Mr. Randolph Eide, President of the Ohio Bell Telephone Company. This committee was instrumental in securing active cooperation on the part of many manufacturers in pushing to completion projects involving plant construction, additions, alterations, or the installation of equipment which otherwise might have been delayed.

Under the direction of Mr. John E. Galvin, President of the Ohio Steel Foundry Company, a vigorous campaign was waged in a Share-the-Work Movement, as a result of which many thousands of workers were added to or retained on pay rolls who otherwise would have been without regular employment.

The committee was instrumental in securing the appointment by Governor George White of Ohio of what is known as the Farm and Home Protective Committee, organized to prevent, so far as possible, unjust and uneconomic foreclosures. The committee has acted largely in an advisory capacity and in hundreds of cases has served as mediator in rearranging mortgage terms between mortgagor and mortgagee.

#### GENERAL BUSINESS CONDITIONS

In the year 1932 the general level of business activity, both in this district and the United States, touched a lower level than any before on record; production in almost every line of business was considerably smaller compared, not only with the years of prosperity, but also with the relatively poor year of 1931. Operations declined quite sharply in the first half of the year, the spring expansion in the major industries and trade not being up to seasonal proportions. A low

point for all time on record was touched in July, judging by employment, retail trade, production in various lines, etc., but in the following few months a sizeable expansion occurred, after allowing for seasonal variations. This brought business to the level prevailing in spring, though some weakness developed in the closing months of the year.

Because of the district's highly industrialized make-up and the dependence of many local plants and factories on the iron and steel and automobile industries, the general trend of employment and operations followed closely that of those industries. It was new automobile production in the closing months of the year which held up operations at plants in this district.

Industrial employment declined quite sharply, the index for Ohio averaging 17 per cent lower in the entire year than in 1931 and in December it was 63 per cent of the 1926 monthly average. This was above the low point in August, the slight recovery in the fall months being held until the end of the year. Payrolls dropped to a lower level in the year than employment because of the reduction in wage rates and in the number of hours worked, and the demands on relief organizations increased sharply as purchasing power diminished.

Cost of living, based on an index of living expenses at Cleveland, Pittsburgh and Cincinnati constructed from Bureau of Labor data, dropped about nine per cent in 1932 and at the year end was 22.5 per cent lower than in 1929 and also lower than since 1916.

As an indication of the decline in operations and trade, debits to individual accounts at banks in 24 principal cities, representing largely the volume of check payments, were 35 per cent smaller in 1932 than in 1931. The decline in prices, which at wholesale was about 11 per cent in the year, according to the Bureau of Labor index, accounted for part of the decline, and the reduction in the number of banks, the check tax, etc., which caused more people to use cash instead of checks, were other factors.

The volume of retail trade, as reflected by sales at large department stores throughout the district, was down 27 per cent in the year and amounted to only 60 per cent of the average for the three years 1923-1925. The decline in retail prices in 1932 accounted for part of the reduction, Fairchild's index of prices at department stores declining approximately 15 per cent in the year. Stocks of department stores were quite sharply reduced, the dollar value at the year end being 22.5 per cent lower than a year earlier. Collections held up fairly well and a greater proportion of sales were for cash in the year than in 1931.

In the wholesale field, the decline in sales was not quite so sharp as the reduction in retail buying, judging by reports from 70 firms in four important lines. The dollar value of sales of these reporting units was 23 per cent smaller in 1932 than in 1931. Wholesale grocery sales were down 22 per cent; drugs 15 per cent; hardware 26 per cent; and dry goods 34 per cent. Chain grocery sales, per individual unit

operated, were down only eight per cent in the year, a smaller reduction than the drop in food prices.

Construction activity touched a new low level in 1932, total contracts awarded in the year amounting to only \$127,084,000 in the entire district. This compared with an average yearly volume of \$555,030,000 in the ten years 1922-1931. The reduction, 1932 from 1931, was 54 per cent. Residential building amounted to only \$22,355,000 in the year, a decline of 66 per cent from 1931. Public works and utility building, relied upon to buoy up operations in times of depression, were off 30 and 58 per cent, respectively, from 1931.

Final estimates of 1932 production of principal crops show that the harvest of fourth district farms, compared with preceding years, was substantially below the average of the entire country in all cases except potatoes and wheat; in these two crops the reductions were moderate. Changes in 1932 production from preceding years are of only limited significance when compared with the decline in farm prices and in gross agricultural income. In Ohio, gross cash income of farmers from six principal crops was down 28 per cent from 1931 and amounted to only 46 per cent of the five-year average 1924-1928. In addition to low prices, some crops were not sold because of the oversupplied market. In the entire country gross agricultural income in 1932 was estimated to be 25 per cent smaller than in the preceding year and down 56 per cent from 1929.

A survey of the industrial situation reveals that output of pig iron in the year was the smallest since 1896 and production was off 52.5 per cent from 1931. Steel ingot production was lower than since 1900 and the entire industry operated at an average rate of 19 per cent of capacity, turning out 13,096,000 tons, a reduction of 48 per cent from 1931. Output touched an all-time low in August, but considerable improvement occurred in the two following months, and, though a falling-off developed in November and December, the year ended considerably above the low point recorded in summer, after allowing for seasonal variations. During most of the year, operations of local mills averaged somewhat higher than did those in other sections of the country. This was due to the fact that demand from the automobile industry, though limited, was relatively better than from the railroad or construction industries and to the fact that tin plate production was in fair volume. Local mills are more dependent on the automobile industry than any other.

Iron ore receipts at Lake Erie ports in the entire year were only 2,707,000 tons, about one-fifth the amount received in 1931, and less than the average amount received in a single month in recent years.

Production of automobiles in 1932 numbered 1,372,690 units, the smallest number for any year since 1918 and 43 per cent below output of 1931. This low level of operations affected production of parts and accessories, tires, glass, etc., at many factories in the district. In some cases, plants were closed entirely for part of the time, while others operated on very reduced schedules, but the year was not without some favorable developments. Stocks of new and



used cars were sharply reduced in the period and the spurt in production in the two closing months of the year in preparation for the annual shows and to provide dealers with new models was quite beneficial to plants in this district.

The tire industry was adversely affected by the decline in automobile production, automobile registrations and the fact that cars were being operated less, output being down about 17 per cent in 1932 compared with 1931. Crude rubber consumption in the year was off 11 per cent and for the first time since the war more rubber was consumed by factories in foreign countries than by domestic ones. Price changes in both raw and finished products were disturbing elements. This caused tire production to fluctuate markedly in some months of the year.

Coal production at local mines was 24 per cent less in 1932 than in 1931, but considerable improvement occurred in the last half of the year, output increasing until it exceeded the corresponding period of the preceding year in December. Production costs and prices declined in the year, the latter being lower than since 1922. Shipments of coal from Lake Erie ports were off 20 per cent in 1932 from 1931.

Operations in the miscellaneous industries of the district were generally lower in 1932 than in 1931, but the extent of the decline varied widely. Shoe production was only 2.8 per cent smaller than in 1931, though activity at local plants was much below the average of preceding years. In the clothing industry production held up fairly well, but price declines reduced the dollar volume sharply. Paint factories operated at fair rate during the year, but demand was lower than in 1931 because of the reduced building and industrial activity. Most other concerns, including those engaged in the production of electrical supplies, hardware, machinery, machine tools, glass, china, pottery and paper, curtailed operations during the year, though, as the period drew to a close, most plants were running at levels considerably above the record low point touched in early summer.