

MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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No. 1

Little change in the general level of business was visible in this district from October to November, though it appeared as if the upward movement recorded in the early fall months had about terminated. Preliminary data for the first three weeks of December show that a slightly more-than-seasonal contraction was felt in that period by some of the more important lines of trade and industry, though several unusual factors were present which might account for the declines. Unfavorable weather no doubt retarded retail trade, building, etc.

Bank debits in this district in November expanded by considerably more than the usual seasonal amount and the reduction from last year, 26 per cent, was much smaller than the falling-off recorded in the first ten months of the year when they were down 36 per cent. Commercial failures were less numerous in November than in October and liabilities of the defaulting concerns were down sharply, both from the preceding month and November, 1931. There was an increase of one in the number of banks in December, there being three openings during the month and only two suspensions.

Production of steel ingots at plants in this district was maintained in November by orders from the automobile industry which expanded output considerably, largely through the introduction of new models. In December, a contraction in steel operations occurred, though production of fourth district factories in the third week of the month was still somewhat above the level for the entire country.

Building operations in November expanded, contrary to

the seasonal movement of past years, chiefly as a result of the awarding of government contracts. In the first half of December a sharp reduction was recorded.

Coal production of fourth district mines was greater in November than a year ago and, though output for the entire year was down sharply from 1931, considerable improvement in this industry developed in the last half of the year.

Though the general level of business in 1932, in this district as well as in the entire country, as reflected by employment, payrolls, bank credit, retail trade, and industrial production, was at the lowest point in many years, possibly lower than for any twelve-month period in the present century, as the new year begins it is quite certain that, despite the recession in late November and December, a large part of the improvement from the low point touched some time last summer has not been surrendered.

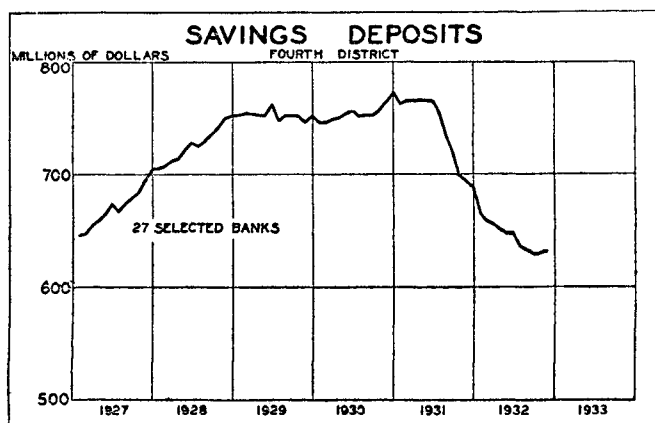
FINANCIAL

There was some improvement in the financial situation during the year 1932. This was reflected in the almost constant decline in Federal reserve note circulation during the year, after excluding seasonal movements, and by the fact that the sharp rate of decline in savings deposits at selected banks, evident in the last half of 1931 and the early months of 1932, slowed down in the summer months. Deposits actually increased in October and November as is shown on the accompanying chart. Savings deposits at these banks, which were selected so that mergers, etc., would not affect the figures, are lower than since early 1926.

Although there were 58 bank suspensions in 1932 in the fourth district, 22 member banks and 36 non-member, there were 20 banks reopened in the period. The greater proportion of the suspensions occurred in the early months of the year, there being only two in December, four in November and three in October. Reopenings numbered three in December, two in November and three in October. In 1931 there were 182 bank failures in this district and only four banks were reopened.

Reserve Bank Credit. Changes in the total volume and the various types of credit extended by the Federal Reserve Bank of Cleveland in 1932 reflected in a large part operations of the Reconstruction Finance Corporation and the policy of purchasing Government securities adopted by the System as a whole early in the year.

The total volume of credit extended as the year ended



End of month figures at 27 selected banks in Ohio and Western Pennsylvania

was only slightly in excess of the amount outstanding at the close of 1931, but bills discounted for member banks, at approximately \$28,000,000 on December 21, were down almost \$100,000,000 from the corresponding date a year earlier. As customer loans by member banks were reduced faster than deposits during the year and banks obtained loans from the Reconstruction Finance Corporation after it was organized in this district in February, the member banks were able to reduce sharply their borrowings from the reserve bank.

The decline in discounts was more than offset by the increase in the holdings of Government securities during the year when purchases of the System amounted to \$1,090,000,000 from March to August. The Federal Reserve Bank of Cleveland purchased \$110,000,000 of Government securities in the period. Holdings of these securities as the year ended, at \$178,282,000, were the highest on record, and were more than double the previous high point in 1922.

Member bank reserve deposits on December 21 were \$139,177,000, practically the same as a month earlier, but down about \$6,000,000 from the corresponding date last year. This reflected the drop in deposits at member banks, though excess reserves in the closing months of 1932 were somewhat larger than a year ago.

Circulation of Federal reserve notes on the latest date was \$41,000,000 lower than a year earlier and the seasonal expansion prior to Christmas was less marked than in other years.

Member Bank Credit. A moderation in the rate of decline in deposits at reporting member banks in leading cities, evident in the last half of 1931, occurred in the first quarter of the past year, and though a slight downward movement was discernible in the last three quarters of the year, the recession was interrupted by an increase in August and September.

The total volume of loans and investments of these banks also was reduced at a moderate rate during most of the year, but the rate of decline was not so pronounced as the downward movement in deposits because the increase in investments (entirely in Government securities) which amounted to almost \$100,000,000, or 25 per cent from January to December, offset almost half the decline in total loans. As shown on the accompanying chart, however, the contraction in deposits from the

peaks in 1930 and 1931 has been sharper than in credit extended by the reporting banks.

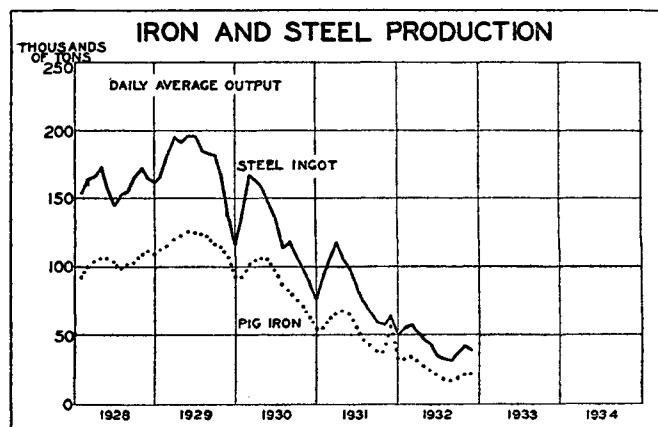
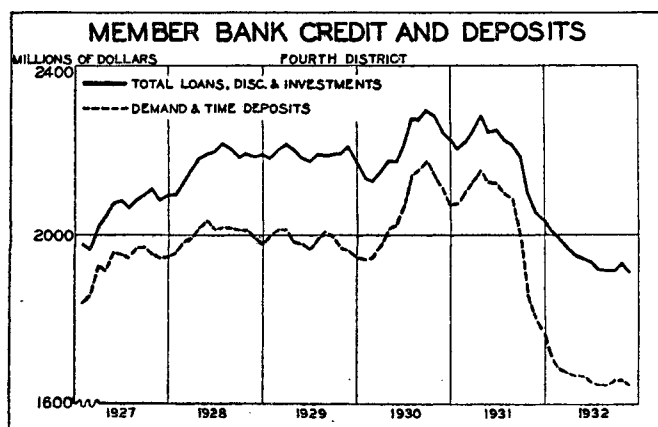
Loans to customers were reduced about 16 per cent in the past year, the decline being equally divided between loans on securities and "all other" or so-called commercial loans. Total investments were increased 6.4 per cent, but investments in "other" securities declined, for holdings of Government securities were 16 per cent higher in the third week of December than a year earlier. In the closing weeks of the year reporting member bank holdings of Government securities were at the highest level ever reported and amounted to over 25 per cent of the total volume of credit extended.

MANUFACTURING, MINING

Iron and Steel

The past year in the iron and steel industry was one in which the downward movement of 1930 and 1931 was continued and intensified. So far as consumption, prices, profits, and employment were concerned, the industry sank to new low levels for what might be called modern times. All major consumers of steel took materially less tonnage in 1932 than in preceding years. No large pipe lines were laid; most shipyard ways were empty; manufacture of farm equipment, freight cars and steel rails was negligible; structural awards in 1932 were about half as large as in the preceding year; and automobile production was only about 58 per cent of 1931 and 40 per cent of 1930. The net result is that output of pig iron (with December partly estimated) was 8,710,000 gross tons in 1932, less than half the 18,263,011 tons produced in 1931, and only slightly more than one-fourth the 31,441,488 tons of 1930. Since 1896 yearly production has not been so small. Steel produced in the year totaled 13,109,000 tons, lower than since 1900, little more than one-half the output of 1931, and less than one-third the 40,084,631 tons of 1930.

Steel ingot production in the entire country in 1932 averaged about 19 per cent of estimated capacity. This rate was bettered by producers in this district because of the large proportion of tin plate and automobile materials which is made by local mills. Pittsburgh operations were depressed by lack of structural and rail buying, but Cleveland mills produced at an average rate of 28 per cent during the entire year. Mills in the southern part of the district also were operating at better



levels, tin plate production being at about 40 per cent of capacity as the year closed. Operations in the Mahoning Valley were about the same as the average for the entire country.

The decline, however, was quite general throughout the industry. Great Lake shipments of iron ore, at 3,567,985 tons, were the lowest in 46 years and only about one-sixth the 23,468,000 tons moved in 1931. This limited movement of ore reduced lower lake stocks to 32,100,000 tons on December 1, a drop of 8,100,000 tons in the year.

Price reductions, measured by the composite of *Steel*, were less pronounced in the year than the drop in output. At the end of the year this average was \$28.91, compared with \$30.32 at the end of 1931, a reduction of about five per cent. In the past two years iron and steel prices have dropped about 12 per cent.

Notwithstanding the very unfavorable elements, the year was not without some encouragement. The rate of decline visible in 1930 and 1931 slackened in the first half of the past year and a notable rally occurred in September, October and November. Some weakness developed in the closing weeks of the latter month and in December, as specifications for the automobile industry, which was engaged in new model production, were partly fulfilled. In the week preceding Christmas, operations were at about 13 per cent of capacity.

Coal Though total volume of bituminous coal produced by mines in this district in the first 11 months of 1932 was 26 per cent below the amount mined in the same period of 1931, marked improvement occurred in the rate of production in the last half of the year, despite the fact that normally output increases seasonally in the summer and fall months. The upward movement, shown on the accompanying chart, continued through October, but a slight reduction occurred in November, which was less than the seasonal trend of past years and output in the latest period exceeded the same month of 1931 by 1.8 per cent.

The reduction from October was partly a reflection of the closing of the lake shipping season, but this was less marked than in past years because household demand expanded somewhat and industrial takings were up slightly in November as operations of railroads and factories improved.

Retail demand in early December was slightly below

expectations in view of the extremely cold weather throughout the country, partly because of the substitutes that are being used and the fact that more than one family is living in many dwellings.

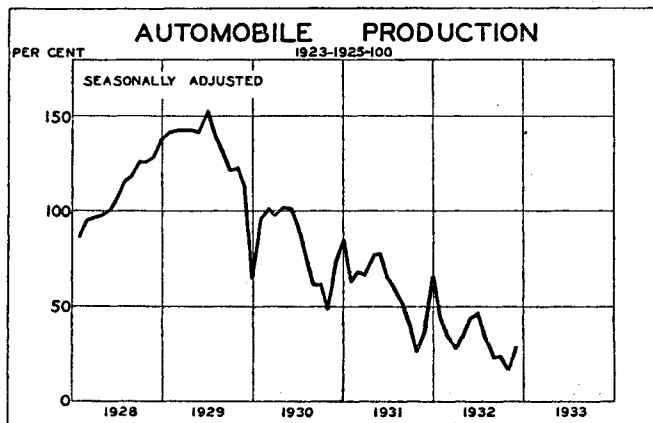
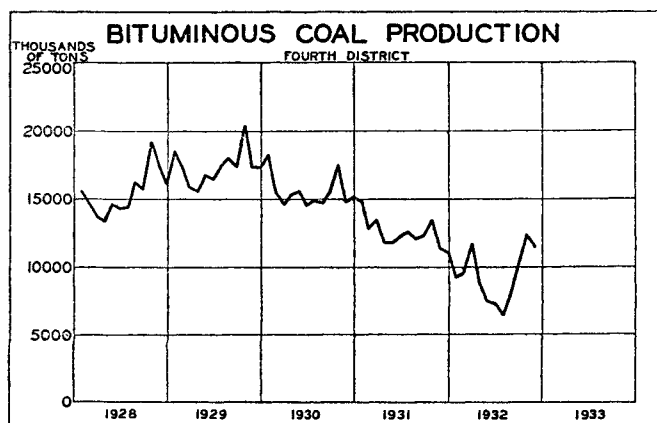
Production costs have been lowered in the past year, largely in the form of wage reductions, but prices received for coal also have declined, though the drop in the past year has been very slight. Coal prices are lower than since 1922, but the reduction from 1929 has been only about 10 per cent.

A reopening of the discussion concerning rail rates on coal moving to lake ports occurred in 1932, but as yet the Interstate Commerce Commission has not decided on the validity of the lower Ohio intrastate rates allowed early in the year.

Automobiles The motor car industry provided one of the encouraging elements in the industrial situation in November and it continued to show distinct improvement in December. This expansion, however, came after a prolonged period of stagnation when output averaged lower than since 1918. The extreme low point was touched in October when only 48,702 cars and trucks were produced, and the adjusted index of the Federal Reserve Board dropped to 16 per cent of the 1923-25 monthly average.

Although in past years the trend of production from October to November was downward, in 1932 a gradual expansion in factory operations occurred in the first part of November as one company after another started producing their 1933 models. Output for the month was about 59,500 cars and trucks, an increase from October of 22.3 per cent and only 13.5 per cent below production in November, 1931. The Board's adjusted index rose 31 in the month, the highest since July.

Preliminary reports for the first three weeks of December indicated a very sharp rise in production and the *Annalist's* adjusted index, which on December 17 was 72, was the highest for any time since May, 1931, and more than twice as high as it was a year ago. *Cram's* reports show that 32,976 cars and trucks were produced in the third week, compared with 13,629 units in the same period of 1931. Indications point to an output of about 100,000 cars and trucks in December, a considerable increase from November, but still under the 121,541 cars manufactured in December, 1931.



With December partly estimated, output for the entire year should be close to 1,400,000 units, the lowest for any period since 1915, excluding 1918 when manufacture of war supplies engaged a considerable part of the industry's production capacity. Compared with 1931, the past year's production was down approximately 42 per cent and the number of cars made was only slightly more than one-fourth the number produced in the peak year of 1929.

The increased activity in November and December was almost entirely in preparation for 1933 sales campaigns, cars being manufactured for dealers' stocks and in anticipation of the annual shows in January. Retail sales continue in limited volume, and in November they touched a new low record on the basis of reports from 30 states. The decline from October was 30 per cent compared with a seasonal drop in past years of 24 per cent. The industry, however, is in quite a favorable position so far as stocks of both new and used cars in hands of distributors are concerned. During the year both have been markedly reduced and a potential demand for replacement cars has gradually been built up, for it is estimated by *Standard Statistics* that close to 2,000,000 fewer cars are now registered than a year ago.

The greater-than-seasonal increase in November and December production was responsible for the advance in operations at steel, parts and accessory, tire and glass factories in this district and for the fact that local steel companies were operating at higher-than-average levels in the third week of December.

Tires Rubber

According to reports, November replacement tire sales were considerably below a year ago, but the reduction in original equipment sales was somewhat smaller because the automobile industry began producing 1933 models in that month and continued to expand in December.

Rubber consumption in November, at 21,910 tons, was about 900 tons greater than in October, but still about 500 tons below a year ago. Imports of crude rubber in November were 27,080 long tons, a decrease of 24 and 38 per cent, respectively, from October, 1932, and November last year, but they exceeded consumption. Crude rubber stocks on the latest date were about 30 per cent above a year ago.

The report from the *Rubber Manufacturers' Association*, which covers about 80 per cent of the industry, shows that tire production in the first ten months of 1932 was 18 per cent below the same period of 1931. The accompanying chart shows the Board's seasonally adjusted index of tire and tube production in the United States.

The tire industry began to feel seriously the effects of the depression this year when gasoline production turned downward and registrations of automobiles showed a declining tendency. Normally, at this season, tire manufacturers are expanding operations as a result of orders placed in the fall months, but this year the dealer who ordinarily placed a fair-sized spring-dated order is buying on a strictly hand-to-mouth basis, a thing which no doubt will affect the monthly volume for some time to come. Dealers' inventories are being held at low levels now, in keeping

with sales, after having increased in June and September when price changes were announced.

The price situation is still unfavorable and disturbing. The price of crude rubber has declined from more than a dollar a pound in 1926 to little more than three cents a pound at the end of 1932, the drop in the past year being over 25 per cent. Cotton prices also declined sharply in 1932. This has caused manufacturers to lose on their inventories and dealers to lose on stocks as their merchandise declined in value.

In other branches of the rubber industry, the boot and shoe producers enjoyed quite a successful year, the first in four, but foreign competition has been a disturbing factor in this line. The mechanical goods division held up fairly well in the past year, but the reduction in rubber consumed by manufacturers of these articles in the first nine months of 1932 from the same period of 1931 was only slightly less than the 11 per cent decline in consumption by the tire industry.

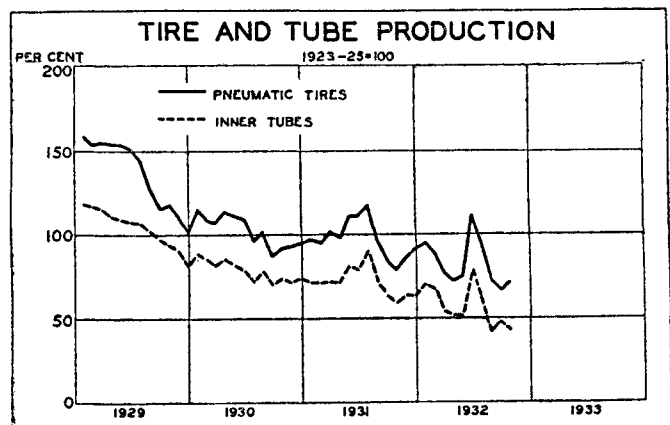
Clothing

Consumption of all types of raw materials used in the production of clothing improved markedly in the second and third quarters, but slackened somewhat in the closing months of the past year as retail and wholesale sales declined. Output of woolen and cotton cloth in November was above the same period of 1931 by a good margin. One large woolen company in this district states that production in December was more than twice what it was a year ago, but material prices have not improved.

The spurt in clothing sales in September and October experienced by most manufacturers slackened in November, though a fairly satisfactory volume of orders for spring goods was indicated in some instances. On the whole, conditions in the industry were better as the year closed than they were in midsummer, but there has been some recession in the past two months.

Retail prices of clothing declined about 15 per cent in 1932, and are down over 25 per cent from two years ago.

Manufacturers of knit wear generally had a fairly satisfactory year due to the popularity of knitted outer wear, particularly for women. Operations as the year closed were down seasonally, but arrangements for the production of spring goods were being made.



Other Manufacturing Operations in the miscellaneous industries of the district were slightly lower in the first part of December than in November and were down sharply from a year ago in most cases. In November, activity increased in those lines allied in some way with the automobile industry which in that month and December was engaged in new model production. The falling-off in the closing month of the year was largely seasonal, and the fact that business in general was at extremely low levels during the entire year had little effect on the seasonal movement of employment or production, though the share-the-work movement has cushioned the drop in the former in recent months.

Conditions in the clay products and glass industries were quite varied and irregular throughout the year. Production of tableware at the close of the year was estimated to be about 25 per cent below a year ago, but considerably above the level of late summer, as a result of the improvement in September and October. Payrolls are down, but the number of employees is only slightly under last year. The price situation is none too favorable. In the glass industry, demand from automobile plants increased in November, but household glass, window glass, etc., has been moving at a very slow rate. Moulded glass sales were down seasonally as the year closed. Brick and tile plants are producing at the lowest level, figured as a per cent of capacity, of any branch of the industry and prices on common brick, at \$9.25 a thousand, are the lowest on record.

Paint sales at the close of 1932 were running from 20 to 30 per cent below the preceding year in dollar volume, but considerable variation in the separate branches of the industry was apparent. Sales of certain industrial paints were larger in November and December than a year ago, but sales to dealers were down quite sharply. Prices in the period were down about 11 per cent.

Paper production in 1932 was about five per cent below the preceding year and boxboard production showed a greater reduction. Prices declined about ten per cent in the year and show a tendency to seek lower levels, though there is a better feeling in the trade at present than a year ago.

Production of footwear in the fourth district and the United States declined from October to November, the reduction being slightly more than the average falling-off

in the past nine years. At 29 establishments in this district, most of which are in the vicinity of Cincinnati, November production was 6.2 per cent greater than in the same month of 1931, and output in the 11-month period was only 2.3 per cent below the corresponding interval of the preceding year. Irregularities were apparent during the year in the various branches of the trade, output of lower-priced footwear being at a higher rate than that of medium or high-priced shoes.

In the miscellaneous metal trades' industries of the district an increase in employment occurred generally in November as production of materials required by the automobile industry expanded. Some weakness was visible in the first three weeks of December pending the introduction of the new automobiles. Rehabilitation projects are helping the machine tool industry slightly. Employment generally has declined about 25 per cent in the past year and over 50 per cent in the past three years. Payrolls have been reduced by a greater amount due to part-time employment. In the electrical lines, sales declined sharply in 1932. Prices in general have been reduced, but the declines have been more moderate than in some other lines.

TRADE

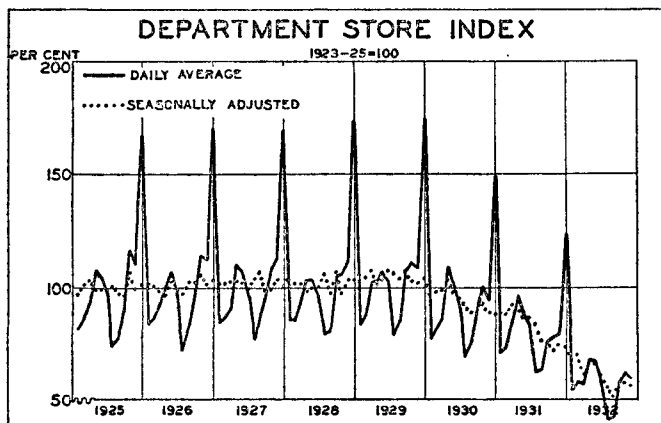
Retail

Though there usually is a slight reduction in department store sales from October to November, the falling-off in the latest month was somewhat greater than seasonal, and the adjusted index of daily average sales was 56.2 per cent of the 1923-25 monthly average, compared with 57.6 in October. As shown on the chart, however, it was still above the low point touched in August. Compared with a year ago, November dollar sales were down 22 per cent and the contraction continued in December, judging from preliminary reports. In the first three weeks of Christmas buying, sales were about 30 per cent below the same period of 1931, whereas the decline in dollar sales in the first eleven months was 26.5 per cent. Store executives report that the number of sales have held up fairly well, but that people are buying in lower price classes than in former years and the general reduction in prices in the past year, which, according to *Fairchild's* index, was approximately 15 per cent, is the cause of a large part of the discrepancy in the dollar value of retail sales from 1931.

In the various cities the smallest declines, about 18 per cent, were shown at Akron, Cincinnati, Columbus and Wheeling in November; Pittsburgh experienced a greater than average reduction.

Although normally there is a slight increase in the dollar value of stocks from October to November, the expansion in the latest month was a little more than seasonal and the adjusted index rose to 57.6 per cent of the 1923-25 monthly average. The value of stocks was 23 per cent below a year ago. The ratio of November sales to average stocks was the same as in November last year.

As in earlier months this year, proportionately more sales were for cash than in 1931 and there was a reduction in installment buying. An improvement in collections was evident in November, the ratio of collections during the month to accounts receivable on October 31 being greater than in October or in November, 1931.



Sales at retail furniture stores were down 33 per cent in November from a year ago and the decline in the 11-month period was 39.2 per cent. Wearing apparel store sales were off 22.5 and 29 per cent in November and the first 11 months from similar periods of 1931.

Chain grocery and drug sales in November, per unit operated, were down 3.6 and 13 per cent from last year and the reductions in the first 11 months were 8.6 and 13.4 per cent respectively.

Wholesale Although sales of goods at wholesale in the four reporting lines declined slightly from October to November, the falling-off was less than was reported in past years at this season. The dollar volume, however, was about half the average monthly sales of the three years, 1923-25. In the individual lines, sales of dry goods and hardware were most depressed in November and the 11-month period, compared with a year ago, as well as compared with the 1923-25 base period. Grocery sales were 16 per cent smaller in November and off 22 per cent in the 11 months from similar periods of 1931. The best relative showing in the wholesale field in November, as well as in the entire year, was shown by drug concerns whose sales were down 10 per cent in the month and 16 per cent in the eleven months from corresponding periods of the preceding year.

BUILDING

Building activity in this district in November was up 40 per cent from October and the value of contracts awarded was down only 4.8 per cent from a year ago. The increase from the preceding month was contrary to the seasonal movement of past years, the average October-November change in the preceding ten years being a reduction of 15 per cent.

The volume of awards was buoyed up in the latest month by governmental expenditures for public works and buildings, contracts for which exceeded those of both the preceding month and a year ago. Post offices, bridges, highways and water front developments all contributed to the increase.

Residential building contracts were valued slightly higher in November than in October, but were still 40 per cent below the same month last year. Commercial build-

ing contracts also were up in November from the preceding month, but were slightly under 1931.

In the first half of December there was a sharp reduction from November in the volume of all classes of awards, both in the fourth district and the United States.

The construction industry as a whole, including building supply and cement production, has been very depressed for the past two years. Based on awards up to mid-December, construction activity in 1932 was 50 per cent below 1931, and 72 per cent below 1930. The high point in building activity so far as this district is concerned was reached in 1927, a slight decline occurring in the two following years, and construction in 1932 was only about one-fifth what it was in the peak year.

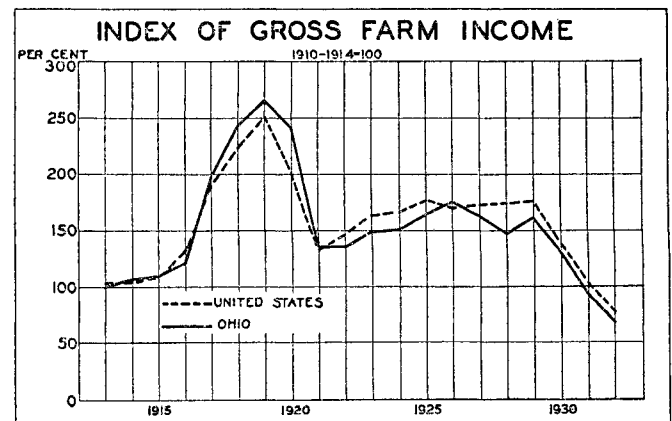
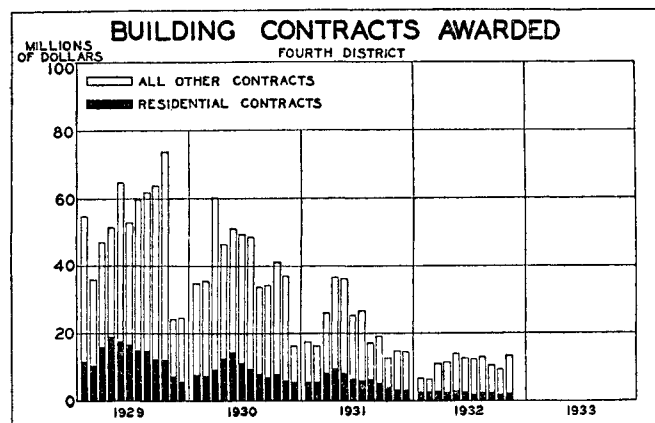
As revealed by the accompanying chart, the decline in the past three years has been more pronounced in residential building than in other kinds of construction. Residential contracts awarded in 1932 were 66 per cent below 1931, 78 per cent below 1930, and amounted to only one-tenth the dollar volume of contracts awarded in the peak year of 1927.

Although contemplated projects, according to the F. W. Dodge Corporation, are considerably less than half as large as were reported a year ago, for nearly two years the rate of residential planning has exceeded contracts awarded, indicating a growing demand for housing, which awaits more favorable conditions before contracts are released.

AGRICULTURE

Final estimates of 1932 crop production in the United States and the fourth district show that the harvest of principal crops raised in this section was substantially below the average yields of the preceding seven years in all cases except wheat and potatoes; in these two crops the reductions were moderate. In the entire country yields of principal crops were generally better, excluding tobacco and wheat, than locally and the revised estimate of yields of 34 principal crops was only 1.4 per cent below the ten-year average 1919-1928. The following table shows the 1932 harvest of principal crops, for which district figures are available, as a per cent of the average harvest of the seven years 1925-1931 for the fourth district and the United States.

	Corn	Wheat	Oats	Hay	Tobacco	Potatoes
Fourth District	91.4	99.2	69.5	65.5	91.8	97.1
United States	110.9	86.7	102.6	93.7	72.0	101.6



In view of the drastic reduction in farm prices, and consequently gross agricultural income, the changes in 1932 production from past years are of little significance. The accompanying chart shows the trend of gross farm income in the United States and Ohio (used to indicate the change in income of fourth district farms) as a per cent of the average of the five years 1910-1914. In the United States the preliminary estimate of 1932 gross income of farms was \$5,240,000,000. This was a reduction of 25 per cent from 1931 and of 56 per cent from 1929, when gross income was not high, and was only 77.5 per cent of the 1910-1914 average. In Ohio, gross income, on the basis of the first 11 months, as estimated by the Ohio Agricultural Experiment Station, was 27 per cent under 1931 and 58 per cent below 1929 and only 68 per cent of the base period.

According to the Department of Agriculture, 1932 farm production was 5.5 per cent below 1929, but farm prices dropped 54 per cent in this period and were only 54 per cent of the five-year pre-war average. Wholesale prices of commodities farmers buy were 106 per cent of this same average, so that the ratio of prices received to prices paid was only 51 per cent of the five-year average.

The reduction in prices, and consequently income, in recent years is largely attributed to national and worldwide changes in financial and economic conditions which have brought about lower price levels in general and curtailed demand for farm products in both foreign and domestic markets. In the past ten years net farm production has remained comparatively stable.

As a result of this sharp contraction in gross income, coupled with the fact that fixed expenses in the form of taxes, debt payments, etc., have declined only slightly, purchasing power of this large group of domestic buyers has been sharply curtailed in the past three years.

Fourth District Business Statistics

(000 omitted)

	Nov., 1932	% change from 1931	Jan.-Nov., 1932	% change from 1931
Fourth District Unless Otherwise Specified				
Bank Debits—24 cities.....	\$1,330,000	-26.1	17,488,000	-35.2
Savings Deposits—end of month: 27 selected banks, O. & Pa.....	\$ 630,391	- 9.1	644,048 ¹	-12.5
Postal Receipts (9 cities).....	\$ 2,326	- 4.3	(²)	....
Life Insurance Sales: Ohio and Pa.....	\$ 77,455	-14.9	875,295	-15.7
Retail Sales:				
Department Stores—54 firms.....	\$ 13,607	-22.1	148,776	-26.5
Wearing Apparel—12 firms.....	\$ 749	-22.5	8,427	-29.5
Furniture—46 firms.....	\$ 436	-33.4	4,925	-39.2
Wholesale Sales:				
Drugs—13 firms.....	\$ 1,080	-10.3	12,954	-15.7
Dry Goods—11 firms.....	\$ 912	-24.9	9,287	-35.6
Groceries—37 firms.....	\$ 3,043	-15.7	36,595	-21.7
Hardware—15 firms.....	\$ 873	-22.1	9,643	-26.0
Building Contracts—Residential.....	\$ 1,796	-40.0	21,618	-65.9
—Total.....	\$ 13,786	- 4.8	131,976	-49.5
Commercial Failures—Liabilities.....	\$ 4,909	-23.6	77,272	- 2.5
—Number.....	196 ³	+ 2.6	2,696	-27.8
Production:				
Fig Iron, U. S..... Tons	631	-42.8	8,132	-53.0
Steel Ingots, U. S..... Tons	1,015	-36.2	12,251	-48.7
Bituminous Coal..... Tons	11,536	+ 1.8	102,535	-26.1
Cement—O., W. Pa., W. Va. Bbls.	757	+ 1.6	5,961	-43.4
Elec. Power—O., Pa., Ky. k.w.h.	1,037 ⁴	-11.2	9,964 ⁴	-11.7
Petroleum—O., Pa., Ky. Bbls.	1,861 ⁵	-17.1	19,672 ⁵	+ 1.6
Shoes..... Pairs	8	+ 6.2	8	- 2.3
Tires, U. S..... Casings	2,060 ⁶	-13.8	28,737 ⁶	-17.9
Bituminous Coal Shipments:				
Lake Erie Ports..... Tons	4,127	+29.1	24,919	-20.5
Iron Ore Receipts:				
Lake Erie Ports..... Tons	299	-34.6	2,707	-81.7
¹ monthly average			⁴ Jan.-Oct.	
² actual number			⁵ confidential	
³ October			⁶ not available	

Wholesale and Retail Trade

(1932 compared with 1931)

	SALES Nov., 1932	Percentage Increase or Decrease First 11 months	STOCKS Nov., 1932
DEPARTMENT STORES (54)			
Akron.....	-18.7	-24.1	- 8.3
Cincinnati.....	-18.8	-23.8	-28.9
Cleveland.....	-21.6	-25.7	-29.9
Columbus.....	-19.9	-21.9	-17.0
Pittsburgh.....	-26.6	-29.8	-22.6
Toledo.....	-21.1	-23.0	-13.7
Wheeling.....	-18.5	-29.3	-19.0
Other Cities.....	-16.4	-27.0	-19.8
District.....	-22.1	-26.5	-22.9
WEARING APPAREL (12)			
Cincinnati.....	-14.1	-25.5	-30.6
Other Cities.....	-27.4	-30.8	-31.0
District.....	-22.5	-28.9	-30.8
FURNITURE (46)			
Cincinnati.....	- 4.5	-40.8	....
Cleveland.....	-39.6	-46.5	....
Columbus.....	-28.2	-31.5	....
Dayton.....	+ 7.6	-23.1	....
Toledo.....	-39.8	-29.2	....
Other Cities.....	-53.8	-38.2	....
District.....	-33.4	-39.2	....
CHAIN STORES*			
Drugs—District (4).....	-13.1	-13.4	....
Groceries—District (5).....	- 3.6	- 8.6	....
WHOLESALE GROCERIES (37)			
Akron.....	-24.5	-25.3	....
Cleveland.....	-16.6	-22.1	....
Erie.....	- 9.4	-17.9	....
Pittsburgh.....	-12.4	-21.2	....
Toledo.....	-21.6	-21.8	....
Other Cities.....	-12.5	-21.2	....
District.....	-15.7	-21.7	-14.2
WHOLESALE DRY GOODS (11)...	-24.9	-35.6	-23.9
WHOLESALE DRUGS (13).....	-10.3	-15.7	....
WHOLESALE HARDWARE (15)...	-22.1	-26.0	....

*Per individual unit operated.

Debits to Individual Accounts

(Thousands of Dollars)

	4 weeks ending Dec. 21, 1932	% change from 1931	Year-to-Date to Dec. 21, 1932	Year-to-Date Jan. 1 to Dec. 23, 1931	% change from 1931
Akron.....	38,660	-35.5	573,131	925,920	-38.1
Butler.....	5,237	-31.8	71,990	102,948	-30.1
Canton.....	16,729	- 9.0	209,954	388,319	-45.9
Cincinnati.....	192,125	-30.4	2,818,054	3,874,222	-27.3
Cleveland.....	319,560	-31.1	4,777,925	7,515,645	-36.4
Columbus.....	80,781	-29.8	1,116,530	1,758,848	-36.5
Dayton.....	36,021	-24.3	510,408	850,499	-40.0
Erie.....	16,450	-40.0	241,086	368,813	-34.6
Franklin.....	2,129	-37.6	31,497	44,489	-29.2
Greensburg.....	4,101	-34.2	61,629	98,303	-37.3
Hamilton.....	6,039	-25.9	89,726	128,902	-30.4
Homestead.....	2,143	-20.2	26,374	45,166	-41.6
Lexington.....	16,319	-17.1	180,958	227,944	-20.6
Lima.....	6,718	-20.6	94,668	121,404	-22.0
Lorain.....	2,268	-36.0	35,068	57,155	-38.6
Middletown.....	4,892	-25.3	66,759	100,852	-33.8
Oil City.....	6,976	-31.0	103,365	144,723	-28.6
Pittsburgh.....	395,764	-40.0	5,861,415	8,861,894	-33.9
Springfield.....	9,352	-28.6	135,667	205,465	-34.0
Steubenville.....	3,837	-44.1	59,895	97,680	-38.7
Toledo.....	61,476	-20.2	873,461	1,463,511	-40.3
Warren.....	3,735	-24.9	53,289	93,526	-43.0
Wheeling.....	23,295	-29.3	309,623	430,009	-28.0
Youngstown.....	19,787	-16.6	309,448	555,547	-44.3
Zanesville.....	4,856	-27.5	66,424	101,512	-34.6
Total.....	1,279,250	-33.0	18,678,344	28,563,296	-34.6

Fourth District Business Indexes

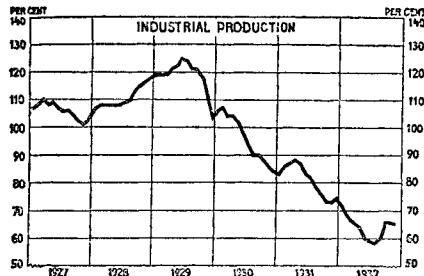
(1923-1925 = 100)

	Nov., 1932	Nov., 1931	Nov., 1930	Nov., 1929	Nov., 1928
Bank Debits (24 cities).....	49	66	96	133	122
Commercial Failures (Number).....	134	131	116	82	92
(Liabilities).....	111	146	92	78	59
Postal Receipts (9 cities).....	90	84	106	122	118
Sales—Life Insurance (Ohio & Pa.).....	93	109	109	137	122
—Department Stores (35 firms).....	60	79	95	109	112
—Wholesale Drugs (13 firms).....	71	76	92	106	109
—Dry Goods (10 firms).....	34	46	67	88	97
—Groceries (37 firms).....	52	62	79	100	98
—Hardware (14 firms).....	42	57	75	93	99
—All (74).....	50	60	78	98	100
—Chain Drugs (3 firms)**.....	67	78	84	88	83
Building Contracts (Total).....	29	30	79	50	119
(Residential).....	10	17	34	41	78
Production—Coal (O., W. Pa., E. Ky.).....	64	63	82	96	97
—Cement (O., W. Pa., W. Va.).....	63	64	90	128	132
—Elec. Power (O., Pa., Ky.)*.....	124	139	150	164	150
—Petroleum (O., Pa., Ky.)*.....	101	121	117	137	116
—Shoes.....	48	45	37	88	79

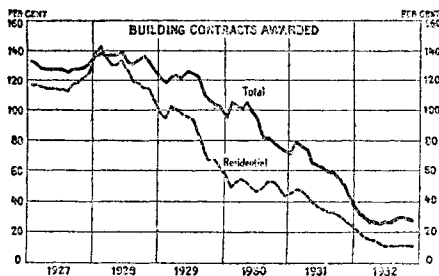
*October.
**Per individual unit operated.

Summary of National Business Conditions

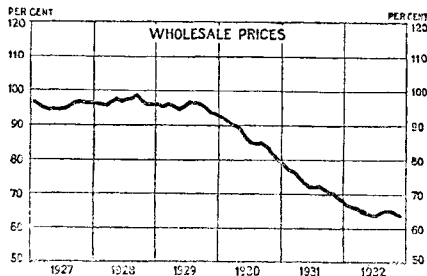
By the Federal Reserve Board



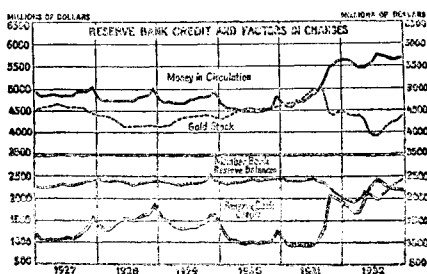
Index of industrial production, adjusted for seasonal variation, (1923-1925 average = 100) Latest figure, November, 65.



Indexes based on three-month moving averages of F. W. Dodge data for 37 eastern states, adjusted for seasonal variation, (1923-1925 average = 100) Latest figures, November, total 28; residential, 11.



Index of United States Bureau of Labor Statistics (1926 = 100) Latest figure, November, 63.9.



Monthly averages of daily figures. Latest figures are averages of first 20 days in December.

Industrial activity declined in November by somewhat more than the usual seasonal amount. Changes in factory employment and payrolls, reported for the middle of the month, were largely seasonal in character. Prices in wholesale commodity markets were somewhat lower, on the average, in November than in October, and declined further during the first three weeks of December.

Production and Employment

Volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 66 per cent of the 1923-25 average in October to 65 per cent in November, compared with a low level of 58 per cent in July. Output at woolen mills, silk mills, and shoe factories declined in November from the relatively high levels of the autumn, while cotton mills continued active. Lumber production declined by considerably more than the usual seasonal amount. Steel production decreased during November and the first three weeks of December, while automobile output increased considerably, in connection with the introduction of new models. The number employed at factories declined somewhat from October to November, reflecting in large part developments of a seasonal character. Working forces in the woolen, silk, shoe, and canning industries were reduced, while at car-building shops and at factories producing automobiles and agricultural implements there were increases in employment.

Construction contracts awarded up to December 15, as reported by the F. W. Dodge Corporation, indicate for the last three months of the year a decline from the third quarter of somewhat more than the usual seasonal amount, following a non-seasonal increase from the second to the third quarter.

Estimates of the Department of Agriculture, based on December reports, indicate a cotton crop of 12,727,000 bales, about 800,000 bales larger than the estimate a month earlier, but 4,400,000 bales smaller than last year's unusually large crop. Wheat, tobacco, flaxseed and other leading cash crops are also considerably smaller than a year ago, while feed crops are substantially larger. Acreage of winter wheat planted this fall was slightly smaller than a year ago, and condition of the crop on December 1 was unusually poor, according to the Department of Agriculture.

Distribution

Distribution of commodities by rail decreased seasonally from October to November, while the dollar volume of department store sales, which ordinarily expands at this season, showed a decline.

Wholesale Prices

During early November the general level of wholesale commodity prices advanced somewhat, reflecting chiefly increases in prices of domestic agricultural products; in the latter part of the month, however, prices of livestock, cotton and grains declined considerably; and, during the first three weeks of December, further declines in livestock prices were reported. By the third week of December prices of textiles, copper and silver, as well as of livestock, were substantially lower than in the middle of November and the general average of wholesale prices was at a level slightly below that prevailing before the advance that occurred last summer.

Bank Credit

During the four weeks ended December 14 there was an addition of \$85,000,000 to the country's stock of monetary gold. The funds derived from this source were utilized in meeting an increase in the demand for currency, which was smaller than usual at this season, in further reducing by \$23,000,000 the indebtedness of member banks to the reserve banks, and in increasing by \$25,000,000 the volume of member bank reserve balances. On December 15 there was a further increase of \$95,500,000 in the stock of monetary gold in connection with the current payment by Great Britain on the war debt. This amount of gold was earmarked in London for account of the Federal Reserve Bank of New York and an equivalent credit was given by that bank to the United States Treasury. This transaction together with other fiscal operations on December 15 resulted in a temporary addition of \$100,000,000 to the reserves of member banks, which were subsequently reduced by Christmas currency demands and an increase in Treasury deposits with the reserve banks.

Loans and investments of reporting member banks declined by more than \$100,000,000 between November 16 and December 14, reflecting reductions in the banks' holdings of United States Government securities, and in loans other than security loans. Loans on securities increased, both at New York City and at other reporting member banks.

Money rates in the open market declined further, rates on 90-day bankers' acceptances declining from $\frac{1}{2}$ of 1 per cent to $\frac{3}{8}$ of 1 per cent, and rates on prime commercial paper from a range of $1\frac{1}{2}$ - $1\frac{3}{4}$ per cent to a range of $1\frac{1}{4}$ - $1\frac{1}{2}$ per cent.