

MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

Vol. 15

Cleveland, Ohio, December 1, 1933

No. 12

A slight increase in steel operations in the fourth district, largely a result of orders for materials to be used in new automobile production, was reported in mid-November. This followed greater-than-seasonal declines in most important industries of the district in October, and there was a falling-off in retail trade, after allowing for seasonal fluctuations.

Employment showed little change between mid-September and October 15, the slight decline in the number employed being less than seasonal. The index of industrial employment for Ohio on October 15 was 28 per cent above a year ago at this time and over 35 per cent above the low level of last March. There has been some reduction recently in the number of hours worked per employee, affecting pay rolls adversely.

In October, dollar value of retail sales at department stores in the fourth district increased less than the usual seasonal amount and, though it was still about eight per cent above a year ago, the adjusted index dropped from 67.8 in September to 64.7 per cent of the 1923-1925 monthly average in October. In this connection retail prices of goods sold at department stores were 18.8 per cent higher on November 1 than a year previous, according to *Fairchild's* retail price index.

A large increase in the value of contracts awarded for public works in October, contrasted with both the preceding month and a year ago, resulted in an expansion in total building awards in that period, compared with the corresponding month of 1932, and September of this year. Contemplated construction reported in this section in October, particularly in the public works and utilities field, was up sharply from September and was nearly \$100,000,000 above the figure reported last year. Some increase in the volume of contemplated residential and non-residential building also was reported.

Steel ingot and pig iron production declined sharply in the latter half of October and showed little change in this district until the third week of November, when an increase in operations occurred. Though steel production in October was 8.6 per cent below September, output in the latest month was more than double that reported in October, 1932, and in the latter part of November the industry was still in a much better position than a year ago at this time.

Output of automobiles in October declined more than seasonally, but was still 184 per cent above a year ago.

Though a falling-off in the number of assemblies was reported for the first three weeks of November and the number of cars produced was below a year ago for the first time since March, placement of some orders for materials to be used on new models caused a slight increase in plant operations in the machinery, tool, parts, and accessory field in this district.

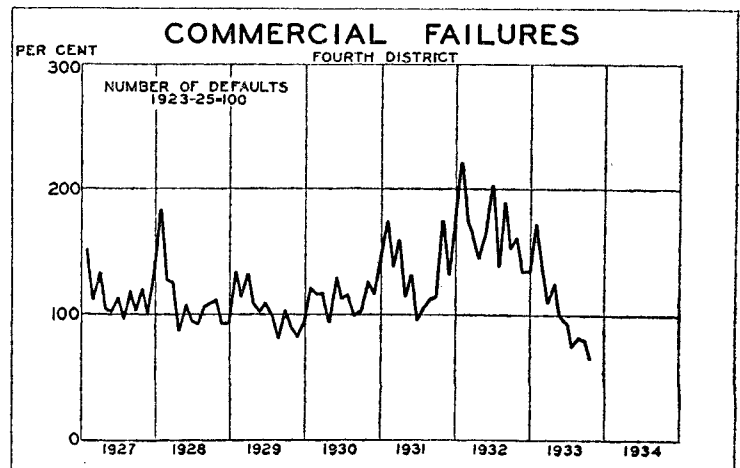
Production of tires and other rubber goods in October continued above a year ago, though operations were at a lower rate than in the preceding month.

This is the dull season of the year for the clothing industry—production of winter goods being about completed and operations on spring styles not yet having started—but, according to reports, conditions in the industry in early November were much improved from a year ago. Orders for spring goods have been received recently in a volume somewhat above last year at this time.

Coal production declined quite sharply from September to October, contrary to the seasonal trend of past years. Output was 21 per cent below a year ago, but in the first ten months an increase of 16 per cent in the tonnage of coal mined occurred. Some improvement was reported in early November. Shipments of coal from Lake Erie ports declined in October.

FINANCIAL

Little change was evident in the condition of weekly reporting member banks or the Federal Reserve Bank of Cleveland in the five weeks ended November 22. Invest-



ments in Government securities at both the reserve bank and the reporting member banks increased in the first three weeks of the period, but no change in reserve bank holdings was shown in the two latest weeks and Government securities owned by the reporting member banks declined in the two weeks ended November 22.

Savings deposits at 41 selected banks throughout the fourth district increased 0.3 per cent from September to October, but, on October 31, they were 5.5 per cent below a year ago at that time. The expansion in savings deposits from the preceding month was more pronounced in Western Pennsylvania than in Ohio.

Life insurance sales in Ohio and Pennsylvania in October were 3.6 per cent above the corresponding month of 1932. This was the first gain reported for many months and sales in the first ten months of this year were more than ten per cent below the corresponding period of 1932.

As shown on the accompanying chart, there has been almost an uninterrupted decline in the number of commercial failures so far this year, and in October defaults reported in this district were 60 per cent below October, 1932. In the latest month the number of failures was considerably below the average of preceding years and for 1933 to date there were 40 per cent fewer failures than in the similar period of the preceding year. Liabilities of defaulting concerns were down sharply, both in October and the ten-month period; the reduction in the former interval from last year was 60 per cent, and in the latter, 37 per cent.

Bank debits to individual accounts in 25 major cities of the fourth district in the five weeks ended November 22 were 8.8 per cent above the corresponding period of 1932. So far this year debits, representing chiefly business transactions for which checks are used in settlement, were down approximately ten per cent in dollar volume. Part of this reduction was due to a decline in the number of banks in operation.

Reserve Bank Credit In the five weeks ended November 22 there was an increase in gold reserves at the Federal Reserve Bank of Cleveland of about \$12,000,000, largely seasonal through transfer of funds from other Federal reserve districts. Borrowings of all member banks were practically unchanged in

the period and on the latest date amounted to \$9,197,000, compared with \$27,231,000 a year ago and \$119,000,000, the high point so far this year which occurred in March. Acceptance holdings increased slightly in the two latest weeks, but they remained in very limited volume. Government securities, totaling \$4,382,000, were added to the bank's holdings of such securities in the three weeks ended November 8, through participation in the System's open-market operations. In the two latest weeks no change in Government securities owned occurred.

The volume of Federal reserve notes and bank notes in circulation in the five latest weeks was reduced about \$2,500,000, but, compared with a year ago, a gain in note circulation of \$26,000,000 was apparent. Member bank reserve deposits showed rather wide fluctuations in the period, but on the latest date were \$12,600,000 higher than on October 18 and were up about \$21,000,000 from last year at this time.

The accompanying chart, showing daily average member bank reserves at reserve city and country banks of the fourth district, indicates how reserves of licensed country banks have been built up from a small deficit in May to an excess of over \$12,000,000 in October. Excess reserves of reserve city banks were down somewhat from the peak in July, but in October reserves averaged \$13,500,000 above legal requirements. This compared with an excess of slightly over \$3,000,000 in April. A comparison of member bank reserve deposits in the first three weeks of November with changes in demand and time deposits at weekly reporting member banks would seem to indicate that a further increase in excess reserves occurred in the first three weeks of that month.

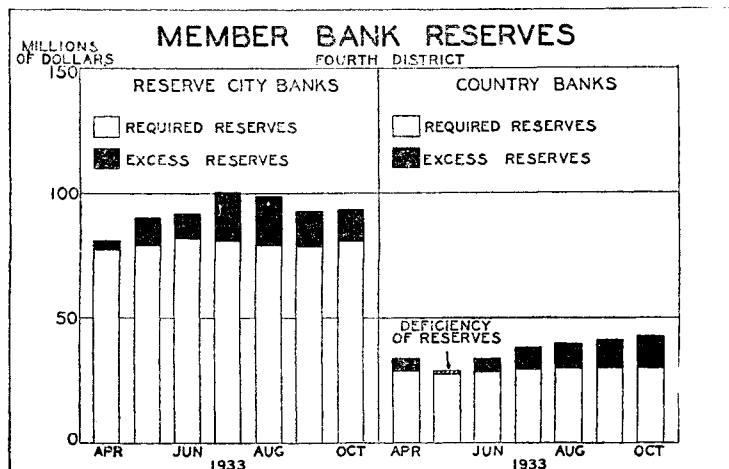
Member Bank Credit Loans on securities and "all other" loans at reporting member banks in leading cities of the fourth district continued to contract in the five weeks ended November 22, and total loans on the latest date were 9.7 per cent below the level on March 1, at which time the reporting member bank series was revised. Investments in other than Government securities were unchanged in the five latest weeks and, while holdings of Government securities were up \$10,000,000 in the five weeks ended November 22, they were off about that much from the peak of \$468,000,000 on November 8.

Demand deposits at these banks dropped \$10,000,000 between October 18 and November 8, but a slight increase occurred in the two following weeks. Time deposits were practically unchanged in the period, although they were slightly below the peak touched in September. Total deposits, as a result of increased Government deposits at member banks, were up slightly in the latest month.

MANUFACTURING, MINING

Iron and Steel The steel industry is approaching the year-end in better position than in 1932. Having stabilized its prices, it finds demand holding up better than last year at this time and the market seems to be showing considerable resistance to seasonal influences.

Steelworks of the country were operating at an aver-



age of 19 per cent of capacity in the third week of November, 1932, and by the close of the year the rate was down to 12 per cent. In the first week of November this year the rate was 25 per cent; in the second week, 24 per cent; and in the third week an advance to about 27 per cent was reported.

In the Cleveland-Lorain district, operations for the week ended November 25 stood at 48 per cent, up 22 points in the two latest weeks; in the Youngstown district, 32 per cent; and in the Pittsburgh district, 22 per cent. Compared with the third week of October, the Cleveland-Lorain rate was up 15 points, the Youngstown district down 19 points, and the Pittsburgh district off 13 points.

Automobile builders were beginning to order material for new models and indicated to steel suppliers that they have larger production programs in view for the first quarter of next year than developed in 1933. Railroads were authorizing rail purchases under the Government's purchase plan, and the opinion was expressed that most of the 844,000 tons of rails should be allocated to the mills by the close of November. While a sizable portion of the rails will not be needed for some time, it was expected some tonnage would be forthcoming for winter fabrication.

Demand for automotive material appeared to be the most promising, and was a greater factor than any other in sustaining steelworks' operations in the Cleveland-Lorain district in November.

Public construction programs requiring steel were maturing a little more rapidly in November than in earlier months. It was pointed out by some producers that many of the jobs now being awarded will not require delivery of steel until early in the spring and an effort was being made to expedite the ordering and fabricating of steel during the winter months.

In raw materials, pig iron shipments in November were exceeding those of October, due to the desire of melters to take most of the iron they had ordered for fourth quarter delivery. Scrap prices were weak. Iron and steel producers were to announce prices on some materials for first quarter shipment to become effective December 1. Pig iron prices were increased \$1 per ton, but opinion was that with few exceptions third quarter prices would be reaffirmed.

Production of coke pig iron in the United States suffered another recession in October, bringing the daily rate down to the lowest since June. At the same time the number of blast furnaces in operation dropped from 89 on September 30, to 80 on October 31, the smallest number making iron since last May, when 61 were active.

Average daily pig iron production for October was 43,669 gross tons, 13.1 per cent less than in September. Total production for the month was 1,354,696 gross tons, 10.2 per cent below September. Compared with last year, a gain of 108 per cent was shown.

October was the third consecutive month of declining steel ingot production, the daily average—81,225 gross tons—being 8.6 per cent below September, and the lowest since May. Total output for the month was 2,111,842 tons; and for the ten months this year, 19,516,437 tons, 71 per cent more than in the corresponding period last year.

Coal

The decline in industrial activity, particularly in iron and steel production, the falling off of coal shipments from Lake Erie ports, and the rapid accumulation of stocks of coal above ground prior to October 2, when prices were increased, caused a sharp falling-off in production of bituminous coal in October in the fourth district.

Compared with September, coal production was down 7.6 per cent, and amounted to 9,834,000 tons. This decline was contrary to the seasonal trend of past years, the average September-to-October change in the ten years, 1923-1932, being an increase of 11.8 per cent. Compared with October a year ago, coal production was down 20.6 per cent, but the amount of coal produced so far this year in the fourth district is still 16 per cent above the corresponding period of 1932.

Stocks of coal above ground in the entire country on October 1 were estimated at 34,133,000 tons. This was an increase of 24 per cent from the corresponding date of 1932, and, according to the Department of Commerce, "A large part of the increase must be ascribed to purchases in anticipation of the higher price level that was expected to follow the adoption of the code for the coal industry."

Despite the sharp increase in stocks, the amount above ground was not excessive for this season of the year and, with the exception of 1932, it was less than at the corresponding season of any year since 1922. Based on current consumption, stocks represented 40 days' supply, compared with 38 days' supply on hand a year ago.

The reduction in coal shipments from Lake Erie ports in October was partly seasonal, but the 3,780,000 tons shipped was 14 per cent below the amount loaded in October, 1932. For the current season 35 per cent more coal was shipped to upper Lake ports than in the 1932 period.

Automobiles

Production of automobiles in October declined quite sharply from preceding months, the 29 per cent reduction from September being somewhat more than seasonal. The Federal Reserve Board's seasonally adjusted index was down to 38 per cent of the 1923-1925 monthly average, compared with 56 in September. In contrast with a year ago, when the adjusted index was 16 and the industry closer to an absolute shut-down than in any recent year, production in the latest month was up 184 per cent.

Output of passenger cars in October numbered 108,073 units, compared with 35,107 last year, a gain of 208 per cent. In the first ten months, passenger car production exceeded 1,500,000 units, a gain of over 50 per cent from the corresponding period of 1932. Truck production in October was 30,402 units, an increase of 124 per cent from last year and in the first ten months of 1932, 302,868 trucks were manufactured, an increase of 49 per cent from the corresponding period of the preceding year.

The downward movement evident in October production was continued in the first two weeks of November, according to weekly reports, and in the two latest weekly periods output was under the corresponding periods of

1932. This condition has not previously been reported since March.

The contraction in operations in October and the first three weeks of November was due principally to plant changes necessary for new-model production. In some cases the shut-downs were more prolonged than usual because of labor difficulties encountered in retooling operations, but by the latter part of November this situation had improved substantially, and orders for materials to be used on new models were causing an increase in operations at some fourth district steel and parts and accessory companies.

Retail sales of passenger cars declined in October and early November, according to reports, but the comparison with last year was much more favorable than was evident in the production figures. In Ohio and Western Pennsylvania new passenger car sales in October numbered 10,430 units; this compared with 12,580 in September and 4,227 units in October, 1932.

Tires, Rubber

Although there was a slight decline in output of tires and in operations at rubber factories in the fourth district in October compared with September, the drop in most cases was less than seasonal and operations continued somewhat above the level reported a year ago at this time.

The number employed at 19 factories located in this district was down about one per cent in October compared with September, but this drop compared with a five-year average September-to-October decline of 2.4 per cent. On the latest date for which figures are available—mid-October—there were approximately 40 per cent more employees at rubber plants than a year ago, and in the ten-month period employment has averaged almost ten per cent better than in the same period of 1932, according to the Ohio State University Bureau of Business Research. In the latest month the curtailment in production was accompanied by a decline in the number of hours worked.

Replacement tire sales, according to reports, held up very well in October and early November, but the drop in automobile production affected new car equipment sales.

Crude rubber consumption by the rubber industry in October was 31,906 long tons. This represented a decline of 10.6 per cent from September, but a gain of 43.2 per cent over last year. In the first ten months of this year 347,439 tons of rubber were consumed in the United States, compared with 290,754 tons in the same period of 1932. Although crude rubber consumption in October was somewhat below imports (which amounted to 43,016 tons in the period, compared with 35,473 last year), for the year to date consumption has exceeded imports by over 20,000 tons.

The increase in tire production and rubber consumption so far this year was a result of a much greater demand for tires and rubber goods, for dealers' tire stocks on October 1, according to the Department of Commerce, were down about 14 per cent from a year ago. The average number of tires per dealer was 61.3 on the latest date, compared with 71.3 on October 1, 1932. Dealers in states of the fourth district had fewer tires on hand than the average of the entire country, but proximity to

the source of supply may account partly for the smaller stocks.

Total tire stocks on October 1, including those held by mass distributors and manufacturers, were about 500,000 units above a year ago. The total was 12,802,000 tires, almost half of which was held by manufacturers, compared with 4,877,000 tires in producers' stocks a year ago.

The latest figures available from the *Rubber Manufacturers' Association*, which represent 80 per cent of the industry, indicate that tire production in September was 3,199,000 tires, a drop of 20 per cent from August, but a gain of 57 per cent from a year ago. Shipments were almost 400,000 units under output in the period, but they were still 13.7 per cent above last year at this season.

Clothing

Operations at clothing and textile plants in October in the fourth district were at a slightly higher level than in September, according to reports. Manufacturers of men's clothing seem to be working at better rates than are producers of women's ready-to-wear. Work on the winter wear has been practically completed and orders for spring goods have been received in recent weeks in a volume somewhat above a year ago. It is expected that the shut-down between the winter and spring season will be short.

Employment at 38 clothing and textile plants in the fourth district was up 3.2 per cent from September, and on October 15, the latest date for which data are available, was 18 per cent above a year ago. The improvement from September was somewhat larger than the five-year average increase of 1.5 per cent. Employment in October was four per cent above the monthly average of 1926 and at shops making men's clothing the gain from that average was about 17 per cent.

Retail prices of both men's and women's apparel showed a further increase in October; compared with last year at this time the advance in prices of women's clothing was about 20 per cent. Men's clothing prices have shown a somewhat smaller increase. Prices on women's apparel for spring delivery are approximately 30 per cent above the low prices prevailing in the spring of 1933. Increases in raw material costs account for much of the advance.

Other Manufacturing

No pronounced movement, either up or down, was evident in the smaller manufacturing industries of the fourth district in October or early November. Employment at 815 manufacturing establishments reporting to the Ohio State University Bureau of Business Research showed a less-than-seasonal decline of 0.3 per cent from September to October; in five of the past seven years a greater decline was registered in this period. Compared with a year ago, the working forces at these factories were up 28 per cent and the gain from the March low point was 38 per cent. The number of workers in the machinery, textile, lumber products and paper industries increased from mid-September to October 15, while other industries reported declines. The reduction in the average number of hours worked per week continued in October and the first part of November.

Automobile Parts and Accessories. Production of automobile parts and accessories in October was at a lower rate than in September, the falling-off being chiefly seasonal. Employment at 38 concerns in this section declined 3.6 per cent from September 15 to mid-October. This falling-off was less than the five-year average September-to-October decline of 4.2 per cent and on the latest date the number of workers at these factories was up 58 per cent from a year ago. A further falling-off was reported in early November, but in the latter part of the month some orders for materials to be used on new models were received, which caused operations to expand.

Brick and Tile. Production of brick and tile at plants in this district continued at very low levels, output in October being less than in September, and operations were approximately 20 per cent of capacity. Employment at 27 concerns was only 24 per cent of the 1926 monthly average and was 31 per cent below a year ago at this time.

China, Pottery. The dinnerware division of the ceramic industry increased operations in October and the first part of November and many plants were working at capacity levels. Employment was up 2.7 per cent from September and 50 per cent higher than a year ago. A favorable volume of new orders has been received in recent weeks, but, according to reports, they were placed in anticipation of price increases.

Electrical Supplies. A slight increase in number of orders received for electrical apparatus and supplies was reported in October and employment and pay rolls show a corresponding advance. Compared with a year ago the index of employment in October at 27 concerns was up 56 per cent and was 30 per cent above the 1926 monthly average base period.

Glass. The drop in automobile production affected demand for plate glass in October. Sales of window glass held up quite well in that month, but in the first part of November there was a distinct falling-off in orders, and output in that period was somewhat in excess of current sales. Production of glass containers continues to exceed a year ago, but this is the dull season of the year and there has been quite a sharp decline in orders from preceding months. Employment at all types of glass factories in mid-October was 78 per cent above a year ago and 39 per cent better than the monthly average of 1926.

Machinery, Tools. There was considerable demand for machine tools at fourth district factories in October, particularly from the automobile industry, and employment was up 12 per cent from September, whereas in most past years there was a slight decline in this period. Some falling-off in both demand and production was evident in the first part of November.

Paint. Seasonal dullness was reported by paint manufacturers in November, but October sales showed about the same increase from a year ago as was reported in September. Orders for paint used industrially were holding up quite well in November, according to reports.

Paper. Little change in the paper and boxboard industry was reported in October and early November from a month ago. Employment in mid-October at 12 concerns was up 22 per cent from last year and was somewhat

above the monthly average of 1926. Prices have remained fairly steady even though orders have declined recently.

Shoes. Shoe production in October at 31 establishments in the fourth district was 23 per cent above a year ago, but a slight reduction from September was reported. In the first ten months of this year output was 26 per cent greater than in the same period of 1932.

TRADE

Retail

In October, as in September, the dollar value of retail sales at reporting department stores in the fourth district increased less than the usual seasonal amount. The adjusted index dropped from 67.8 to 65.7 per cent of the 1923-1925 monthly averages. Compared with a year ago, dollar sales were up about eight per cent, but this was less than the increase in retail prices in the period, judging by *Fairchild's* price index. The advance in prices in October from the preceding month was slight, but, compared with last year, retail department store prices on November 1 were up 18.8 per cent and the gain from the 1933 low was 25½ per cent. The most pronounced gains from last year occurred in wearing apparel, though prices of most important articles sold in department stores were higher than a year ago.

In the first ten months of this year dollar value of department store sales was three per cent less than in the same period of 1932. All major cities except Akron and Cleveland reported a decline in sales in the ten-month period.

Dollar value of department store stocks at selling price was 8.2 per cent higher on October 31 than a month earlier, the gain being somewhat more than seasonal. The adjusted index of stocks, at 64.6 per cent of the 1923-1925 monthly average, compared with 62.5 per cent at the end of September. On October 31 retail stocks had a 14 per cent higher value than a year ago.

The ratio of credit to total sales in October was about the same as in September, but there was a drop in installment sales and an increase in regular thirty-day credit sales. Collections, as a per cent of accounts receivable at the end of the preceding month, improved somewhat in most cities, both compared with September and last year at this time.

Sales of wearing apparel at reporting stores in October were down 0.2 per cent from a year ago, and in the first ten months a drop of 14 per cent was reported. Furniture sales at 44 reporting stores showed an increase of 23 per cent from October, 1932. This gain was somewhat less than was reported in September and sales in the first ten months were up 13 per cent from the same period last year.

Chain grocery dollar sales per individual unit operated were nine per cent larger than a year ago and the gain in the first ten months was 1.8 per cent. Chain drug sales were practically unchanged from last year and a decline of 11 per cent was shown in the ten-month period.

Wholesale

All reporting wholesale lines except hardware showed larger gains from the corresponding month of 1932 in October than were reported in September. Wholesale drugs

and grocery sales were down slightly in October compared with the preceding month, but gains were reported in dry goods and hardware sales. The composite index of wholesale trade was 59 per cent of the 1923-1925 monthly average in October, compared with 60 in September and 52 in October, 1932.

BUILDING

Dollar value of building contracts awarded in the fourth district in October was up more than seasonally from September and an increase of 50.7 per cent from the corresponding month of 1932 was reported. Residential building contracts awarded in October were above both September and a year ago, the gain from October, 1932, being 20 per cent. Commercial and factory contracts awarded also were larger than at this time last year, but were down slightly from September, according to the *F. W. Dodge Corporation*.

The most pronounced increase in October, both from September and last year, was in contracts awarded for public works; many projects have been approved recently by the Public Works Administration. Awards for water front developments were larger than in any other major class, amounting to over \$5,000,000 in October in this locality. Contracts awarded for highway construction were second largest and had a value of over \$4,000,000. Total awards for public works in October in this section exceeded \$10,000,000.

In addition to an increase in actual contracts awarded in this district, contemplated projects reported in October amounted to over \$100,000,000. This compared with about \$50,000,000 in September and approximately \$15,000,000 in October, 1932.

Adoption of the lumber code in early November, which contained a clause as to minimum prices, was preceded by an increase in lumber buying. This was followed by a decline in sales and lumber production at most mills. Cement production at fourth district mills was sharply curtailed in October and was 65 per cent below a year ago. For the year to date cement production was down 2.5 per cent from the corresponding period of 1932.

AGRICULTURE

As estimates now stand the acreage of crops harvested in the entire country was about eight per cent less than in 1932 and the crop yield per acre averaged five per cent less. Despite the drop, gross farm income this year is estimated to be over six billion dollars, or 1.2 billion dollars above the low income of 1932. Several factors contributed to the rise, among them being higher prices in general, direct grants to farmers for acreage reductions and Government purchases of some of the principal farm products. Estimated gross cash income from Ohio's principal agricultural products was up slightly in October from the preceding month and, compared with last year, there was an estimated increase of 21.1 per cent. Compared with the five-year average, 1924-1928, gross cash income was down 47.2 per cent, according to the Department of Rural Economics.

In early November farm prices were 70 per cent of the five-year pre-war average, compared with 54 per cent a year ago, 49 in February, the low point this year, and 76 per cent in July, the recent high point. The gain from last year and the low point earlier this year has been substantial, but there has been a sizable decline from the higher level of July, particularly in view of the fact that prices of goods farmers buy have increased from 107 per cent of the pre-war average in July to 117 per cent in November. The ratio of prices received for goods to prices paid by farmers, dropped from 71 per cent of the pre-war average in July to 60 in November, but was still eight points above a year ago, and eleven points above the low level of early 1933.

Crop estimates for the fourth district were increased slightly in the case of potatoes, but corn and tobacco estimates were reduced moderately in the November 1 report of the Department of Agriculture. Corn produced in this section is now placed at 149,283,000 bushels, a reduction of 5.8 per cent from last year's harvest. Yield per acre, according to preliminary estimates, was 33.5 bushels in Ohio, compared with 35.5 last year and 35.6 bushels, the ten-year average. In Pennsylvania the crop, both in total and per acre yield, was above last year and the preceding five-year average and the same was true in Kentucky and West Virginia. Because of favorable weather through most of October, many late-planted fields reached maturity and husked better than expected.

Despite very unfavorable growing weather, the potato crop was better in some sections than was anticipated, though total yield is estimated to be 17.6 per cent below the 1932 harvest in this section. Considerable insect damage and rot were reported in some localities. Yield per acre in all states of the fourth district, except Pennsylvania, was below last year and the ten-year average.

Fruits are being harvested about as expected. Much of the apple crop is small, wormy, and diseased, and less than half will grade U. S. No. 1. Prices, as a result, are slightly above a year ago. Pears harvested somewhat better than expected, but part of the grape crop in the Erie belt was injured by a severe freeze. The yield was somewhat below last year.

Prospects for all types of tobacco grown in this section were slightly less favorable on November 1 than one month ago. Many crops are curing with a lighter weight than was expected at cutting time. The crop of the fourth district was estimated on November 1 at 133,563,000 pounds, a gain from last year's harvest of 121,582,000 pounds.

The burley tobacco crop, regardless of where grown, but the most important type raised in this district, is estimated to be 414,000,000 pounds. This is over 100,000,000 above annual consumption and also last year's harvest. It compared with a 1926-1930 average crop of 286,806,000 pounds. The crop has cured satisfactorily in most cases and more thin leaf of good color is reported than had been expected previously.

It was reported that the opening of the burley selling season would occur on December 11, but this date had not definitely been set by the third week of November. When this year's crop is sold, stocks of burley in storage

will be at a record high level. Old stocks have been in fairly good demand and prices, especially on low and medium grades, have increased.

Since no estimate of cigar tobacco acreage destroyed under the Agricultural Adjustment Act has been made public, as yet, figures as to the current crop are based on acreage planted and November 1 condition. Cigar leaf tobacco grown in this section would amount to 13,920,000 pounds on this basis, compared with 21,449,000 pounds raised in 1932. However, this year's figure no doubt will be lowered somewhat when the figures on acreage reduction are released.

Debits to Individual Accounts

(000 omitted)

	5 weeks ended Nov. 22, 1933	% change from 1932	Year to date		% change from 1932
			Dec. 29, 1933 to Nov. 22, 1933	Year to date Dec. 31, 1931 to Nov. 23, 1932	
Akron.....	35,100	-24.7	350,904	546,660	-35.8
Butler.....	6,717	+11.8	65,466	68,337	-4.2
Canton.....	24,270	+34.9	203,069	196,775	+3.2
Cincinnati.....	253,406	+4.7	2,429,360	2,689,799	-9.7
Cleveland.....	413,696	+3.5	3,805,676	4,575,398	-16.8
Columbus.....	106,836	+13.6	980,485	1,058,962	-7.4
Dayton.....	38,526	-6.0	405,614	484,472	-16.3
Erie.....	20,852	+1.8	177,323	229,827	-22.8
Franklin.....	2,643	+19.1	24,246	29,954	-19.1
Greensburg.....	4,406	-15.7	41,878	58,814	-28.8
Hamilton.....	7,782	-7.7	72,061	85,627	-15.8
Homestead.....	1,897	-5.5	17,625	24,753	-28.8
Lexington.....	15,009	+5.2	160,291	170,276	-5.9
Lima.....	7,723	-10.0	61,293	89,550	-31.6
Lorain.....	2,436	-14.4	24,452	33,481	-27.0
Middletown.....	6,860	+8.3	62,289	63,001	-1.1
Oil City.....	6,567	-21.6	64,873	98,113	-33.9
Pittsburgh.....	588,504	+18.5	5,467,740	5,660,868	-3.4
Springfield.....	11,961	+1.0	109,372	129,114	-15.3
Steubenville.....	5,392	+9.0	50,868	57,467	-11.5
Toledo.....	86,994	+8.6	777,671	835,903	-7.0
Warren.....	6,780	+47.4	53,886	50,421	+9.2
Wheeling.....	30,351	+13.5	285,891	293,879	-2.7
Youngstown.....	30,856	+16.8	277,670	294,182	-5.6
Zanesville.....	5,964	+9.3	56,123	63,176	-11.2
Total.....	1,721,528	+8.8	16,026,126	17,888,809	-10.4

Fourth District Business Indexes

(1923-1925 = 100)

	Oct. 1933	Oct. 1932	Oct. 1931	Oct. 1930	Oct. 1929
Bank Debits—(24 cities).....	56	56	88	116	148
Commercial Failures—(Number).....	65	160	175	127	90
—(Liabilities).....	58	145	239	79	82
Sales—Life Insurance (Ohio and Pa.).....	87	84	102	113	134
—Department Stores (47 firms).....	71	62	78	100	111
—Wholesale Drugs (12 firms).....	77	73	87	102	118
—Dry Goods (10 firms).....	46	40	59	89	114
—Groceries (33 firms).....	59	53	72	98	117
—Hardware (14 firms).....	59	52	71	95	116
—All (69).....	68	68	80	87	89
—Chain Drugs (3 firms)*.....	31	21	38	87	156
Building Contracts—(Total).....	11	9	23	46	71
—(Residential).....	54	68	74	97	112
Production—Coal (O., W. Pa., E. Ky.).....	31	88	75	138	144
—Cement (O., W. Pa., W. Va.).....	132	114	133	139	156
—Elec. Power (O., Pa., Ky.)*.....	102	108	113	112	120
—Petroleum (O., Pa., Ky.)*.....	93	76	64	74	115
—Shoes.....					

*September.
**Per individual unit operated.

Fourth District Business Statistics

(000 omitted)

	Oct. 1933	% change from 1932	Jan.-Oct. 1933	% change from 1932
Fourth District Unless Otherwise Specified.....	\$ 1,527,000	+ 1.1	14,396,000	-10.9
Bank Debits—24 cities.....	\$ 626,933	- 5.5	1	1
Savings Deposits—end of month: 41 Banks, O. & Pa.....	\$ 72,752	+ 3.6	715,705	-10.3
Life Insurance Sales: Ohio and Pa.....	\$ 15,485	+ 7.9	126,634	- 3.0
Retail Sales: Department Stores—49 firms.....	\$ 801	- 0.2	6,121	-14.1
Wearing Apparel—11 firms.....	\$ 585	+23.2	5,199	+13.1
Furniture—44 firms.....	\$ 1,162	+ 6.3	10,532	-11.3
Wholesale Sales: Drugs—13 firms.....	\$ 1,134	+13.1	9,258	+12.0
Dry Goods—10 firms.....	\$ 3,419	+11.1	32,164	- 3.4
Groceries—33 firms.....	\$ 1,151	+23.2	9,291	+ 5.9
Hardware—14 firms.....	\$ 1,870	+20.2	17,550	-11.5
Building Contracts—Residential.....	\$ 14,811	+50.7	74,550	-31.1
—Total.....	\$ 2,548	-60.1	45,365	-37.3
Commercial Failures—Liabilities.....	95 ²	-59.4	1,512 ²	-39.5
Production: Pig Iron, U. S..... Tons	1,343	+108.2	10,930	+45.7
Steel Ingots, U. S..... Tons	2,312	+112.7	19,516	+70.7
Automobiles—Pass. Cars..... U. S.	108,073 ²	+207.8	1,508,374 ²	+50.6
—Trucks..... U. S.	30,402 ²	+123.6	302,868 ²	+49.2
Bituminous Coal..... Tons	9,834	-20.6	105,839	+16.3
Cement—O., W. Pa., W. Va. Bbls.	371	-64.8	5,074	- 2.5
Elec. Power—O., Pa., Ky. k.w.h.	1,111 ³	+16.0	9,285 ⁴	+ 4.0
Petroleum—O., Pa., Ky. Bbls.	1,890 ³	- 5.3	15,883 ⁴	-10.8
Shoes..... Pairs	1 ⁵	+22.7	5	+26.4
Tires, U. S..... Casings	3,199 ³	+56.9	28,602 ⁴	+ 7.2
Bituminous Coal Shipments: Lake Erie Ports..... Tons	3,780	-13.9	28,024	+34.8
Iron Ore Receipts: Lake Erie Ports..... Tons	3,421	+457.2	15,380	+538.7

¹ not available
² actual number
³ September
⁴ first 9 months
⁵ confidential

Wholesale and Retail Trade

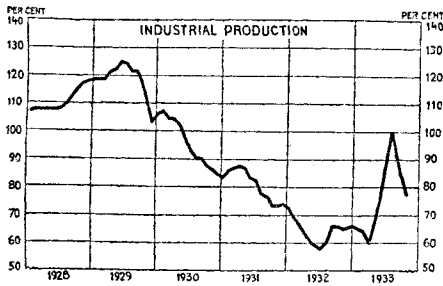
(1933 compared with 1932)

	SALES Oct., 1933	Percentage Increase or Decrease		STOCKS Oct., 1933
		SALES First ten months	SALES First ten months	
DEPARTMENT STORES (49)				
Akron.....	+24.5	+ 6.3	+17.0	
Cincinnati.....	+ 2.1	+ 5.1	+20.9	
Cleveland.....	+15.3	+ 3.9	+11.3	
Columbus.....	+ 0.7	+ 9.7	+19.0	
Pittsburgh.....	+ 6.0	- 5.0	+17.3	
Toledo.....	+ 1.9	- 5.2	- 4.4	
Wheeling.....	+ 3.9	- 3.4	+14.6	
Other Cities.....	+10.4	- 5.9	+ 0.3	
District.....	+ 7.9	- 3.0	+14.0	
WEARING APPAREL (11)				
Cincinnati.....	+ 2.0	- 7.8	+ 5.2	
Other Cities.....	- 1.2	-17.1	- 2.1	
District.....	- 0.2	-14.1	+ 0.3	
FURNITURE (44)				
Cincinnati.....	+ 6.8	+ 2.2	....
Cleveland.....	+39.4	+23.7	....
Columbus.....	+ 0.9	+ 2.3	....
Dayton.....	-22.8	- 9.1	....
Toledo.....	+26.2	+ 7.3	....
Other Cities.....	+63.2	+28.8	....
District.....	+23.2	+13.1	....
CHAIN STORES*				
Drugs—District (4).....	+ 0.1	-11.1	....
Groceries—District (5).....	+ 9.3	+ 1.8	....
WHOLESALE GROCERIES (33)				
Akron.....	+29.9	- 5.8	....
Cleveland.....	+13.9	- 1.7	....
Erie.....	- 4.2	-16.8	....
Pittsburgh.....	+22.8	+ 9.4	....
Toledo.....	-17.0	-19.6	....
Other Cities.....	+18.0	+ 1.6	....
District.....	+11.1	- 3.4	- 1.5	
WHOLESALE DRY GOODS (10).....	+13.0	+12.0	+17.3	
WHOLESALE DRUGS (13).....	+ 6.3	-11.3	....
WHOLESALE HARDWARE (14).....	+23.2	+ 5.9	....

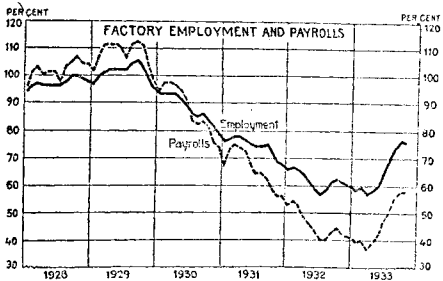
*Per individual unit operated.

Summary of National Business Conditions

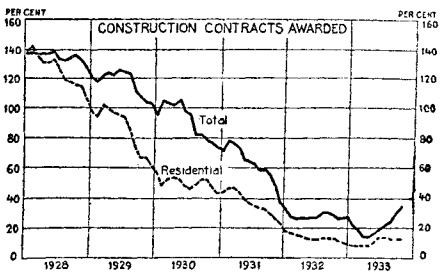
By the Federal Reserve Board



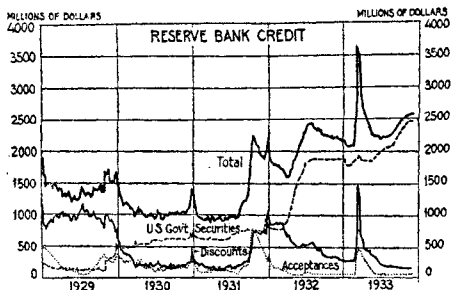
Index of industrial production, adjusted for seasonal variation (1923-1925 = 100). Latest figure, October, preliminary 77.



Indexes of factory employment and pay rolls, without adjustment for seasonal variation (1923-1925 = 100). Latest figure, October employment 75.8; pay rolls 57.4.



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, October, total 35; residential 13.



Wednesday figures. Latest are for November 22.

Volume of industrial output continued to decline in October. Factory employment and pay rolls, after increasing continuously for six months up to the middle of September, showed little change from then to the middle of October.

There was an increase in the volume of construction undertaken, reflecting the expansion of public works.

Production and Employment

Volume of output in basic industries decreased in October as compared with September, contrary to seasonal tendency, and the Board's seasonally adjusted index declined from 84 per cent of the 1923-1925 average to 77 per cent. This compared with an index of 67 in October of last year and of 60 at the low point in March of this year. At steel mills, activity declined sharply between the middle of October and the first week in November, but in the following three weeks showed little change. In the automobile industry, output has been curtailed in recent weeks in preparation for new models. For the first ten months of the year the number of cars produced was 50 per cent larger than in the corresponding months of 1932. Output at shoe factories showed a seasonal decline in October as compared with September, and there was some decrease in activity at cotton and wool textile mills, contrary to seasonal tendency. At meat packing establishments activity declined sharply from the unusually high rate prevailing in September which was due to the fact that in that month a large number of pigs purchased by the Federal Government were handled. Total number of employees at factories, excluding canning establishments, showed little change from the middle of September to the middle of October. At canning establishments there was a decline of a seasonal character, and the Board's index, which includes this industry, showed a slight decrease. Value of construction contracts awarded during October and the first half of November, as reported by the F. W. Dodge Corporation, showed a considerable advance over the preceding six-week period, reflecting a growing volume of public works.

Distribution

Shipments of commodities by rail showed a somewhat larger decline between the middle of October and the middle of November than is usual at this season. Department store sales increased in October as compared with September, by slightly less than the usual seasonal amount.

Prices

Wholesale prices, as measured by the weekly index of the Bureau of Labor Statistics, declined from 71.3 per cent of the 1926 average in the first week of October to 70.4 per cent in the third week, and then advanced to 71.7 per cent in the third week of November, a level 20 per cent above the low point of last March. Following declines early in October, prices of cotton, grains, lard, rubber, tin and silver increased considerably, while cattle prices continued to decline and prices of hogs showed little change.

Foreign Exchange

The value of the dollar in the foreign exchange market fluctuated around 67 per cent of its gold parity during the latter part of October, declined during the first part of November to 59 per cent on November 16, and on November 22 was 61 per cent.

Bank Credit

Between October 18 and November 15 there was little change in the reserves of member banks, which continued to be more than \$800,000,000 in excess of legal requirements. Purchases of United States Government securities by the reserve banks declined gradually from \$25,000,000 during the week ending October 25, to \$2,000,000 during the week ending November 15. For the four-week period as a whole the banks' holdings of United States Government securities showed an increase of \$57,000,000, while holdings of acceptances and discounts for member banks showed little change.

Total loans and investments of member banks increased by \$90,000,000 during the period, reflecting a growth of \$150,000,000 in holdings of United States Government securities, of \$25,000,000 in holdings of other securities, and of \$30,000,000 in "all other" loans, while loans on securities declined; net demand deposits declined by \$70,000,000 during the period, while Government deposits increased by \$180,000,000.

Rates on acceptances and yields on short-term United States Treasury bills and certificates rose slightly from mid-October to November 20, and yields on Government and high-grade corporate bonds advanced somewhat. Discount rates of the Federal Reserve banks of Boston, San Francisco, and Philadelphia were reduced from 3 per cent to 2½ per cent on November 2, 3, and 16, respectively.