



MONTHLY BUSINESS REVIEW

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in the

Fourth Federal Reserve District

Federal Reserve Bank of Cleveland

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The year 1933 probably can be classified as one of the most unusual on record from the standpoint of developments in fields of industry, trade and finance. Variations in the rate of industrial production, in employment, financial conditions and public sentiment were very pronounced in the period. Many new elements have entered the general picture, still, as the year closes, there is little doubt but that much progress has been made, notwithstanding the fact that many problems remain to be solved.

The downward trend in business in this section evident in October and early November continued in the closing week of the latter month, the falling-off in most lines being more than seasonal. Employment, however, held up quite well; in November, at manufacturing plants in Ohio it was down 1.6 per cent from October, in contrast with a five-year average decline of 2.7 per cent. Compared with a year ago, employment in Ohio was up 27 per cent. Civil Works Administration projects took thousands of men from relief rolls and put them to work in this district and elsewhere in early December. This was soon reflected in retail circles and the gains in sales at department stores in the first part of December from a year ago were somewhat larger, both in dollar volume and in number of sales, than in November, when dollar sales at fourth district stores were up 7.5 per cent from November, 1932; the gain from 1932 was less than the increase in prices in the period.

The sharp decline in automobile production in November, preliminary to model changeovers, adversely affected operations at many plants in this district. Compared with a year ago, however, gains were shown in most every field and though operations were down quite sharply from the high levels of the year touched in the summer months, a large part of the improvement had not been surrendered. Employment has been provided to many through a reduction in the number of hours worked and pay rolls were somewhat larger than a year ago.

Steel ingot production in November was still 59 per cent above last year and in the eleven-month period output was 80 per cent greater than in the same interval of 1932. In the first three weeks of December a distinctly contrary-to-seasonal increase in steel production developed and operations at most fourth district plants advanced quite sharply. Shipments on contracts expiring January 1, at which time prices on many steel grades advance, as well as increased

demand from the construction and other industries, were responsible for the expansion.

Coal shipments from Lake Erie ports in November were 2.6 per cent smaller than in November, 1932, but coal production was up 3.8 per cent in the same period after declining in October; for the year to date both output and shipments were up quite sharply from last year.

November tire production was down more than seasonally from October, but rubber consumption by the industry was up about 25 per cent from a year ago.

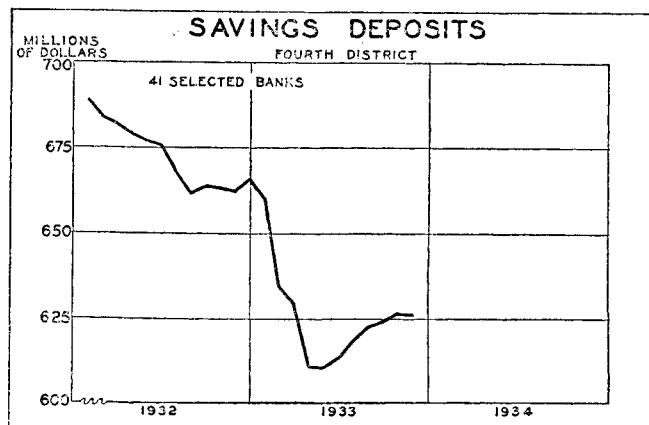
Building contracts awarded in the fourth district in November were up more than seasonally from October and exceeded November last year by 21.7 per cent. The gain was confined almost entirely to the public works field.

Agricultural conditions, so far as crops are concerned, were less favorable in this district in 1933 than in 1932, but as a result of price increases and direct grants to farmers for acreage reductions, estimated farm income for the year was considerably above the low level of 1932.

FINANCIAL

Changes in financial conditions in the fourth district in the latter part of November and the first three weeks of December were nominal. There was an increase in the volume of Federal reserve notes in circulation, entirely seasonal, and a gain in member bank reserve deposits. Excess reserves of member banks were further increased in November, and averaged nearly \$35,000,000 in the month. This compared with \$26,000,000 in October and \$3,700,000 in November, 1932.

In the year 1933 to December 28 there was a reduction



of 71 in the total number of banks in operation in the fourth district, but, of the 1,339 operating on the latest date, 177 were conducting business only on a restricted basis. There were six more Federal reserve member banks on the latest date than at the end of 1932, but 90 of the 637 were still unlicensed.

Savings deposits at selected banks, which declined sharply in 1931 and 1932 and the first part of 1933, turned upward in June and continued to show gains in all ensuing months except November, when a decline of 0.1 per cent from October was reported.

The number of commercial failures in this district and the liabilities of the defaulting concerns in 1933 were much below 1932. Prior to December 1 the number of failures was 40 per cent below the same period of the preceding year and November failures were down 58 per cent. Liabilities were off 38 and 55 per cent, respectively, in the same periods.

Debits to individual accounts at banks in 25 principal cities of the district were 4.9 per cent larger in November than a year ago; for the year to date a reduction of 9.7 per cent was recorded, but this is partly a result of a decline in the number of banks in operation in the past year.

Life insurance sales in Ohio and Pennsylvania in November were somewhat larger than in October, but were 3.4 per cent below a year ago. This reduction compared with a 9.7 per cent drop in sales in the first eleven months.

Reserve Bank Credit In the latter part of December, 1933, demand for reserve bank credit by member banks in this district was very limited. Bills discounted on December 20 totaled \$8,964,000, the lowest figure in many years. Generally there is an increase in discounts in the closing month of the year, but a slight reduction in loans to member banks occurred in the four latest weeks. The limited volume of member bank borrowings at the year end was in sharp contrast with the \$119,000,000 peak for the year in early March. Member banks were enabled to reduce their indebtedness to the reserve bank and to increase their excess reserves to record levels by the substantial return flow of currency from circulation, by a moderate transfer of balances from other parts of the country to banks in this district (following the prohibition of interest payments on demand deposits) and by refinancing of loans

and increases in bank capitalization with funds from Federal agencies.

Although the volume of Government securities held by the Federal Reserve Bank of Cleveland was little changed in November or December, an increase of about \$35,000,000 was recorded in the entire year. Acceptance holdings remained at low levels during most of 1933, though an increase occurred in December as demand for Federal reserve notes rose seasonally. Eliminating minor fluctuations, circulation of this bank's Federal reserve notes and bank notes declined over \$100,000,000 from the peak touched in March, but at \$319,000,000 on December 20 it was about \$29,000,000 above a year ago.

Gold reserves of this bank expanded sharply from the low level of March and on December 20 were \$41,000,000 larger than a year earlier.

Reserve deposits of member banks rose from a low of \$107,101,000 on March 1 to \$170,524,000 on December 20, and on the latest date were \$28,000,000 higher than a year ago.

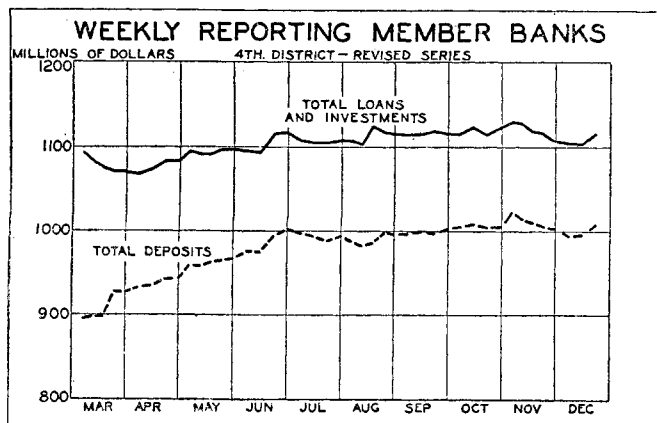
Member Bank Credit Changes in the member banks constituting the group from which weekly condition reports are received makes it impossible to compare current condition figures with those of previous years. Figures of the revised group of banks in the four weeks ended December 20 revealed a further contraction in loans, but an increase in holdings of Government securities in the latest week following a contraction in early December; both security and other loans declined in the period. Investments in other than Government securities showed practically no change in late November and the first three weeks of December. Demand deposits increased about \$12,000,000 in the four latest weeks, but the gain was only a little larger than the reduction in time deposits.

As shown on the accompanying chart total deposits of weekly reporting member banks were up about 11 per cent in late December from the low level in March; the decline in early December was largely in Government deposits. At the same time credit extended by member banks was up only slightly, the gain in investments being offset, to a large extent, by a reduction in loans.

MANUFACTURING, MINING

Iron and Steel The iron and steel industry in late November and early December experienced a contrary-to-seasonal gain in operations. Activity in the entire industry was up about 13 points from mid-November to the third week in December; fourth district steel centers showed better-than-average operating rates in the latest week. In the Cleveland-Lorain area, in the same period, operations moved up from 46 to 57 per cent; in the Youngstown district, from 31 to 39 per cent; and in the Pittsburgh territory, from 21 to 29 per cent. Other centers also showed gains.

Production generally increased as a result of larger specifications on fourth quarter contracts, which, under the steel code, were required to be completed by the close of the year. As higher prices become effective January 1 on the majority of finished products it was advantageous to consumers to absorb all the material due them. New contracting, however, for first quarter was light, and the



industry therefore enters this period with reduced backlogs.

In general, conditions in the industry have improved recently; scrap steel prices have increased; more activity is evident in the market for rails and railroad equipment, structural material, and prospects are better for renewed buying shortly by the automotive industry.

Average daily production of pig iron in the United States for November was 36,124 gross tons, compared with 43,824 tons in October. Output for November was 1,083,740 tons, a loss of 274,800 tons, or 20.2 per cent from the 1,358,540 tons of October. There were 77 blast furnaces operating on November 30, compared with 81 on October 31.

With December partly estimated, total production of pig iron, including coke and charcoal iron and ferroalloys for the year 1933 is expected to approximate 13,220,000 gross tons, compared with 8,781,453 in 1932 and 18,426,354 tons for 1931.

Daily average ingot production for November was 59,265 gross tons, compared with 81,225 tons in October. Total output in November was 1,540,882 tons. In 11 months, 21,057,319 tons of steel have been produced. *Steel's* estimate of production of steel ingots and castings for the year 1933 is 23,076,000 gross tons, compared with 13,681,162 tons in 1932 and 25,945,501 tons in 1931.

Coal After declining quite sharply in October, coal production at bituminous mines in the fourth district increased 21.8 per cent in November from the preceding month. This was a contrary-to-seasonal movement, reductions ranging from 7 to 15 per cent being recorded at this season in the past five years.

Coal production in November was 11,975,000 tons, a gain of 3.8 per cent from a year ago and output in the latest month was larger than for any similar period since 1930. The gain in the first eleven months from a year ago in this district approximated 15 per cent, compared with an increase of 8.6 per cent in the entire country in the same period.

Coal shipments from Lake Erie ports in November were 2.6 per cent smaller than in the same period of 1932, but in the entire season 28.6 per cent more coal was shipped to upper lake ports than in the preceding year. Demand for coal in early December declined partly as a result of moderate weather and the closing of the lake shipping

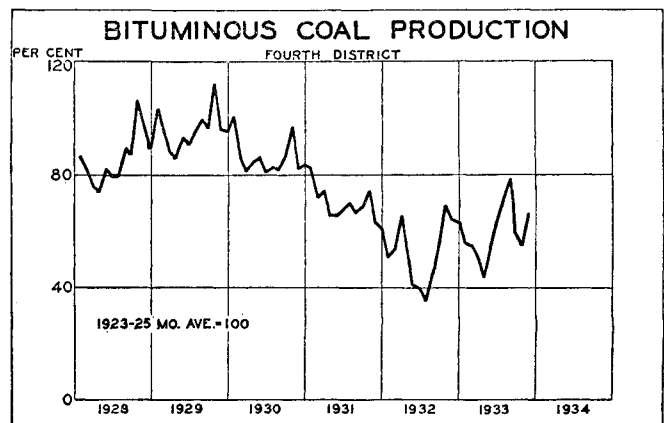
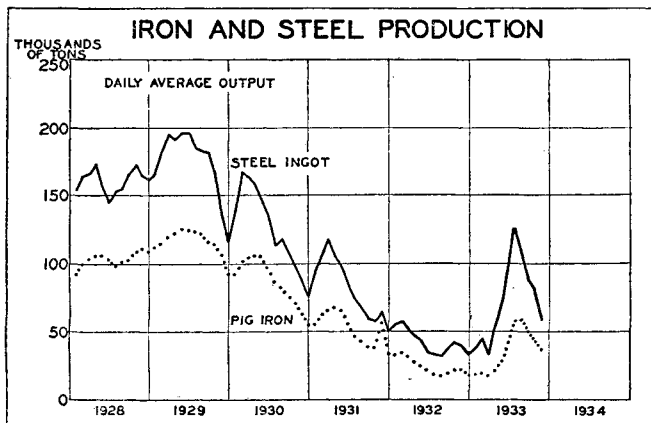
season. Some mines have suspended operations and output in the entire country in the two latest weeks was under both 1932 and 1931.

In recent months bituminous coal prices increased considerably, and in some regions there have been substantial wage increases. Stocks of coal above ground in late 1933 were slightly larger than a year ago, but consumption has improved and stocks are not regarded by the industry as being unusually large.

Automobiles The dominant factor in the automobile industry in November and early December was the slow rate at which the changeover in assembly lines was accomplished. Output in November, according to the Department of Commerce, was 63,904 cars and trucks. This was a decline of 53.9 per cent from October, a much greater-than-seasonal contraction, and the Federal Reserve Board's adjusted index dropped from 46 per cent of the 1923-1925 monthly average in October to 31 in November. Compared with a year ago, November production was up 7.3 per cent, passenger car output showing a decline of 6.5 per cent and truck production a gain of 62 per cent in the period.

Total automobile production in the first 11 months of 1933 was 1,875,156 cars and trucks, a gain of 48 per cent from the same period of 1932. Because of delays in new model production resulting from conditions in the tool and die industry, output in early December, according to *Cram's* weekly reports, was still considerably below a year ago and indicated production for the year 1933 is now less than 2,000,000 units. As the year closes, however, conditions are much improved from those at the end of 1932. Demand for new cars, which showed a falling-off in November as might be expected, was still considerably above production in that month, and retail sales were reported as being double output in the period and more than twice as large as a year ago. As a result, dealers' stocks at the year end are much smaller than for many past years.

In the third week of December actual motor car production was reported at 18,008 units. This was a greater-than-seasonal increase from the preceding week, but was only two-thirds as large as a year ago. Failure of major producers to start new model production had an unfavorable effect on manufacturing rates at many plants located in this district. Orders for automotive steel have been retarded and parts and accessory



producers were awaiting releases which would permit them to increase operating rates.

Retail sales of passenger cars in Ohio and Western Pennsylvania in November totaled 6,408, compared with 10,430 units in October and 2,375 units in November, 1932. Delays in new model presentations by some of the major producers, particularly in the small-car field, adversely affected sales of passenger cars in December. Sales of trucks, however, have held up quite well in recent months.

Tires, Rubber

Operations in the rubber and tire industry in November, judging by various indicators, were at a lower rate than in October, and the decline was somewhat more than seasonal. Reports of increased production in early December have been received, but output of local plants was somewhat above sales in the period. This is not unusual at this season of the year—stocks being built up in preparation for the spring season when shipments usually exceed production. Both shipments and output in November and December were much ahead of the same period of 1932.

In November, crude rubber consumption in the United States was 29,162 tons, compared with 31,906 tons in October and 23,231 tons in November, 1932. On a daily average, seasonally adjusted base, rubber takings by the industry were off slightly in the latest month. Consumption also was about 13,000 tons less than imports in November, the latter having increased quite sharply in recent months. At 42,448 long tons, they were over 15,000 tons ahead of November, 1932. For the year to date imports were practically the same as in 1932, but they were slightly exceeded by rubber consumption in the period so that stocks on hand, which still amount to 400,000 tons, were down about 8,000 tons from December, 1932. World rubber stocks on November 1 were somewhat larger than a year ago at that time.

Employment at 15 Ohio rubber plants in November was down 1.9 per cent from October, a decline which was a little greater than the five-year average October-November falling-off. Compared with a year ago, the number employed was up 36 per cent, and for the eleven-month period employment averaged 11 per cent better than in the corresponding interval of 1932.

Actual tire production in October, (the latest figure available from the *Rubber Manufacturers' Association* which represents 80 per cent of the industry) was 14 per cent below September, but 33 per cent ahead of a year ago. In the first ten months of 1933, tire production was 9.1 per cent above the same period of 1932. Output of both tires and tubes, after allowing for seasonal variations, ranged from record low levels in March to the highest point since early 1929 in the summer months of the year. With production somewhat in excess of immediate requirements in that period, output was curtailed quite sharply in the fall months, but manufacturers' inventories on November 1 were still 23 per cent above a year ago when stocks were unusually small. Inventories were not regarded by manufacturers as being excessive for this season of the year.

Branches of the rubber industry other than tire production increased operating rates and shipments quite

sharply in 1933 compared with the preceding year, but stocks of rubber footwear on November 1 were over 50 per cent larger than a year ago.

Clothing

Although employment at clothing and textile plants in the fourth district was 11 per cent above a year ago in November, conditions in the various sections of the industry were somewhat irregular. A slowing-down of production generally occurs in November and employment at men's clothing plants was off slightly from October, but the decline was less than the five-year average October-to-November change. At plants manufacturing women's and misses' and miscellaneous ready-to-wear, employment was down ten per cent from October to November, whereas the average change for that period was a reduction of 1.2 per cent. For the year to date, however, operations in general in the clothing industry, judging by employment reports, were substantially ahead of the same period of 1932.

Because of the sharp increases in prices of wearing apparel in the past year it is rather difficult to compare retail sales at department stores in recent months with 1932. In November at fourth district reporting stores women's and misses' ready-to-wear sales had a dollar value of 1.8 per cent less than in November, 1932; at the same time, according to *Fairchild's* retail price index, women's clothing prices were up about 21 per cent. Men's clothing sales in November had a 19.5 per cent greater dollar value than a year ago, whereas the increase in men's apparel prices in the period was about 16 per cent.

According to preliminary reports, the volume of spring orders received by salesmen now on the road is substantially ahead of last year and the period of slack operations between seasons is expected to be shorter than in late 1932.

Other Manufacturing

Generally speaking, operations in the smaller industries of the district in 1933 were at a higher rate than in 1932. Considerable variation was apparent in production and employment in individual lines, but most of them experienced gains. In November and early December little change was reported in industrial operations and although most lines were adhering to schedules somewhat lower than those prevailing in the summer months, it was felt in many trade circles that considerable progress had been made in the past year.

Automobile Parts and Accessories. Production of automobile parts and accessories declined sharply in November as new car assemblies failed to increase at the expected rate, partly because of conditions within the industry in November, which had cleared up by mid-December. Employment at local plants in November was off about three per cent from October, slightly more than the five-year average change at 28 factories. Compared with a year ago a gain of 48 per cent in the number employed was shown and for the first eleven months an increase of 16.5 per cent was recorded. In early December some improvement in production was evident, and as the year closed the industry was reported to be in much better condition than at the end of 1932.

Ceramic Industries. Conditions in the clay products and glass industries, so far as this district was concerned, were quite varied throughout the year. A substantial increase in both production and sales was reported for all branches of the industry except brick and tile. Output in the latter was very much smaller in 1933 than in 1932, and employment at 27 concerns reporting to the Ohio State Bureau of Business Research averaged 30 per cent less in the first eleven months of 1933 than in the corresponding period of 1932. The limited volume of building and public construction was chiefly responsible for the low level of operations at these plants. Reports from the glass industry showed a falling-off in sales and production in November and early December, a large part of which was seasonal. Taking the year as a whole, considerable improvement occurred. Stocks in hands of jobbers and manufacturers were down sharply from a year ago and sales showed a very favorable increase in the period. Manufacturers of molded glass enjoyed a year of very favorable production and as the year ended some producers were considerably behind on orders. Prices on raw and finished materials have advanced considerably, and manufacturing costs also have risen sharply. Employment at 13 glass factories in November was 55 per cent above a year ago and for the eleven-month period averaged 48 per cent better than in the same interval of 1932. Manufacturers of china and pottery reported a falling-off in orders and production in early December, but operations in the entire year were somewhat better than in 1932. Employment in November was up about 30 per cent from a year ago at ten reporting plants and prices of finished goods also were higher.

Electrical Supplies. Employment at 24 electrical apparatus and supply companies increased slightly more than seasonally in November and on the latest date was 53 per cent higher than a year ago. Contrary to the general trend, this industry, according to reports, showed improvement in both sales and production in the final quarter of 1933.

Hardware and Machinery. There was a decline in demand for heavy hardware and machinery in November and early December, but sales of small tools, by plants supplying the automobile industry, continued in rather favorable volume. Employment in the metal products industries in the first eleven months of 1933 averaged 17.8 per cent above the same period of 1932 and in November was up 66 per cent from a year ago. In the first half of the year sales and operations compared very unfavorably with 1932, but a decided increase in activity developed in the late summer and early fall months which offset, to a large degree, the declines reported in the first half of the year. Inventories of finished goods are generally smaller than they were at the close of 1932.

Paint. In the year 1933 the paint industry experienced an improvement in sales compared with the preceding year. The peak of production, as in most lines, occurred somewhat later in the year than normally is the case and while demand for paint supplies was off quite sharply in November and early December, this was generally regarded as being seasonal. Demand for automotive and industrial paints was better than in 1932 and sales to dealers also

improved. Raw material stocks in hands of manufacturers were larger than a year ago, but stocks of finished goods have been reduced.

Paper. Demand for paper and box board increased in early December, somewhat contrary to the usual seasonal trend and employment in November was up four per cent from October compared with the five-year average October-November decline of 2.5 per cent. In contrast with a year ago there was an increase of 31 per cent in the number employed at 11 paper mills in November. Prices have increased in the past year and stocks of paper and box board have been reduced.

Shoes. Production of footwear at fourth district factories was off somewhat more than seasonally in November, the decline in output from October being 46 per cent. Despite the slowing down in operations, the number of pairs of shoes produced was still slightly ahead of November last year and also exceeded any corresponding month since 1929. In the first eleven months of 1933 shoe production was 25 per cent greater than in the same period of 1932. Raw material costs increased quite sharply in the past year, but prices of finished goods were advanced and, generally speaking, the shoe industry had a better year than in 1932.

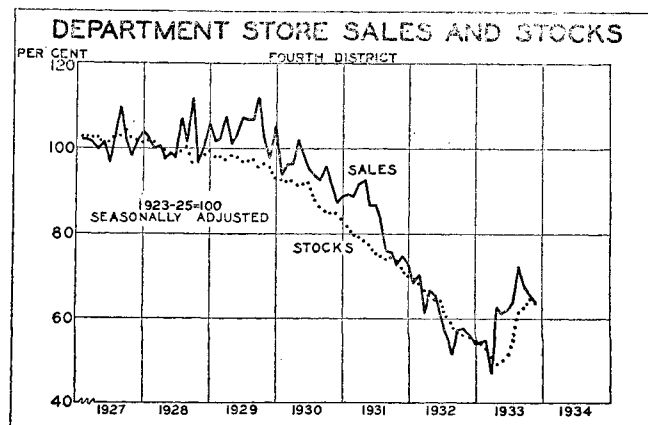
TRADE

Retail

Retail sales at reporting department stores in principal cities of the fourth district in November had a 7.5 per cent larger dollar value than in November, 1932. The gain from October was somewhat less than seasonal, however, and the adjusted index dropped from 65.7 per cent of the 1923-1925 average to 63.9. Although retail prices at department stores, according to *Fairchild's*, showed a very moderate increase in November, the gain from a year ago was about 21 per cent in the entire country—somewhat greater than the increase in dollar sales recorded at stores in this district. In the first 11 months sales were two per cent less than in the same period of 1932, the sizeable reductions experienced in the early months of 1933 being partly offset by gains recorded in the latter part of the year.

In the first part of December, reports from department stores showed increased buying, largely seasonal, and the comparison of dollar sales with a year ago was somewhat more favorable than was revealed by the November reports.

Sales in the basement departments of stores reporting these figures showed a larger gain in November from a



year ago than was recorded in total sales, and the percentage of all basement to total sales increased.

The dollar value of stocks at reporting department stores increased slightly less than seasonally in November, the adjusted index being 62.4 per cent of the 1923-1925 monthly average, compared with 64.6 per cent on October 31. The increase from a year ago, however, was 13 per cent and while the monthly stock turnover rate in November was less than in the same month last year, the ratio of total sales to average stocks for the year to date was somewhat larger than in 1932.

The ratio of credit to total sales was the same in November as a year ago, but there was a slight increase in installment buying which offset the decline in regular credit sales. Collections in November amounted to 33.5 per cent of the accounts receivable on October 31. This was a slight improvement from October and the corresponding month of 1932.

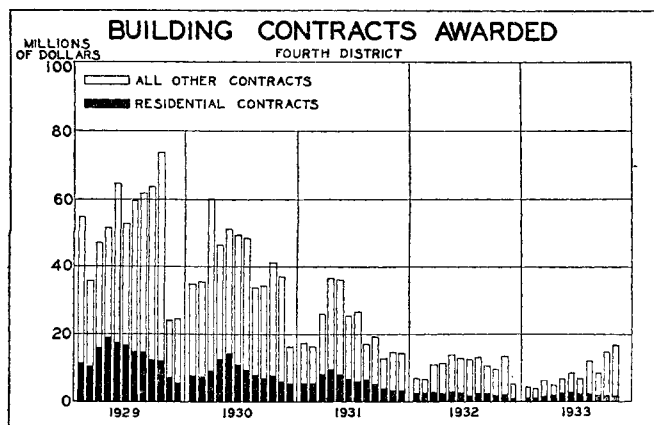
Sales at reporting furniture stores in November were eight per cent above a year ago and for the first 11 months a gain of 12.7 per cent was recorded. Wearing apparel sales in November, both at women's wearing apparel shops and in those departments of reporting stores were smaller than a year ago. In the former the reduction was five per cent in November and 13.3 per cent in the first 11 months. November chain grocery store sales, per individual unit operated, were 13.7 per cent larger than in November, 1932, and chain drug sales were down 1.3 per cent in the same period. In the first 11 months grocery sales increased 2.8 per cent, while chain drug sales were down over ten per cent.

Wholesale

All reporting lines of wholesale trade showed a reduction in sales from October to November, but the falling-off was somewhat less than was reported at this season of preceding years. Grocery sales were 6.6 per cent larger than a year ago; dry goods sales were up 15.6 per cent; hardware 26.8 per cent and drugs 3.8 per cent. For the year to date an increase in sales was recorded at reporting dry goods and hardware firms, but a slight reduction occurred in grocery sales, and drug sales were down about 10 per cent.

BUILDING

The average change in the volume of contracts awarded in this district from October to November in the past ten years was a decline of about 15 per cent. In November,



1933, contracts awarded in the fourth district were valued at \$16,774,000, the improvement recorded in October being further extended in the following month. In October, contracts awarded were valued at \$14,811,000, and in November, 1932, awards were \$13,786,000. The increase over October was entirely in the public works and utility fields, the gain being more than of sufficient size to offset declines in residential and non-residential awards between the two months. Compared with a year ago contracts awarded were up 21.7 per cent, public works' contracts accounting for the major part of the gain shown on the accompanying chart.

Construction activity in the first eleven months of 1933 was about 25 per cent less in the fourth district than in the corresponding period of 1932, but stimulation of public works construction, which resulted from the extension of Government credit through PWA and other channels in the early fall and winter months, partly offset some of the large declines reported for the first half of 1933. Residential building in the eleven-month period in this section had a contract value of \$19,039,000, a drop of 11.9 per cent from the same period of 1932, but the accompanying chart shows that a slight degree of improvement has occurred in recent months.

Almost half the total value of contracts awarded in November in this district represented highway construction and awards for waterfront developments, which were large in October, accounted for nearly one-third the total volume; these two major groups made up approximately two-thirds of all awards in this district in November.

Although the value of contemplated work reported in November was close to \$100,000,000 in this section and was approximately ten times as large as in November, 1932, there was a slight decline from October. It is evident that many of these contemplated projects never do or are slow reaching the contract stage, for the total reported in this territory in the first eleven months of 1933 was \$535,000,000, an amount over five times as great as the value of contracts awarded in the same period.

The building material companies of this district have not yet experienced a gain in sales commensurate with the increase in contracts awarded. There has been considerable buying of sewer pipe, rough lumber, picks and shovels, but sales of finished building materials have been in limited volume recently.

AGRICULTURE

The accompanying table shows the 1933 yield per acre of principal crops grown in states of the fourth district and the United States as a per cent of the average yield of the ten years 1921-1930, and the farm values of principal crops in recent years. In Ohio, Pennsylvania, and the entire country acre yields were somewhat less than in preceding years.

	1933 yield per acre as % of ten-year Average.	Farm Value of Principal Crops (based on December 1 prices) (000 omitted)		
		1933	1932	1931
Ohio	89.1	\$ 112,476	\$ 73,182	\$ 143,345
Pennsylvania	97.8	115,344	81,676	121,381
Kentucky	103.4	94,585	67,902	92,717
West Virginia	100.2	25,645	17,869	27,016
United States	95.0	4,062,758	2,858,851	4,070,700

As a result of higher prices the farm value of principal crops in 1933 was up sharply in all sections from the low level of 1932, but was still somewhat below the

estimate of 1931. These figures should not be confused with gross farm income, estimates of which for 1933 are not available at present. They include the value of crops on farms and exclude the value of livestock and products, from which farmers generally receive one-half of their income. They also exclude payments made to farmers this past year under the various production-control programs.

With prices of livestock and its products still unusually low the increase in gross farm income in 1933 will not be proportionate to the gain in crop values. According to the Department of Agriculture, however, the improvement has been substantial in the past year and farm purchasing power in late 1933, at 58 per cent of the pre-war average, was up eight points from a year ago, even though it was down somewhat from the higher level touched in the early summer of this year.

Tobacco Selling of the 1933 burley tobacco crop started on December 11 at Lexington and a day later at other marketing centers. Sales in the opening week at Lexington amounted to over 6,000,000 pounds and the average price was \$12.46 a hundred. Prices received on the opening day averaged \$1.15 a hundred pounds more than on the first selling day of 1932. On days following the opening, prices sagged somewhat and dissatisfaction with bids was apparent on some markets. Better grade tobacco sold lower than a year ago, but common and medium grade tobacco, for which there was a sizeable demand, brought higher prices than in 1932.

On December 17 sales of tobacco in the burley section were stopped by a Governor's proclamation. This follows the procedure adopted in other tobacco sections where sales were halted in order that a program of acreage reduction under the Agricultural Adjustment Act might be worked out.

Fourth District Business Conditions

(000 omitted)

	Nov., 1933	% change from 1932	Jan.-Nov., 1933	% change from 1932
Fourth District Unless Otherwise Specified				
Bank Debts—24 cities.....	\$ 1,395,000	+ 4.9	15,791,000	— 9.7
Savings Deposits—end of month:				
41 Banks, O. & Pa.....	\$ 626,366	— 5.5	1	.....
Life Insurance Sales:				
Ohio and Pa.....	\$ 74,807	— 3.4	790,512	— 9.7
Retail Sales:				
Department Stores—49 firms.....	\$ 14,192	+ 7.5	140,826	— 2.0
Wearing Apparel—11 firms.....	\$ 655	— 4.9	6,776	—13.3
Furniture—44 firms.....	\$ 462	+ 8.2	5,662	+12.7
Wholesale Sales:				
Drugs—13 firms.....	\$ 1,121	+ 3.8	11,653	—10.0
Dry Goods—10 firms.....	\$ 1,049	+15.6	10,307	+12.4
Groceries—33 firms.....	\$ 3,231	+ 6.6	35,395	— 2.5
Hardware—14 firms.....	\$ 1,107	+26.8	10,398	+ 7.8
Building Contracts—Residential.....	\$ 1,489	—17.1	19,039	—11.9
—Total.....	\$ 16,774	+21.7	91,324	—25.1
Commercial Failures—Liabilities.....	\$ 2,192	—55.3	47,557	—38.5
Number.....	83 ²	—57.7	1,595 ²	—40.8
Production:				
Pig Iron, U. S..... Tons	1,085	+71.9	12,015	+47.7
Steel Ingot, U. S..... Tons	1,541	+59.4	21,057	+80.3
Automobiles—Pass. Car..... U. S.	44,429 ²	— 6.5	1,552,803 ²	+48.0
—Trucks..... U. S.	19,475 ²	+62.0	322,353 ²	+50.6
Bituminous Coal..... Tons	11,975	+ 3.8	117,814	+14.9
Cement—O., W. Pa., W. Va. Bbls.	246	—67.5	5,320	—10.8
Elec. Power—O., Pa., Ky., k.w.h.	1,153 ²	+11.2	10,438 ⁴	+ 4.8
Petroleum—O., Pa., Ky., Bbls.	2,005 ²	+ 7.7	17,888 ⁴	— 9.1
Shoes..... Pairs	5	+ 1.7	5	+25.1
Tires, U. S..... Casings	2,743 ²	+33.2	31,345 ⁴	+ 9.1
Bituminous Coal Shipments:				
Lake Erie Ports..... Tons	4,019	— 2.6	32,043	+28.6
Iron Ore Receipts:				
Lake Erie Ports..... Tons	918	+207.0	16,297	+501.8
¹ not available			² actual number	
³ October			⁴ first 10 months	
⁵ confidential				

Wholesale and Retail Trade

(1933 compared with 1932)

	Percentage Increase or Decrease		
	SALES Nov., 1933	SALES First 11 months	STOCKS Nov., 1933
DEPARTMENT STORES (49)			
Akron.....	+31.9	+ 8.6	+20.0
Cincinnati.....	+ 1.4	— 4.4	+16.7
Cleveland.....	+ 6.4	+ 4.2	+15.8
Columbus.....	— 0.4	— 8.9	+ 9.7
Pittsburgh.....	+ 8.0	— 3.9	+15.7
Toledo.....	+ 6.4	— 4.1	— 0.7
Wheeling.....	+ 6.4	— 2.5	+13.2
Other Cities.....	+ 9.8	— 4.5	— 2.7
District.....	+ 7.5	— 2.0	+13.1
WEARING APPAREL (11)			
Cincinnati.....	— 5.8	— 7.6	+10.1
Other Cities.....	— 4.5	—16.1	— 3.9
District.....	— 5.0	—13.3	+ 0.6
FURNITURE (44)			
Cincinnati.....	—22.8	— 0.7	.....
Cleveland.....	+10.6	+22.6	.....
Columbus.....	+18.5	+ 3.4	.....
Dayton.....	—31.6	—11.1	.....
Toledo.....	+55.5	+10.4	.....
Other Cities.....	+51.8	+30.8	.....
District.....	+ 8.3	+12.7	.....
CHAIN STORES*			
Drugs—District (4).....	— 1.3	—10.2	.....
Groceries—District (5).....	+13.7	+ 2.8	.....
WHOLESALE GROCERIES (33)			
Akron.....	+31.7	— 3.0	.....
Cleveland.....	+ 4.1	— 1.2	.....
Erie.....	— 5.5	—15.8	.....
Pittsburgh.....	+20.8	+10.4	.....
Toledo.....	— 8.4	—18.7	.....
Other Cities.....	+10.3	+ 2.4	.....
District.....	+ 6.6	— 2.5	+ 0.002
WHOLESALE DRY GOODS (10)			
.....	+15.6	+12.4	+12.9
WHOLESALE DRUGS (13)			
.....	+ 3.8	—10.0	.....
WHOLESALE HARDWARE (14)			
.....	+26.8	+ 7.8	.....

*Per individual unit operated.

Debts to Individual Accounts

(Thousands of Dollars)

	4 weeks ended Dec. 20, 1933	% change from 1932	Year to date		% change from 1932
			Dec. 29, 1932 to Dec. 20, 1933	Dec. 31, 1931 to Dec. 21, 1932	
Akron.....	\$30,076	—22.2	\$380,980	\$585,320	—34.9
Butler.....	5,932	+13.3	71,398	73,574	— 3.0
Canton.....	20,316	+21.4	223,385	213,504	+ 4.6
Cincinnati.....	194,543	+ 1.3	2,623,903	2,881,924	— 9.0
Cleveland.....	304,888	— 4.6	4,110,564	4,894,958	—16.0
Columbus.....	82,924	+ 2.7	1,063,409	1,139,743	— 6.7
Dayton.....	30,288	—15.9	435,902	520,493	—16.3
Erie.....	14,880	— 9.5	192,203	246,277	—22.0
Franklin.....	2,292	+ 7.7	26,538	32,083	—17.3
Greensburg.....	3,359	—18.1	45,237	62,915	—28.1
Hamilton.....	6,141	+ 1.7	78,202	91,666	—14.7
Homestead.....	1,494	—30.3	19,119	26,896	—28.9
Lexington.....	12,772	—21.7	173,063	186,595	— 7.3
Lima.....	7,506	+11.7	68,799	96,268	—28.5
Lorain.....	1,886	—16.8	26,338	35,749	—26.3
Middletown.....	5,672	+15.9	67,961	67,899	+ 0.1
Oil City.....	5,264	—24.5	70,137	105,089	—33.3
Pittsburgh.....	459,870	+16.2	5,927,610	6,056,632	— 2.1
Springfield.....	9,197	— 1.7	118,569	138,466	—14.4
Steubenville.....	4,738	+23.5	55,606	61,304	— 9.5
Toledo.....	65,476	+ 6.5	843,147	897,379	— 6.0
Warren.....	4,750	+27.2	58,636	54,156	+ 8.3
Wheeling.....	23,989	+ 3.0	309,880	317,174	— 2.3
Youngstown.....	23,234	+17.4	300,904	313,969	— 4.2
Zanesville.....	5,081	+ 4.6	61,204	68,032	—10.0
Total.....	1,326,568	+ 3.7	17,352,694	19,168,059	— 9.5

Fourth District Business Indexes

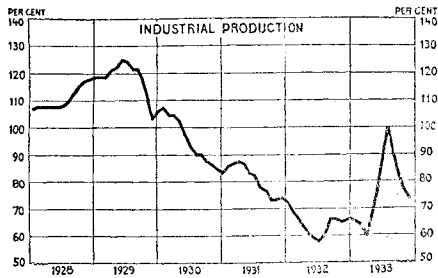
(1923-1925 = 100)

	Nov., 1933	Nov., 1932	Nov., 1931	Nov., 1930	Nov., 1929
Bank Debts—(24 cities).....	52	49	66	96	133
Commercial Failures—(Number).....	57	134	131	116	82
—(Liabilities).....	50	111	146	92	78
Sales—Life Insurance (Ohio & Pa.).....	89	93	109	109	137
—Department Stores (47 firms).....	68	60	79	95	109
—Wholesale Drugs—(12 firms).....	75	72	76	92	106
—Dry Goods (10 firms).....	43	36	48	69	93
—Groceries (33 firms).....	56	52	62	80	101
—Hardware (14 firms).....	57	45	57	72	94
—All (69).....	56	51	61	78	99
—Chain Drugs (3 firms)*.....	67	67	78	84	88
Building Contracts—(Total).....	35	29	30	79	50
—(Residential).....	9	10	17	34	41
Production—Coal (O., W. Pa., E. Ky.).....	66	64	63	82	96
—Cement (O., W. Pa., W. Va.).....	20	63	64	90	128
—Elec. Power (O., Pa., Ky.)*.....	137	124	139	150	164
—Petroleum (O., Pa., Ky.)*.....	109	101	121	117	137
—Shoes.....	50	48	45	37	88

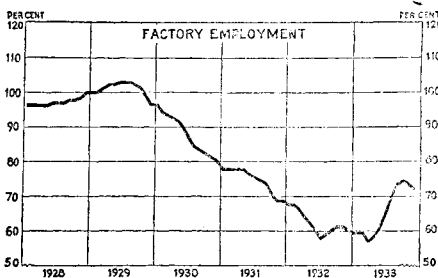
*October.
**Per individual unit operated.

Summary of National Business Conditions

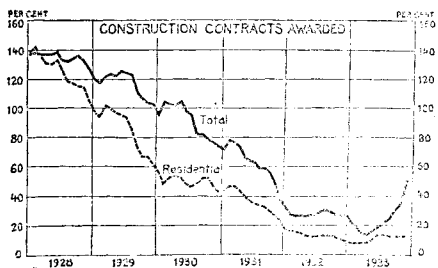
By the Federal Reserve Board



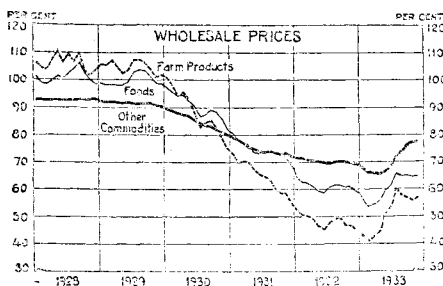
Index of industrial production, adjusted for seasonal variation (1923-1925 = 100.) Latest figure, November, preliminary, 73.



Federal Reserve Board's index of factory employment, with adjustment for seasonal variation (1923-1925 = 100.) Latest figure, November, 72.4.



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, November, total 51; residential 13.



Indexes of United States Bureau of Labor Statistics (1926 = 100) Latest figures, November, farm products 56.6; foods 63.4; other commodities 77.2.

Total volume of industrial production, after declining further during October, showed little change during November and the first half of December. The amount of construction undertaken continued to increase, reflecting an expansion of public works.

Production and Employment

Output of basic commodities, as measured by the Federal Reserve Board's seasonally adjusted index, was 73 for November, on the basis of the 1923-1925 average as 100, compared with 77 for October. This total for the month reflects the maintenance during November, with allowance for usual seasonal changes, of the level reached at the end of October after a continuous decline during the preceding three months. Activity at steel mills, after declining from 44 per cent of capacity in the early part of October to 25 per cent in the early part of November, subsequently increased to a rate of 34 per cent in the third week of December. Output of automobiles, which was curtailed sharply in November in preparation for new models, also increased somewhat in the early part of December. Consumption of cotton by domestic mills was in somewhat smaller volume in November than in the preceding month and activity at woolen mills decreased. At shoe factories production showed a decline larger than is usual at this season.

Volume of factory employment and pay rolls declined from the middle of October to the middle of November by somewhat more than the usual seasonal amount. The Board's seasonally adjusted index of factory employment for November was 72, as compared with 74 in October and 57 at the low point in March.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a further substantial increase in November. This increase, at a season when construction contracts usually decline, reflects a growth in the volume of public works.

Distribution

Shipments of commodities by rail decreased in November as compared with October by an amount somewhat smaller than is usual at this season. Sales of merchandise at department stores declined, contrary to seasonal tendency, while sales by variety stores showed little change.

Wholesale Prices

Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 70.9 per cent of the 1926 average in the first week of November to 71.7 per cent in the third week and then declined to 70.9 per cent in the week ending December 9. These movements reflected chiefly changes in the prices of farm products and foods. Prices of hogs declined considerably after the middle of November, owing partly to seasonal factors.

Foreign Exchange

The value of the dollar in the foreign exchange market advanced from a low point of 59 per cent of its gold parity on November 16 to about 64 per cent for the period from November 27 to December 20.

Bank Credit

Between November 15 and December 20 there was the usual seasonal increase, about \$195,000,000 in the demand for currency by the public. This currency demand was met largely through the purchase of \$100,000,000 of acceptances by the Federal reserve banks and the issuance of additional bank notes by the national banks. Reserve balances of member banks showed little change for the period and continued to be at a level of about \$800,000,000 above legal requirements.

Total loans and investments of reporting member banks in leading cities declined by \$160,000,000 between November 15 and December 13, reflecting chiefly sales of acceptances to the reserve banks and a reduction in holdings of investments other than United States Government securities. Loans on securities, chiefly to brokers in New York City, increased by \$40,000,000 while all other loans, which include holdings of acceptances, declined by \$125,000,000.

Short-term money rates advanced slightly during the period.