



# MONTHLY BUSINESS REVIEW

Covering financial, industrial, and agricultural conditions

in the

**Fourth Federal Reserve District**

**Federal Reserve Bank of Cleveland**

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Vol. 16

Cleveland, Ohio, December 31, 1934

No. 12

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In the closing weeks of 1934 a rather substantial improvement was evident in most important lines of activity in the fourth district. It was partly seasonal in that the automobile industry and allied lines showed the most pronounced advance. New model production caused an influx of orders of sizable proportions to local plants and employment and payrolls increased correspondingly. Gains were not confined to this field alone, however; many general manufacturing plants reported a contrary-to-seasonal expansion in December and in several instances plants were operating at capacity levels, although generally production was considerably below that point.

Operations toward the end of 1934 were at a higher rate than in the same period of 1933 and in some lines a higher rate was reported than since 1930. The past year as a whole (judging by figures now available) compared favorably with 1933, although there was considerable fluctuation in the rate of production throughout the period. After rising to a high point in June, a greater-than-or contrary-to-seasonal contraction was evident through October, at which time general business was not much above the low point of the depression. In the two closing months of the year an upward trend again was evident.

In November, employment in this district increased slightly from October, whereas in most past years a decline of about three per cent was reported for this season. This gain was the first October-November rise since 1923 and it followed declines in the preceding five months of 1934. Compared with November 1933, employment was up about three per cent and the average increase for the eleven-month period from the preceding year was 20 per cent. The most pronounced gain in the latest month in this section was in the metal products' industries.

Consumption of electricity increased at a greater-than-seasonal rate in November and early December, and for the year 1934 exceeded the preceding period by about ten per cent in this district. An expansion in domestic as well as industrial consumption contributed to the improvement.

Iron and steel production in November was greater than since June and steel output exceeded November 1933 by 4.5 per cent. In the first three weeks of December a rather sharp expansion occurred and the industry as a whole was more active for this season of the year than since 1930. Operating rates at centers in the fourth dis-

trict, excluding Pittsburgh, ranged from 40 to 80 per cent of capacity, the higher rates prevailing at plants engaged in production of tin plate and automobile steels.

Tire manufacturers reported a slight increase in production in early December, but recent output has been slightly in excess of current needs. Inventories of both finished goods and crude rubber increased in the latest month, but the former were under a year ago.

Most of the smaller industries reported an expansion in early December which in several cases was contrary to the seasonal trend of preceding years. Production of pottery and china was up quite sharply; plate glass and table glassware output also improved; clothing plants were operating at a higher rate than in 1933 on spring orders; machine tool and foundry equipment orders received in November were higher than in any preceding month of the year since January; and sentiment generally throughout the district was better than it was a month ago.

Retail trade in November, judging by department store sales, showed a contrary-to-seasonal increase and the adjusted index of daily average sales rose four points to 70.4 per cent of the 1923-25 monthly average. Dollar sales in the period were 15.6 per cent larger than in November 1933, and preliminary reports for the first half of December were that pre-Christmas buying in this district exceeded last year by about that amount.

Commercial failures in the district increased slightly in November and for the first time in several months were higher than in the corresponding period of the preceding year. In the first eleven months of 1934, however, the number of commercial failures in the fourth district declined 55 per cent from the same period of 1933. Liabilities of defaulting concerns were down 48 per cent in the eleven-month period.

## FINANCIAL

A marked increase in debits to individual accounts at banks in leading cities of the fourth district was evident in the four weeks ended December 19. The gain from the corresponding period of 1933 was 33 per cent, whereas in the first 50 weeks of the year debits were 16 per cent ahead of the same interval of the preceding year. In the district all but two cities for which figures are available showed increases from a year ago in the four latest weeks.

Savings deposits at selected banks throughout the district increased slightly in November, although deposits

at Ohio banks showed a falling-off from October. Compared with a year ago, savings deposits were up 6.1 per cent at the reporting banks. Sales of life insurance in November in Ohio and Pennsylvania were 3.7 per cent smaller than in the corresponding month of 1933, but for the first eleven months of the year a gain of 7.4 per cent was shown.

**Reserve Bank Credit.** In the four weeks ended December 19 little change in the volume of reserve bank credit extended was evident at the Federal Reserve Bank of Cleveland. There was an insignificant rise in bills discounted for member banks in the period, but at \$433,000 on the latest date, they were at a new low level for this season of the year. No change occurred in the amount of Government securities owned or acceptances held in the period, but short-term capital loans made to industry in this district rose from \$268,000 on November 21 to \$775,000 on December 19 and commitments to make additional loans amounted to \$926,000 on the latest date.

Compared with a year ago, the total volume of credit extended was down slightly, the reduction occurring in bills discounted for member banks and in acceptances held.

Total reserves of the bank increased sharply in 1934, a gain of about \$115,000,000, or 38 per cent, being shown in the period. Reserves on December 19, amounting to \$416,000,000, were at a new high level.

Circulation of this bank's Federal reserve notes increased seasonally in December, but at \$311,000,000 on December 19 it was slightly under a year ago and also the high point of the year in September.

Reserve deposits of member banks showed little change in the four latest weeks, but in contrast with a year ago these reserves were up approximately \$100,000,000. Some of the increase was necessitated by reason of the fact that deposits at member banks expanded in the period, but the bulk of the rise represented excess reserves. In November, the latest month for which complete figures are available, daily average reserves of member banks in this district were \$271,700,000. This was approximately \$130,000,000 in excess of requirements and represented a new high level for excess reserves in this district.

**Member Bank Credit.** At weekly reporting member banks in leading cities of the fourth district total credit extended increased \$30,000,000 between November 21 and December 19. Most of the gain was in investments, but a slight increase in loans was reported in the four-

week period. Member bank holdings of Government securities advanced to a new high level at the time of the December 15 financing and investments in other securities rose to a new level for the year on December 5, but declined slightly in the two following weeks. On December 19 holdings of other than Government securities in these banks were about seven per cent higher than in December 1933. Holdings of Government securities in the past year increased 75 per cent. Loans made by reporting member banks declined about 13 per cent in the year, the net result being that credit extended by these banks in the period increased approximately \$90,000,000, or 7.8 per cent.

Demand deposits increased 4.8 per cent between November 21 and December 19, 1934, and on the latest date these deposits were 37.5 per cent higher than a year earlier. Time deposits declined in the four latest weeks, thus continuing the general down trend evident in these deposits since August. In the third week of December time deposits at weekly reporting member banks were only slightly larger than in the closing month of 1933.

The accompanying chart shows the fluctuations in total deposits and credit extended at weekly reporting member banks in this district since the Banking Holiday of 1933.

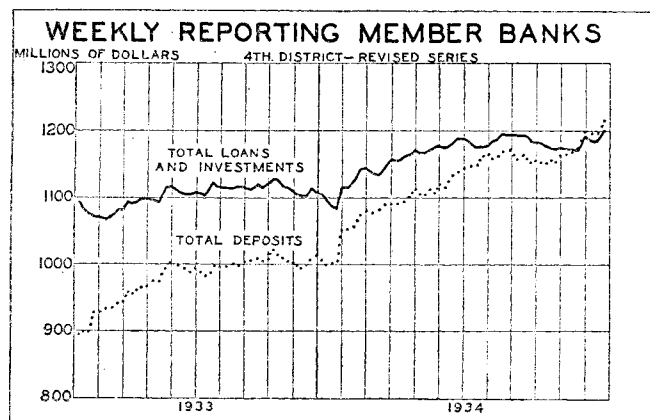
#### MANUFACTURING, MINING

##### Iron and Steel

The iron and steel industry approached the period of holiday shut-downs and taking of inventories with operations at the highest rate prevailing at this season in four years. At a time when production usually declines, activity at mills throughout the country increased for nine consecutive weeks prior to mid-December. Operations in the entire industry in the week beginning December 17 were reported to above 37 per cent of capacity. This compares with recent low level of 18 per cent in early autumn and represents an advance of over nine points in the four latest weeks. In December 1933, operations increased quite sharply because a price advance was anticipated on first quarter 1934 contracts. No such reason was responsible for the rise in operations this past year.

The upturn in recent weeks has been gradual but persistent and has been more pronounced at steel centers of the fourth district than in the industry as a whole. In the third week of December steel mills in Cleveland and Lorain were operating near 75 per cent of capacity, the highest rate of the year. This compares with 38 per cent in the corresponding week of November. Youngstown stepped up operations to 41 per cent, a net gain of six points in the four latest weeks. Wheeling mills were working at 80 per cent, but Pittsburgh mills, which are more dependent on the heavy industries for their outlet than other centers of the district, were operating at 26 per cent of capacity; this was a slight increase in the four latest weeks. Some individual plants, having received special rush orders chiefly for automobile materials, were reported to be operating at, or near capacity levels. As a result, steel industry payrolls just prior to the year end were larger than for several months.

The recent improvement in the industry was due chiefly to larger orders from automobile assembly plants, but increased demand from agricultural implement manu-



facturers and to a limited extent the building-up of inventories of raw steel in anticipation of shut-downs over the holidays were contributing factors. Buying of railroad steel is still quite limited, and with construction activity declining seasonally, structural steel orders have shown a falling-off.

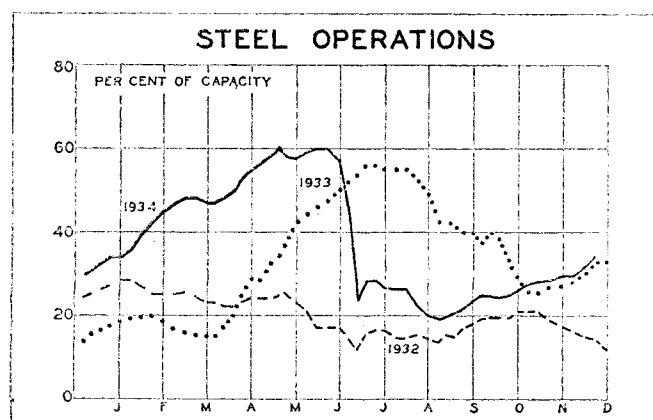
An important development in the steel situation in December was the rising demand for scrap steel. Prices made a record advance of \$1.50 a ton in one week at fourth district centers and the composite price computed by *Steel*, at \$11.25, was higher than since May. Large exports all through 1934 caused a shortage to develop in the supply of scrap steel generally.

Steel ingot production in November was 1,589,049 gross tons, an increase of 8.7 per cent from October, and the highest monthly output since June. Compared with a year ago, a gain of 4.5 per cent was shown. Daily average steel ingot production increased 12.9 per cent from October to November and apparently there was a further expansion in December. In the first eleven months of 1934, 23,319,000 tons of steel were produced and output for the entire year was approximately 12 per cent greater than in 1933.

Daily average pig iron production increased four per cent in November from the preceding month and, at 31,930 tons, was larger than since August; total production for the month was slightly under a year ago. Sixty blast furnaces were in operation on December 1 compared with sixty-five a month earlier, and seventy-six on December 1, 1933, but several additional blast furnaces were lighted in December as demand for pig iron increased. In the first eleven months of 1934, 14,950,000 tons of pig iron were produced, a gain of 24 per cent from the same period of 1933.

Receipts of iron ore at Lake Erie ports in November were less than half as large as in the corresponding month of 1933, and for the entire shipping season of 1934 they were 4.6 per cent smaller than in the 1933 season. Stocks of ore on hand at furnaces and Lake Erie docks on December 1, 1934, aggregated 35,874,000 tons, only 326,000 tons less than were on hand a year earlier.

**Coal** Daily average bituminous coal production at mines in the fourth district increased 4.5 per cent in November from October, a contrary-to-seasonal change. With the exception of 1933, a decline in coal production has been reported in November in all recent years.



Compared with 1933, a reduction of 2.2 per cent was evident, but a year ago at this time coal mines were unusually active. In the first eleven months of 1934 coal production in the fourth district was 131,000,000 tons, a gain of eleven per cent from the corresponding period of 1933.

Bituminous coal shipments from Lake Erie ports in November amounted to 3,689,000 tons. This was a reduction of eight per cent from the corresponding period of 1933, but for the 1934 shipping season the movement of coal from local lake ports was 11.5 per cent greater than in 1933.

The increase in the supply of bituminous coal above ground in October, amounting to 1.9 per cent, was entirely seasonal. Prices of retail coal increased seasonally in recent months and were somewhat higher than a year ago. Run-of-mine grades also were higher than at this time last year, but a decline from the summer's high level was reported, chiefly because the supply of steam sizes increased when industrial activity declined in the early autumn of 1934.

**Automobiles** The automobile industry apparently experienced less difficulty in changing production lines to permit the assembly of 1935 models than it did a year ago. Manufacturing plants in the fourth district, as a result, were benefited by orders for materials which enabled them to increase operations sharply in the closing month of the year. Activity in the automobile industry as a whole showed a marked increase in the first two weeks of December and in the latest period the *Annalist* index was 51.9 compared with 34.3 a year ago, and 31.7, the recent low touched in the third week of November. With the majority of manufacturers increasing their operating rates, output for the closing month of 1934 was estimated to be somewhat greater than in the corresponding period of the previous year or in November.

Based on actual production in the first eleven months of 1934 and an estimate for December, the automobile industry as a whole turned out more cars in the year than since 1930. The gain from 1933 was approximately 45 per cent, but considerable variation was evident in the comparison of 1934 output of individual companies with their records for 1933. Truck production in the period about equaled that of 1930 and was as great as in both 1932 and 1933 combined. The gain from 1933 was nearly 150 per cent. Of added importance in this connection was the fact that sales of both passenger cars and trucks in 1934 compared very favorably with production figures, and inventories of 1934 models were reported below normal in December. New passenger car registrations in each month of 1934 since June exceeded output in the corresponding month by an increasing margin and export demand was greater in the year than since 1930. In the latest month for which figures are available, automobile exports were over 30 per cent greater than in the corresponding month of 1933.

According to the Department of Commerce, automobile production in November, the latest month for which complete figures are available, was 78,415 cars and trucks. This was an increase of 29.2 per cent from the corresponding month of 1933. Output in the first eleven months of

the year was 2,596,000 cars and trucks, a gain of 41 per cent from the similar period of the preceding year. Passenger car production in November was up 6.7 per cent and truck production in the period increased 80 per cent. In the January-to-November period, truck production increased 149 per cent from the corresponding interval of 1933, while passenger car output in the same period showed an increase of 35 per cent.

**Rubber, Tires** The closing months of the year usually are dull ones for the rubber and tire industry, but in November and the first half of December there were indications of a contrary-to-seasonal rise in tire production. Employment at Ohio factories increased 1.5 per cent in November from October, whereas in the preceding five years an average reduction of 1.7 per cent occurred at this season. Although the number of employees in November at 17 factories was 2.5 per cent under a year previous, for the first eleven months of 1934 an average increase of 19 per cent from 1933 was reported.

Crude rubber consumption in the United States in November, according to the *Rubber Manufacturers Association*, was reported to be 34,842 tons, an increase of eleven per cent from October and of 19.5 per cent from November 1933. Based on figures for the first eleven months of the year, crude rubber consumption in this country in 1934 was only slightly under the record attained in 1929 and was greater than in any of the four years, 1930 to 1933. Since considerably more than half of all the rubber consumed domestically is used for automobile tires and tubes, improvement in the demand for tires, both for replacement and original equipment use, was largely responsible for the increased rubber consumption in the year.

As for several months crude rubber used by industry in November was slightly under imports in the period; stocks of crude rubber increased moderately in 1934, and in December inventories were about four per cent larger than at the close of 1933. The tire industry this year did not adopt the plan of taking orders in the fall for delivery the following spring, which permitted factories to operate in the dull winter months at higher rates than might be warranted by current consumption, but this apparently did not prevent manufacturers from increasing output to augment inventories. The expansion in operations in the first half of December was attributed largely to this fact, although increased demand from automobile assembly plants was a contributing factor.

Final figures for October indicate that production increased 11.9 per cent from September, but was 4.1 per cent under October 1933. For the first time in six months output exceeded shipments, with the result that inventories on November 1 were slightly larger than a month earlier, but for 97 per cent of the industry they were a little smaller than a year previous. Tire production in the first ten months of 1934 exceeded that of the same period of 1933 by 2.4 per cent.

**Clothing** The strike this fall in the textile industry apparently delayed delivery of materials to clothing factories and in December local plants were starting operations on spring models somewhat later than was customary. Chiefly be-

cause of this condition, employment at fourth district factories in November was under a year ago. This was most noticeable at plants making men's clothing, where a drop of eleven per cent from October was recorded in contrast with a five-year-average decline of 2 per cent.

Operations at women's and miscellaneous clothing factories increased in late November and the first part of December, and a gain in employment of 6.6 per cent was shown in November from October, with a further improvement reported in early December. Several hosiery and underwear mills in small Ohio towns have been operating at or near capacity levels in recent weeks. For the year 1934 as a whole, manufacturers of clothing in the fourth district reported operations substantially ahead of 1933; a general improvement in employment, sales, and earnings in the period was indicated.

Orders for spring delivery placed prior to mid-December showed an increase from the previous year in most instances. Prices also were higher than a year earlier. Repeat orders from dealers for winter clothing to augment depleted stocks have been received in fair volume in recent weeks and inventories of finished winter clothing were reported satisfactory.

Retail prices of wearing apparel have shown a downward tendency for several months according to *Fairchild's* index; prices of women's clothing on December 1 were reported slightly under a year previous. Men's clothing prices were a little higher on the latest date than in December 1933. Sales of women's clothing at fourth district department stores in November were 14.4 per cent larger than in November 1933. Sales of men's wear at these same stores showed an increase of 31.9 per cent in the period.

**Other Manufacturing** A somewhat unexpected and considerably greater-than-seasonal increase in operations was reported in several lines of industrial activity in the fourth district in the first half of December. Reports from many of the smaller cities indicated that some lines were operating at capacity levels. Activity in all but a few lines was considerably above a year ago at this time. Preliminary reports for the year 1934 in most cases revealed that operations in the period averaged higher than in 1933, and employment and payrolls showed improvement from the preceding year.

**Automobile Parts, Accessories.** The automobile industry experienced less difficulty in changing from 1934 to 1935 models than was evident a year ago, with the result that local parts and accessory companies found it necessary to increase operations sharply in late November and the first two weeks of December. Reports from local companies indicated that December sales were larger than for several years, with payrolls in some cases nearly double those of November. The fact that the number of hours worked per week increased sharply was responsible for the greater gain than was evident in employment. November employment at 34 plants in this section was 2.6 per cent higher than in October, and 14 per cent above November 1933. For the first eleven months of the year employment at companies reporting to the *Ohio State University Bureau of Business Research* averaged 48 per cent higher than in the same period of 1933.

**Brick and Tile.** Operations at brick and tile plants in

this section, as well as in most parts of the country, continue at low levels, although a slight improvement in both output and orders received was evident when compared with late 1933.

**China, Pottery.** China and pottery plants in this district were operating in December at capacity levels permitted by the industry's code and a greater-than-seasonal improvement was reported generally in recent weeks. Output of plants was considerably greater than in November or December 1933, and several companies not producing in recent years have been remodeling equipment with the expectation of starting operations in the near future.

**Electrical Supplies.** Employment at plants manufacturing electrical machinery apparatus and supplies increased at a greater-than-seasonal rate in November, but was slightly under November last year. Little change was reported in the first part of December. For the year 1934 as a whole, the industry experienced an improvement compared with 1933.

**Glass.** Demand for plate glass increased sharply in late November and early December following the receipt of specifications from the automobile industry for 1935 models. Employment in November was about 25 per cent higher than in the corresponding month of 1933 and for the entire year 1934 marked improvement in operations and employment was apparent. Sales of moulded glassware increased sharply in the year, but demand for building glass was limited throughout the period.

**Hardware, Machine Products.** A slight improvement, which was contrary to the trend for this season of past years, was reported at local plants, and operations in most cases at the year end were slightly higher than at the close of 1933.

**Machine Tools.** Demand for machine tools increased in November, the index of *The National Machine Tool Builders' Association* showing a rise of twelve per cent from October. In the latest month new orders were higher than since January and were materially above a year ago. Foundry equipment orders also improved in November and a gain of more than 100 per cent was shown from November 1933.

**Paint.** Demand for paint declined seasonally in late November and first part of December, and some plants

curtailed factory operations, while others maintained schedules to build up inventories. Paint sales to automobile and miscellaneous industrial companies improved in December, but demand for other types of paint was limited.

**Paper, Boxboard.** Little change was reported in recent weeks in the paper and boxboard industry. Operations at boxboard plants declined seasonally, but other plants were running at about the levels reported for November. In most years production declines toward the year end in an effort to reduce stocks for inventory purposes.

**Shoes.** Operations at shoe factories in this district increased in December as work on spring styles got under way. The rise from November was reported to be more than seasonal, resulting from the fact that orders received in November and early December for early 1935 delivery were larger generally than were received at this time in 1933. Many plants were operating at capacity levels, forty hours a week. In 1934, output of shoe factories in this district was about the same as in the preceding year.

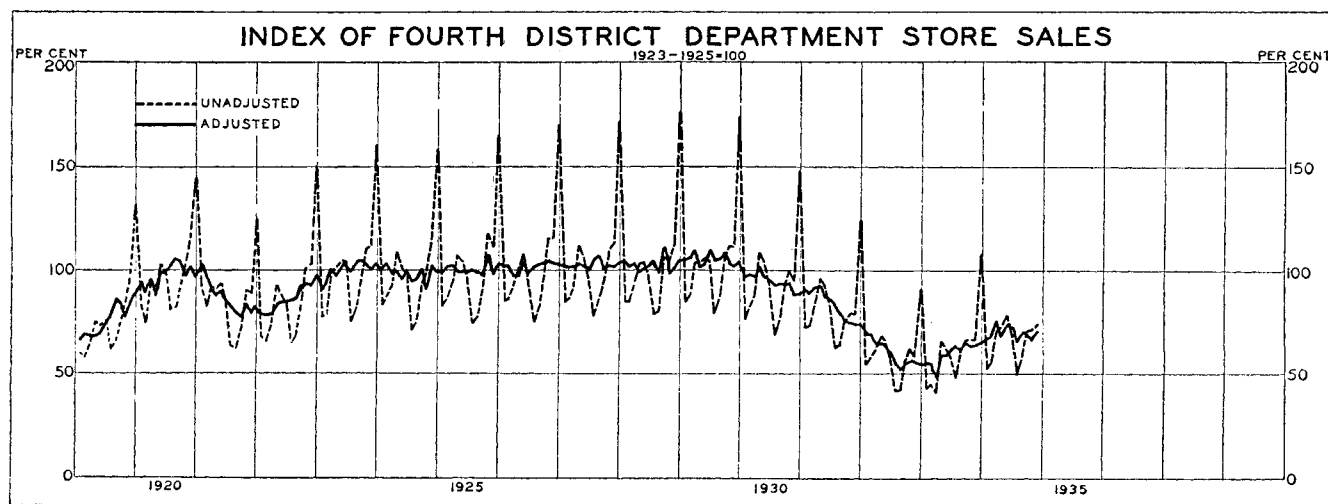
## TRADE

### Retail

The dollar volume of retail sales at reporting department stores throughout the fourth district showed a contrary-to-seasonal increase in November, and in that month was 15.6 per cent larger than in the corresponding period of 1933. As a result, the seasonally adjusted index of daily average sales advanced four points to 70.4 per cent of the 1923-25 monthly average. As shown on the chart at the bottom of the page, this index was higher than since July, but it was still several points under the recent peak touched in the early part of 1934.

At stores in smaller cities of the district, November sales compared more favorably with a year ago than in large centers, but sizable gains were reported generally. For the first eleven months of 1934 dollar sales at all reporting stores were up 17 per cent and the increase in sales for the entire year in all probability approximated this figure, for preliminary reports of December sales indicated that gains from a year ago ranged from 15 to 20 per cent in this district.

There was little change in the volume of credit sales in November from the preceding month or from the corresponding period of 1933. There was a slight increase in



Data for above chart available on Request.

installment buying, but regular credit sales declined in the period. The increase in basement store sales in November from a year previous was somewhat less than the gain in total sales.

Composite prices at department stores, according to *Fairchild's* index, showed no change in November from October and on December 1 they were reported to be about the same as a year earlier. An increase was evident in some items such as yard goods, domestics, and home furnishings, but these were offset by declines in wearing apparel and other items.

Dollar value of department store stocks increased about two per cent in November, but at the end of the month it was six per cent under November 1933. The seasonally adjusted index of the dollar value of stocks, at 59.7 per cent of the 1923-25 monthly average, was about the same as on October 31.

An improvement in collections was reported in November and 36.8 per cent of the accounts receivable on October 31 were paid in the following month. This compared with 34.2 per cent in October, and 33.5 in November 1933. Collections on both installment and regular charge accounts were better in the latest month than a year earlier.

November sales at reporting wearing apparel stores in this district were 17.6 per cent larger than in the corresponding month of 1933, and furniture store sales in the same period were up 29 per cent. Dollar sales of chain grocery stores, per individual unit operated, were 6.1 per cent larger in November than in the same month of 1933, but were slightly smaller than in October.

Chain drug sales in November showed an increase of eleven per cent from the preceding year and were slightly larger than in October. For the first eleven months of 1934 increases of 8.6 and 12.3 per cent were shown in chain grocery and chain drug store sales.

**Wholesale** Sales of all reporting lines of wholesale trade in the fourth district declined in November from October, but the falling-off was chiefly seasonal and combined dollar sales were 15 per cent larger than in November 1933. The greatest increase from a year ago, 20 per cent, was in grocery sales, but reporting dry goods' companies showed a gain of ten per cent, hardware eleven per cent, and drugs, ten per cent.

In the first eleven months of 1934 dollar sales of wholesale groceries were 18 per cent ahead of the same period of 1933, and gains of 17, 23, and 24 per cent, respectively, were shown in sales of dry goods, drugs, and hardware.

Inventories of wholesale distributors had a higher dollar value at the close of November than in late 1933, but the advance in prices in the year contributed to the rise.

### BUILDING

There was a slight decline in the value of building contracts awarded in the fourth district in November from the preceding month, but the drop was slightly smaller than was recorded in the 37 Eastern States by the *F. W. Dodge Corporation*. In contrast with a year ago, a drop of 42 per cent was shown in this district in November, but last year at this time the volume of public works' con-

tracts was large; in fact it was approximately three times what it was the latest month.

Contracts awarded in November were valued at \$9,730,000 in this district and in the first eleven months of 1934 amounted to \$141,845,000. This was a gain of 54 per cent from the same period of 1933, but the bulk of the increase was in publicly-financed projects. On the basis of the report of the *F. W. Dodge Corporation*, covering the Pittsburgh Territory, over one-half of all contracts awarded in this section of the country in the first eleven months of 1934 was for public works and utilities, by far the greater part of which was financed by Federal funds.

Residential contracts awarded in this district in November were valued at \$1,611,000. This was eight per cent higher than in November 1933, but was a drop of 32 per cent from October. The latter decline was partly seasonal, but was large in view of the fact that that figures included both new construction and alterations where contracts were awarded for the latter. Residential contracts awarded in the first eleven months of 1934, valued at \$18,754,000, were 1.5 per cent smaller than the same period of 1933.

Contemplated construction reported in this section in November was approximately as large as in October, but in the latest month was only one-fourth as great as in November 1933, when planning for publicly-financed construction was near its peak.

This is a dull season of the year so far as demand for building materials is concerned. Dealers throughout the district, however, indicated that demand in the first part of December was at approximately the level reported for October and November, with the bulk of orders representing materials to be used in remodeling or repair work. Material orders for new construction, however, were larger than a year ago at this time.

### AGRICULTURE

**Tobacco** Selling of the 1933 Burley tobacco crop started on December 3 at Lexington and a day later at other centers. At the opening sales, offerings of tobacco were in moderate volume, but toward the end of the second week receipts were increasing. Total sales in the first two weeks at Lexington and nine other principal markets were estimated at 12,000,000 pounds. The average price received was \$20.25 a hundred pounds, \$7.58 above the average price received in the first two weeks of the 1933 season and the highest since 1929. Part of this increase was due to the fact that most growers offered only their better tobaccos for sale. Under the AAA program each grower was permitted to market only a specified number of pounds and as a result the poorer grades were withheld.

With the quality of tobacco offered for sale much above average, most of the advance in price has been in the poor and medium grades, which are scarce. High quality tobacco sold at a level only slightly above last year and extra fancy grades actually sold at lower figures than they did in 1933.

The 1934 Burley crop was expected to be the smallest

marketed in several years. Estimates ranged between 250,000,000 and 275,000,000 pounds compared with a crop of 396,000,000 pounds in 1933, which sold at an average price of \$10.42 a hundred pounds.

**Fourth District Business Statistics**

(000 omitted)

	Nov., 1934	% change from 1933	Jan.-Nov., 1934	% change from 1933
Fourth District Unless Otherwise Specified				
Bank Debits—24 cities	\$1,707,000	+22.5	18,251,000	+15.6
Savings Deposits—end of month:				
41 banks, O. & Pa.	\$ 664,238	+ 6.1	1	....
Life Insurance Sales:				
Ohio and Pa.	\$ 72,036	- 3.7	\$49,208	+ 7.4
Retail Sales:				
Dept. Stores—49 firms	\$ 16,409	+15.6	164,754	+17.0
Wearing Apparel—11 firms	\$ 770	+17.6	7,835	+15.8
Furniture—42 firms	\$ 592	+23.8	7,152	+26.9
Wholesale Sales:				
Drugs—13 firms	\$ 1,236	+10.3	14,383	+23.4
Dry Goods—10 firms	\$ 1,154	+10.0	12,083	+17.2
Groceries—33 firms	\$ 3,876	+20.0	41,853	+18.2
Hardware—14 firms	\$ 1,233	+11.4	12,933	+24.4
Building Contracts—Total	\$ 9,730	-42.0	141,845	+53.6
—Residential	\$ 1,611	+ 8.2	18,754	+ 1.5
Commercial Failures—Liabilities	\$ 2,967	+35.4	24,684	-48.1
Number	872	+ 4.8	7182	-55.0
Production:				
Pig Iron, U. S.	957	-11.8	14,950	+24.3
Steel Ingot, U. S.	1,589	+ 4.5	23,319	+12.1
Automobiles—Pass. Car, U. S.	45,495 <sup>2</sup>	+ 6.7	2,061,979 <sup>2</sup>	+35.4
Trucks, U. S.	32,920 <sup>2</sup>	+79.7	533,520 <sup>2</sup>	+149.3
Bituminous Coal	11,715	- 2.2	130,738	+11.0
Cement—O., W. Pa., W. Va. bbls.	359	+62.2	7,076	+33.0
Elec. Power—O., Pa., Ky. k.w.h.	1,213 <sup>3</sup>	+ 5.2	11,567 <sup>4</sup>	+10.8
Petroleum—O., Pa., Ky. bbls.	2,115 <sup>5</sup>	+11.9	19,613 <sup>4</sup>	+23.5
Shoes	5	-20.0 <sup>6</sup>	5	+ 0.4
Tires, U. S. Casings	3,188 <sup>5</sup>	- 4.1	38,911 <sup>4</sup>	+ 2.4
Bituminous Coal Shipments:				
Lake Erie Ports	3,689	- 8.2	35,728	+11.5
Iron Ore Receipts:				
Lake Erie Ports	421	-55.2	15,573	- 4.6

<sup>1</sup> not available  
<sup>2</sup> actual number  
<sup>3</sup> October  
<sup>4</sup> First ten months  
<sup>5</sup> Confidential  
<sup>6</sup> October revised

**Fourth District Business Indexes**

(1923-1925=100)

	Nov. 1934	Nov. 1933	Nov. 1932	Nov. 1931	Nov. 1930
Bank Debits (24 cities)	63	52	49	66	96
Commercial Failures (Number)	60	57	134	131	116
(Liabilities)	67	50	111	146	92
Sales—Life Insurance (Ohio & Pa.)	86	89	93	109	109
Department Stores (47 firms)	75	68	60	79	95
—Wholesale	82	75	72	76	92
Drugs (12 firms)	47	43	36	48	69
Dry Goods (10 firms)	63	56	52	62	80
Groceries (33 firms)	63	57	45	57	72
Hardware (14 firms)	65	56	51	61	78
All (69 firms)	74	67	67	78	84
Chain Drugs (4 firms)*	20	35	29	30	79
Building Contracts—(total)	9	9	10	17	34
(Residential)	9	9	10	17	34
Production—Coal (O., W. Pa., E. Ky.)	65	66	64	63	82
—Cement (O., W. Pa., W. Va.)	33	20	63	64	90
—Elec. Power (O., Pa., Ky.)*	144	137	124	139	150
—Petroleum (O., Pa., Ky.)*	114	109	101	121	117
—Shoes	..	49	48	45	37

\*October.  
\*\*Per individual unit operated.

**Wholesale and Retail Trade**

(1934 compared with 1933)

	SALES Nov. 1934	Percentage Increase or Decrease SALES First 11 months	STOCKS Nov. 1933
DEPARTMENT STORES (49)			
Akron	+14.5	+34.6	- 3.3
Cincinnati	+18.0	+10.9	-12.2
Cleveland	+16.0	+19.5	+ 2.0
Columbus	+16.9	+18.1	+ 5.8
Pittsburgh	+12.0	+12.3	-11.1
Toledo	+20.1	+15.1	+ 0.8
Wheeling	+12.5	+15.6	- 0.7
Other Cities	+22.7	+26.7	+ 1.6
District	+15.6	+17.0	- 6.2
WEARING APPAREL (11)			
Cincinnati	+11.7	+ 9.4	- 6.9
Other Cities	+20.9	+19.2	+ 2.6
District	+17.6	+15.8	- 0.7
FURNITURE (42)			
Cincinnati	+116.7	+30.6	
Cleveland	+16.8	+28.5	
Columbus	+27.9	+22.4	
Dayton	+16.5	+ 6.6	
Toledo	+26.0	+35.0	
Other Cities	+16.6	+35.1	
District	+28.8	+26.9	
CHAIN STORES*			
Drugs—District (4)	+11.1	+12.3	
Groceries—District (5)	+ 6.1	+ 8.6	
WHOLESALE GROCERIES (33)			
Akron	+31.3	+34.2	
Cleveland	+27.8	+16.8	
Erie	+11.1	+20.8	
Pittsburgh	+11.3	+16.2	
Toledo	+16.9	+19.7	
Other Cities	+16.4	+17.0	
District	+20.0	+18.2	+14.2
WHOLESALE DRY GOODS (10)	+10.0	+17.2	+ 8.7
WHOLESALE DRUGS (13)	+10.3	+23.4	
WHOLESALE HARDWARE (14)	+11.4	+24.4	

\*Per individual unit operated.

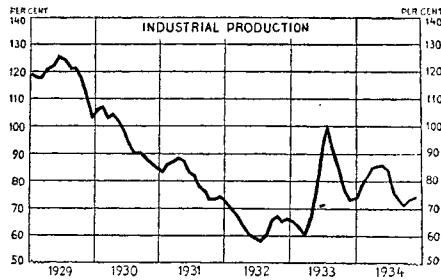
**Debits To Individual Accounts**

(Thousands of Dollars)

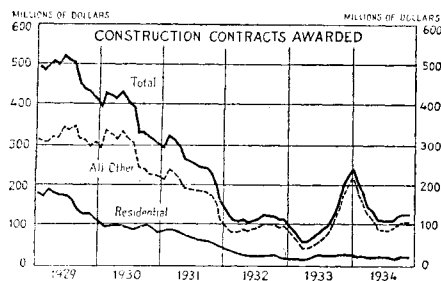
	4 weeks ended Dec. 19 1934	% change from 1933	Year to date to Jan. 3, 1934	Year to date to Jan. 4, 1933	% change from 1933
Akron	40,597	+35.0	524,238	372,516	+40.7
Butler	6,263	+ 5.6	78,220	70,211	+11.4
Canton	24,421	+20.2	295,477	220,171	+34.2
Cincinnati	240,734	+23.7	2,860,622	2,581,633	+10.8
Cleveland	376,750	+23.6	4,617,649	4,036,033	+14.4
Columbus	133,298	+60.7	1,407,714	1,047,754	+34.4
Dayton	39,561	+30.6	472,820	427,830	+10.5
Erie	18,191	+22.3	219,869	188,802	+16.5
Franklin	2,517	+ 9.8	29,703	26,163	+13.5
Greensburg	4,388	+30.6	57,172	44,403	+28.8
Hamilton	7,146	+16.4	89,793	77,043	+16.5
Homestead	1,744	+16.7	21,880	18,800	+16.4
Lexington	17,313	+35.6	200,639	167,984	+19.4
Lima	7,475	- 0.4	89,535	67,278	+33.1
Lorain	2,454	+30.1	31,326	25,914	+20.9
Middletown	6,097	+ 7.5	72,808	66,929	+ 8.8
Oil City	7,536	+43.2	83,332	68,414	+21.8
Pittsburgh	675,589	+46.9	6,589,486	5,825,138	+13.1
Springfield	11,551	+25.6	140,839	116,756	+20.6
Steubenville	5,500	+16.1	69,743	54,727	+27.4
Toledo	76,647	+17.1	994,090	830,722	+19.7
Warren	5,322	+12.0	70,085	57,851	+21.1
Wheeling	23,594	- 1.6	316,611	304,597	+ 3.9
Youngstown	27,881	+20.0	278,313	296,762	+27.5
Zanesville	5,654	+11.3	67,329	60,281	+11.7
Total	1,768,223	+33.3	19,779,293	17,054,712	+16.0

## Summary of National Business Conditions

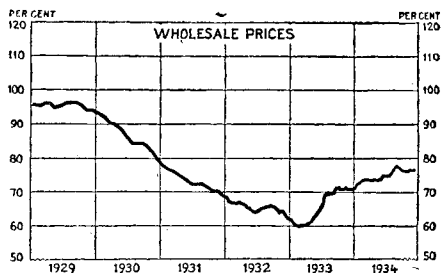
By the Federal Reserve Board



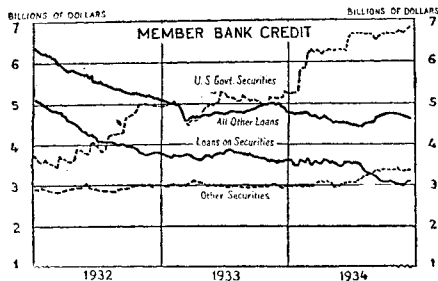
Index number of industrial production, adjusted for seasonal variation (1923-1925=100). Latest figure, November, preliminary 74.



Three month moving averages of F. W. Dodge data for 37 Eastern States, adjusted for seasonal variation. Latest figures based on data for October, November, and estimate for December.



Index of United States Bureau of Labor Statistics (1926=100). By months 1929 to 1931; by weeks 1932 to date. Latest figure is for week ended December 15.



Wednesday figures for reporting member banks in 91 leading cities. Latest figures are for week ended December 12.

In November the rate of industrial activity showed little change and the general level of commodity prices remained unchanged. Distribution of commodities to consumers was well maintained.

### Production and Employment

Volume of industrial production declined in November by an amount somewhat smaller than is usual at this season and consequently the Board's seasonally adjusted index advanced from 73 per cent of the 1923-1925 average in October to 74 per cent in November. In the steel industry output continued to increase during November and the first three weeks of December, contrary to the usual seasonal tendency. Automobile production also showed an increase in the early part of December, following a decline in connection with preparations for new models. In November lumber output decreased by more than the estimated seasonal amount. At woolen mills there was a considerable increase in output, while consumption of cotton by domestic mills showed a slight decline. Activity at meat-packing establishments showed less than the usual seasonal increase. Production of the leading minerals was at about the same level as in October.

Factory employment declined between the middle of October and the middle of November by the usual seasonal amount and was at the same level as a year ago. Declines reported for the automobile, shoe, and canning industries were smaller than seasonal while decreases at railroad repair shops and sawmills, were larger than are usual at this season. At meat-packing establishments, where employment has been at a high level in recent months, there was a considerable decline but the number on the payrolls in November was larger than in the corresponding month of other recent years. Employment at woolen mills showed a substantial increase. The number employed on construction projects of the Public Works Administration declined further in November, according to the Bureau of Labor Statistics.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a considerable decline in November and the first half of December, following an increase in October. The indicated decline in awards from the third to the fourth quarter was somewhat smaller than usual.

Department of Agriculture estimates for December 1 indicate that production of principal crops this season was about 22 per cent smaller than in 1933 and 32 per cent below the average for the previous ten years, reflecting reductions in acreage and in yield per acre. There has been a shortage in feed crops accompanied by a sharp increase for the year in the slaughter of livestock. Although output of agricultural commodities has been smaller than in any other recent year, farm income has been larger than in either 1932 or 1933, reflecting chiefly higher prices, and, to a smaller degree, benefit payments.

### Distribution

Total freight car loadings declined in November by less than the estimated seasonal amount, reflecting chiefly a smaller decline than is usual in shipments of miscellaneous freight. Retail sales generally have been well maintained. Department store sales increased by slightly less than the estimated seasonal amount in November; preliminary reports for the first half of December, however, indicate a more-than-seasonal increase in Christmas trade.

### Commodity Prices

Wholesale commodity prices generally showed little change during November and the first half of December. Prices of scrap steel continued to increase during this period, while corn prices, which advanced rapidly in November, declined somewhat after the first week of December. Retail food prices declined in November, reflecting lower prices for meats.

### Bank Credit

Developments at the Federal reserve banks in December reflected largely the seasonal increase in the demand for currency and the continued inflow of gold from abroad.

Loans and investments of reporting member banks in leading cities showed an increase of \$150,000,000 in the four weeks ended December 12, after declining somewhat in the preceding four weeks. The growth reflected increases in holdings of United States Government obligations and in brokers' loans. Deposits at banks showed a further considerable growth.

Yields on short-term Government securities declined slightly in December, while other short-term open-market money rates showed little change. On December 15 the discount rate of the Federal Reserve Bank of Atlanta was reduced from 3 per cent to 2½ per cent and on December 21 a similar reduction was made at the Kansas City Federal Reserve Bank.