

MONTHLY BUSINESS REVIEW

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and agricultural conditions



Fourth Federal Reserve District
Federal Reserve Bank of Cleveland

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IN LATE November and the first three weeks of December seasonal influences caused an increase in some lines of business activity and decreases in others, but the general level of trade and industrial operations was much above a year ago. The production index compiled by the Board of Governors of the Federal Reserve System was 97 per cent of the 1923-25 monthly average in November compared with 95 in October, 74 in November 1934 and 84 in December of that year. Barring the abnormal peak of July 1933, when this index touched 100, operations in the closing months of 1935 were at a higher rate than since 1930.

The fourth district, because of its close connection with the automobile industry, has at least shared in this upward movement and in some fields output of local factories at the year-end surpassed all records for corresponding periods. The table below shows the improvement in several business indicators important to this district in the first eleven months of 1935 as compared with 1934.

Automobile production, U. S.	+ 38.6
Building contracts awarded, residential—fourth district	+132.8
Coal production—fourth district	— 0.5
Coal shipments—Lake Erie ports	— 0.6
Commercial failures—fourth district	+ 2.0
Department store sales—fourth district	+ 4.5
Electric power production—fourth district	+10.3
Furniture store sales—fourth district	+ 3.6
Iron ore receipts—Lake Erie ports	+27.7
Pig iron production—United States	+26.6
Shoe production—fourth district	+15.7
Steel ingot production—United States	+28.4
Tire production—United States ¹	+ 6.0
Wholesale sales—four reporting lines—fourth district	+ 4.8

¹Partly estimated.

In addition to the foregoing, the *Ohio State University* employment index in this section was higher in November than since 1930 and was 14 per cent above November 1934. While estimates of the number of unemployed, particularly by areas, are difficult to obtain, the number of persons not regularly employed, judging by relief demands and the number engaged in WPA work, is still sizable.

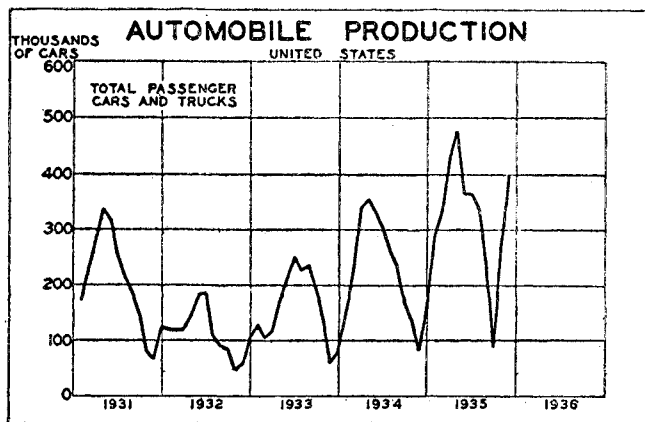
Debits to individual accounts at banks in leading cities of the district in the four weeks ended December 18 were

15.2 per cent larger than a year ago and the gain for the year to date was 16 per cent. Larger payrolls and increased trade of all types are reflected in these figures, which, however, are affected by price changes. These have not been particularly great in the past year, judging by the *Bureau of Labor's* wholesale price index and *Fairchild's* index of retail prices.

The number of commercial failures reported in this section in November was little changed from last year, but in both 1934 and 1935 there have been relatively few failures compared with other years. Liabilities of defaulting concerns in the first eleven months of this year were 37 per cent smaller than in the same period of 1934.

Retail trade, judging by department store sales, increased considerably more than seasonally in November and the adjusted index of daily average sales, at 79.4 per cent of the 1923-25 average, was higher than since mid-1931 and was 11.5 per cent above a year ago. Preliminary reports of early December sales were favorable, although the increases were no larger than were shown in November.

The year, as a whole, at least to December 1, has been one of rather constant improvement for most industries. Advancing the date of new-model introductions in the automobile industry had a very noticeable effect on many lines in this district, but whether this has been borrowed from the early part of 1936 cannot in any way be ascertained at present.



FINANCIAL

In mid-December a slight increase in discounts of member banks and in loans to industry was evident in condition figures of the Federal Reserve Bank of Cleveland. Holdings of Government securities and acceptances were unchanged in the four latest weeks to Dec. 18, being \$218,025,000 and \$444,000, respectively. Gold certificates on hand or due from the United States Treasury increased slightly in December and on December 18 they exceeded \$500,000,000 for the first time. The increase in this item in the past year has been over \$100,000,000. Earning assets of the bank rose \$5,500,000 in 1935, the bulk of which represented Government securities, but they were acquired from another Federal reserve bank and did not increase the System's holdings of Government issues. Industrial advances rose over \$850,000 in the year, but discounts for member banks declined over \$300,000 and all but disappeared. In three recent weeks they amounted to only \$15,000.

Member bank reserve deposits declined from \$362,000,000 to \$319,000,000 between November 20 and December 18, the bulk of the falling-off occurring in the latest week as banks added to their holdings of Government securities at the time of the December 15 financing and as seasonal demand for currency increased. Despite the drop, however, they remained much in excess of legal requirements.

Note circulation of this bank increased over \$15,000,000 from November 20 to December 18 and barring a few weeks in early 1933, when abnormal conditions prevailed, note circulation on the latest date represented a new high record; the increase in the past year, amounting to over \$40,000,000, represented in part the issuance of reserve bank currency to replace national bank notes which were retired. Increased business activity also was a factor. Since early November no Government securities have been pledged by this bank as collateral for note circulation, it being backed almost one hundred per cent by gold certificates.

Member Bank Credit. The accompanying chart shows revised figures for weekly reporting member banks in leading cities of this district since September 1934. The new item, adjusted demand deposits, is not strictly comparable with previously published demand deposit figures, but it gives a more accurate picture of actual commercial deposits than was heretofore available.

The Banking Act of 1935 permits banks to compute their demand deposits for reserve purposes by deducting from gross demand deposits balances due from banks and items in process of collection. In some cases relatively large amounts of country funds are on deposit in financial centers. The demand deposit figure computed in this way for some country banks was below actual customers' balances and the relation between country and large city banks was somewhat distorted. The new adjusted demand deposit figure definitely excludes Government and interbank deposits. It is arrived at by adding to all other demand deposits (gross demand deposits less Government and interbank deposits) deferred credits and certified and cashier's checks outstanding and subtracting from the sum all cash items on hand or in process of collection. The new figures are available back to September 5, 1934.

Time deposits of these banks formerly included time balances of other banks, but these are relatively small and are now included in interbank deposits as a separate item.

As shown by the chart, total credit extended by banks in

this district increased quite sharply in 1935, but the expansion has been chiefly in holdings of Government securities, or those guaranteed by the Government.

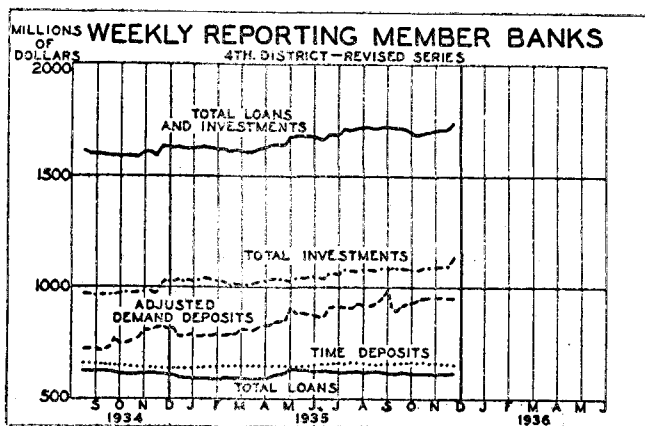
Total loans outstanding were slightly higher on December 18 than four weeks earlier and they were somewhat above the low point of the year in February, but they were down from the peak touched in June. Commercial loans were up seven per cent in the year and loans on real estate were up 11.2 per cent, but security loans were 8.2 per cent lower on December 18 than at the beginning of 1935, notwithstanding a slight increase in recent weeks. Member banks' holdings of Government securities rose quite sharply in mid-December in connection with the Government financing. They were 14.2 per cent larger than at the beginning of the year, while holdings of other than Government securities were little changed in the period. Adjusted demand deposits of local reporting member banks declined slightly in the four weeks ended December 18, but as shown on the chart, the increase so far this year has been considerable. Time deposits declined \$10,000,000 to \$663,000,000 in the four latest weeks, but they remained slightly above last year at that time. Reserves of member banks in the first half of December were estimated to be approximately \$165,000,000, or 103 per cent, in excess of legal requirements. This was a new high record. There was a decline at the time of the December 15 Government financing.

MANUFACTURING, MINING

Iron and Steel

For the first time since 1925 steel mill operations were at a higher rate in December than in any other month of the year. Generally operations decline toward the year end and while this year apparently is little different from others in this respect, the contraction did not develop until a new high rate for the year had been touched early in the month. In the second and third weeks of December steel ingot production declined, but finishing mill operations were reported to be holding up well, either at or close to the highest levels of the year.

The bulk of the improvement in the iron and steel industry this year compared with last occurred in the closing six months. The accompanying chart shows the weekly rate of steel mill operations for the past several years and recently plants have been operating at the highest levels since 1930. As has been the case for some time there is still considerable variation in operating rates in principal steel centers. In this district Cleveland



heads the list because of the importance of automobile demand to this section. In the week ended December 21 these mills were producing at 82 per cent of capacity compared with 80 per cent in the corresponding week of November and about 75 per cent a year ago when mills were active making materials for forthcoming 1935 automobiles. This year new-model automobile buying was moved forward about two months, but it has been well-sustained throughout the year. At Youngstown, mills were working at 56 per cent, unchanged in the latest month, but this compared with 41 per cent a year ago. Wheeling plants have been unusually active throughout most of the year and in the latest week were operating at about 80 per cent. At Pittsburgh, which is largely a heavy steel center, operations have lagged behind the national average this past year; in the latest week they were at 40 per cent of capacity, while in November they were 46 per cent and a year ago they were 26. The entire steel industry in the week ended December 21 was operating at 52 per cent down from 57 per cent in two weeks, but activity continued much above last year at that time.

Daily average steel ingot production in November, 121,279 gross tons, was the largest for any November since 1929. The gain over October was five per cent. The month's output, 3,153,247 tons, was 1.1 per cent higher than October's and 96 per cent ahead of last year. In the first 11 months, 30,313,507 tons were made, an increase of 27.2 per cent over the first 11 months in 1934. With December estimated, a gain in steel production of 30 per cent from 1934 has occurred and output was only 19 per cent below 1930, which was regarded as a good year in the steel industry.

Daily average pig iron production in November, 68,876 gross tons, was 7.9 per cent above October, and highest since October 1930. Total output for the month, 2,066,294 tons, was 116 per cent higher than in November 1934. For 11 months, output of 18,924,987 tons was 26.6 over the same period in 1934. There was a net gain of six blast furnaces in operation in November, 122 being active at the month end.

Currently, iron and steel demand remains stronger, despite inventory and the customary year-end influences. Automotive requirements are heavy; railroads have placed some large orders, and are preparing for more buying in early 1936. Structural work is increasing, due mainly to the Government's work relief program getting under way.

Prices are firm, and a few advances have been made in some of the less important finished steel products, although such products as bars, shapes, plates, sheets and strip have been reaffirmed for first quarter. *Steel's* scrap price composite rose from \$13.12 in the week ended November 23 to

\$13.29 in the week ended December 14, but declined to the November level the following week.

Automobiles

The automobile industry in November and also in the first eleven months turned out more cars than was expected by even the more optimistic and comparison of current operations with previous periods indicated that they were at record high levels for this season of the year. According to the *Department of Commerce*, 398,024 cars and trucks were made in the United States in November, compared with 275,021 in October and 83,482 in November last year. More cars were made in the single month than in the entire fourth quarter of 1934 and, excluding 1929, November production figures were larger than in any previous first month of new-car production. The latest month's output was 156 per cent in excess of the 292,817 cars made in January 1935.

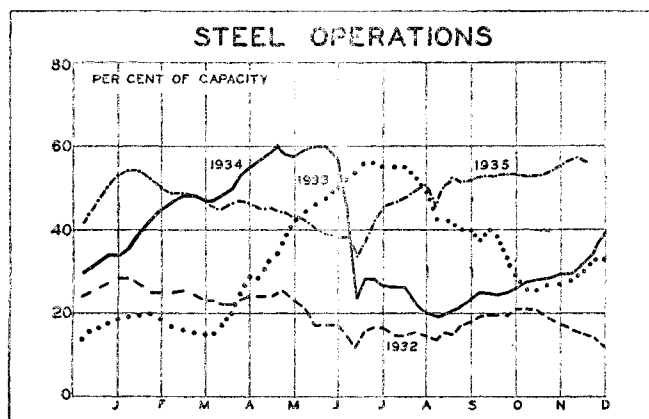
In the first eleven months of 1935 assemblies at domestic plants totaled 3,602,090 cars and trucks, a gain of 38.6 per cent from the same period of 1934 and this number compared with 1,920,000 units in the entire year 1933 and 3,356,000 units in 1930. With December partly estimated, output for the entire year should be close to 4,000,000 units, the best since 1929, when 5,358,000 cars were produced. The industry this year has had the advantage of two sets of new models and while output in the fourth quarter might have been stepped up at the expense of early 1936, no information on this point is available. In this connection it is encouraging that sales recently have continued at very satisfactory levels, according to reports. Despite the unusually heavy production, many dealers were unable to keep up with orders.

In mid-December new-model production was at a higher rate than in any week since output of the 1936 cars started. This high rate was unparalleled in any previous year and at approximately 100,000 units, was only 12,000 units a week below the high point of 1935 touched in April.

While the recent increase has been chiefly in passenger car production, which in November was 338,425 units, almost seven times what it was a year ago, truck output was up 73 per cent in the latest month from 1934 and a gain of 24 per cent was reported for the eleven-month period. Passenger car production up to December 1 was 45 per cent ahead of the corresponding interval of 1934.

Rubber and Tires

Operations in the rubber and tire industry in November continued at about the same level as in October, judging by reports from manufacturers in this section and rubber consumption in the entire industry in the latest month. A slight increase in tire production was reported at some plants in early December, but this had little significance because manufacturers generally build up inventories at this season in preparation for spring. Activity in the industry as a whole in recent weeks compared favorably with last year at this time and it was estimated that dollar sales for the entire year may exceed 1934 by approximately 15 per cent. Profits are unsatisfactory partly because of the price situation, which, however, was more stable recently than at any previous time this year. Replacement tire sales declined more than seasonally in November, but the falling-off was balanced by the marked increase in original equipment sales to automobile manufacturers. The plan of dealer buying for spring delivery was still in vogue, but reports indicated that orders have not been received in the same volume this fall as in other previous years.



Employment at rubber factories in this district in November was slightly less than in October, but was 5.1 per cent above a year ago. The increase at tire factories was 3.4 per cent, while at plants making miscellaneous rubber products the gain was 27 per cent. Some increase in the number of hours worked was reported at tire factories in early December, but little change in the number of employees was indicated. It was largely seasonal and represented manufacturing for inventory purposes.

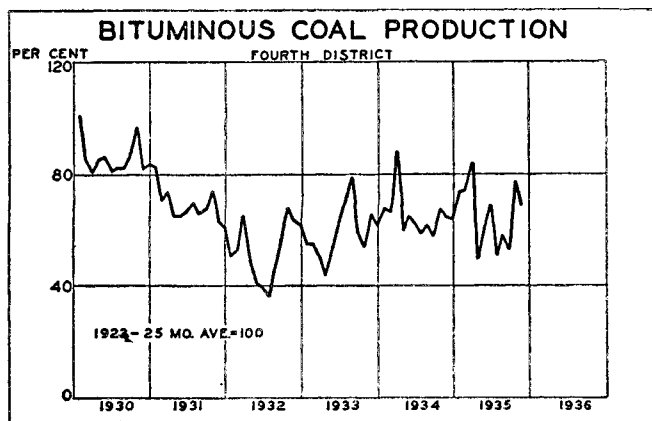
Crude rubber consumption by manufacturers in the United States in November was estimated to be 42,778 long tons, approximately the same as in October, but up 23 per cent from November last year. Imports of crude rubber in the month were 28,836 long tons, a drop of 16 per cent from October and of 20.4 per cent from November 1934. Continuing the trend of earlier months this year, consumption exceeded imports and domestic stocks of crude rubber on hand were reduced to 303,162 tons. This was 16.4 per cent under last year at this time.

Coal

More coal was produced in this district in November than in any corresponding month since 1930. Daily average production was up slightly from October, but the increase was less than usual by reason of the fact that considerable coal mining was done in October. The Coal Conservation Act, which became effective November 1, was largely responsible for this spurt, although demand for fuel has increased this fall in comparison with other recent years.

Output in November was 12,453,000 tons in this district, a gain of 6.3 per cent from the corresponding month of 1934, but in the entire country the month's production was up seven per cent. In the first eleven months, fourth district mines produced slightly less (0.5 per cent) coal than in the comparable period last year while at all mines in the country output in the same interval was up 2.1 per cent.

Demand for household coal has been light this year and with the Lake shipping season closed coal shipments have declined except to industrial and utility users. While takings by these groups have not actually increased in recent weeks, in the past several months there has been a marked expansion in these fields. Coal shipments from Lake Erie ports for the year were less than one per cent below those of 1934. This was better than was expected earlier in the season, for carry-over of coal this spring at upper Lake ports was large. The shipping period was longer than usual this year.



Prices have not been particularly steady recently although no marked weakness was apparent. Stocks of coal above ground are still large.

Clothing

Although some variation was evident in branches of the industry, textile and clothing manufacturers finished the year in a better position than in 1934. Rising raw material prices, particularly wool and silk, have stimulated clothing purchases and advance buying has been better this fall than in 1934. Manufacturers' inventories are slightly larger than a year ago.

Operations at men's clothing plants in November and December were at relatively higher levels, compared with last year, than in other factories. Employment at these plants in November was 25 per cent ahead of last year and for the eleven-month period averaged 12 per cent higher than in the corresponding interval of 1934. Sales of men's clothing this fall, both at wholesale and retail, have been in satisfactory volume, according to reports. At fourth district reporting department stores in November they were 8.5 per cent ahead of the same month of 1934 and men's furnishing sales were up 16.3 per cent. It was stated that sales of heavy clothing have been slow this fall, but the weather was unusually mild until recently.

At women's and miscellaneous clothing factories in Ohio the number of employees declined six per cent from October to November, but in the later month it was 9.6 per cent above a year ago and for the eleven-month period averaged four per cent better than in 1934. Sales of women's and misses' clothing at local stores in November were slightly smaller than a year ago, but the decline was entirely in coats and suits. Dress sales were larger than in November last year. At reporting wearing apparel stores in this section total sales were up nine per cent in the month and two per cent for the year to date from corresponding periods of 1934.

Regarding spring orders, some companies reported an increase while others say little change is evident from last year. Sales of spring textiles to manufacturers, however, are considerably above this time in 1934.

Other

Manufacturing

Little change, other than seasonal, was evident in the smaller manufacturing lines of this district in the four latest weeks, but gains continued to be shown from last year in all fields. A decided increase in wholesale jewelry sales was reported in November in contrast with last year, in preparation for a more active Christmas season. The year as a whole has been one in which operations in most lines have been better than in any recent year, in some cases back to 1929.

Auto Parts and Accessories. Further increases in activity at local parts and accessory plants were reported in late November and the first half of December and operations were at a much higher rate than in any corresponding period of recent years, dating back to 1929. Sizable gains in sales and employment have been recorded in this field; in November, at 29 plants reporting to the *Ohio State University Bureau of Business Research*, the number of employees was up 26 per cent from last year and a gain of 3.7 per cent was reported for the first eleven months. In addition there has been a marked increase in the number of hours worked. Sales for the year were estimated to be about 35 per cent above 1934 and profits have increased in most cases.

Brick and Tile. A seasonal falling-off was evident in the brick and tile industry in recent weeks but operations continued above a year ago in most sections. In October, production of local plants was over four times what it was a year ago and yet only 12 per cent of the machine capacity was being used.

China, Pottery A contraction in operations at china and pottery plants in this section was reported in the four latest weeks, part of which was indicated as being seasonal. Despite the drop, activity was about the same as a year ago at this time. Employment was approximately the same as in November 1934, while for the first eleven months an average increase of three per cent was reported. China sales for the year to date were larger than in 1934, one estimate being ten per cent.

Glass. Makers of glass and glass products have benefited from the improvement in the automobile, furniture, canning, and residential building industries during the year and substantial gains in sales, employment and payrolls have been experienced. Plate glass producers have gained most, chiefly because of the sharp rise in automobile production and the increase in the use of safety glass, which requires double the amount of plate glass. States with more than 45 per cent of total car registrations now require safety glass to be used on new cars. Plate glass production in the first ten months of the year was nearly double the same period of 1934. Window glass production this year has been about 15 per cent ahead of 1934, in part because of the improvement in construction and home renovizing, and shipments this year have been at the highest level since 1929. Sales of glassware and containers also have been larger this year than in 1934 and at a rate which exceeded even the year 1929. In November a contrary to seasonal increase in employment was reported by the industry as a whole and for the first eleven months an average gain of 20 per cent was shown from the same period of 1934.

Metal Products. Employment at local factories increased 8.2 per cent from October to November and in the latest month was 31 per cent above November 1934. Gains were general in all branches and indexes in November were higher than since late 1930.

Machine Tools. New domestic orders for machine tools received in November, according to the *National Machine Tool Builders' Association*, were in about the same volume as in October, but a drop in foreign buying was reported. Total orders were nearly twice as large as were received in November 1934, and they were 98.6 per cent of the monthly average shipments in 1926. Domestic sales have held up recently, the drop from the high point of the year being entirely a result of a contraction in foreign purchases. Small tool sales have held up very well this fall and, while foundry equipment orders declined in November, they were still about 25 per cent larger than in the corresponding month of 1934.

Paint. This is a dull season for paint manufacturing, but plant operations have been maintained at reasonably high levels. Inventories are being built up for spring selling. The year 1935 was considerably above 1934 from the sales standpoint, all consuming lines contributing to the increase.

Paper, Boxboard. A slackening in paper and boxboard sales was reported in early December, but they continued substantially above last year. Inventories of paper are larger

than a year ago, but the increase was reported as being in keeping with the greater activity.

Shoes. Local shoe factories in the first half of December were engaged in the production of spring lines, orders for which have been received in considerably larger volume than a year ago. November production at fourth district factories was 22.5 per cent ahead of November 1934 and for this year to date a gain of 15.7 per cent was reported. Shoe prices in November were little changed from a year ago, despite the sharp increase in hide and leather prices. Raw material inventories are larger than a year ago.

TRADE

Retail

Daily average dollar sales at reporting department stores in the fourth district in November increased more than seasonally from October and were 11.5 per cent greater than in November 1934. The seasonally adjusted index advanced nearly five points to 79.4 per cent of the 1923-25 monthly average and was higher than since August 1931. While these sales are affected by price changes, *Fairchild's* index on December 1 was less than one per cent higher than a year ago at that time, although an increase of 3.2 per cent has occurred since August of this year.

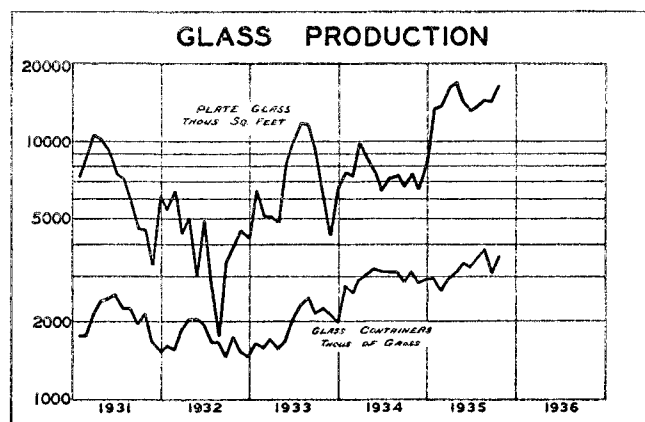
So far as individual cities were concerned gains were widespread, ranging from seven per cent in Cincinnati and Toledo to 12 per cent in Akron and Pittsburgh, 15 per cent in Wheeling and the group of smaller cities, and 30 per cent at Youngstown. In the individual departments, with the exception of piece goods, knit underwear and women's coats, gains, some of them sizable, were shown.

Sales in the first eleven months of the year were 4.5 per cent larger at reporting stores than in the same period of 1934 and gains were shown in all cities except Akron. Reports of December pre-Christmas buying indicated that the gains of November were being continued in most cases.

Basement sales represented a smaller share of total store sales in November than a year ago and the increase in basement departments was smaller than in total store volume.

The ratio of credit to total sales in November was practically unchanged from October at 58.6 per cent, but was two points higher than in November 1934. The increase from last year was about equally distributed between installment and regular 30-day sales.

The dollar value of stocks increased 3.2 per cent in November from October, slightly more than seasonal, but at the month end the value of stocks was only 2.5 per cent higher than on November 30, 1934. A larger volume of sales



has been made on about the same average value of stocks this year than in 1934, the stock turnover rate for the ten months, February through November, being 3.24 as compared with 3.08 in the preceding year.

Collections improved in November and in the month were 15 per cent larger than in November 1934. Most of the gain was on regular accounts, the ratio of collections to accounts receivable at the beginning of the month being 47.3 at all reporting stores compared with 44.8 a year ago.

Wholesale Dollar sales of all reporting wholesale firms in this district were larger in November than in any corresponding month since 1930 and the gain from November 1934 was 7.9 per cent. While declines occurred from October in all lines, this was seasonal and it was reported that retailers bought more goods for the holiday season than in the past five years. Wholesale hardware sales were 18.8 per cent larger in November than a year ago; drug sales were up 14 per cent; dry goods 9.1; and grocery 1.9 per cent in the same period.

In the first eleven months of the year total sales of all lines were up 4.8 per cent, the gain reported by hardware companies being 8.6 per cent, grocery 5.1, dry goods 2.8 and drugs 2.2 per cent. Collections have been good recently.

CONSTRUCTION

Construction contracts awarded in this district in November were down from the high level of October for two reasons. In the first place the October total was large because the contracts for two large Federal housing projects in Clevel-

and were awarded in that month and in addition there is generally a falling-off in construction activity as the winter season approaches. In contrast with a year ago a gain of 47 per cent was evident in the November figures, which totaled \$14,265,000 in the fourth district. Gains from last year were shown for each major classification except public utilities, whereas declines from October occurred in each group except nonresidential construction.

Residential building contracts awarded in this section in November were 89 per cent larger than in the same month of 1934 and for the year to date an increase of 133 per cent was evident. Total construction in the eleven-month period was up 13 per cent from last year, the relatively smaller increase being due to the fact that a larger volume of Federal projects was awarded in the early part of 1934 than this year.

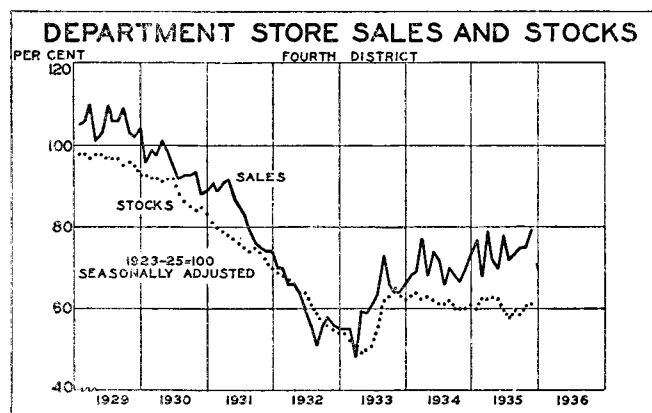
Contemplated construction of all types reported in this section in November was smaller than a year ago due to a decided falling-off in heavy public works and utility classifications. Contemplated residential and nonresidential building reported in November was nearly double that reported in November 1934.

AGRICULTURE

Tobacco

The 1935 tobacco selling season in this section opened in Lexington on December 3 with large offerings of tobacco, the quality of which was somewhat disappointing. Fine cigarette tobaccos were not as plentiful as usual, according to reports, and prices at opening sales were about equal to last year. Up to December 14 over 14,500,000 pounds were sold on the Lexington floors, which was somewhat more than was disposed of in the corresponding period last year. The average price for this entire amount was \$20.82 a hundred pounds, which compared with \$20.25, the average price received in the first two weeks of last year's selling season. The rise was somewhat more than is indicated by these figures for, according to reports, more than the usual percentage of medium-grade tobacco has been offered. Prices have improved somewhat from the opening levels and the amount of tobacco offered for sale also has risen.

While burley tobacco prices are better than since 1929, the situation is dominated by the large stocks in hands of domestic dealers and manufacturers. The 1935-36 indicated supply of this type is about equal to $3\frac{1}{2}$ years' consumption at the current rate.



Debits to Individual Accounts

(Thousands of Dollars)

	4 weeks ended Dec. 18, 1935	% change from 1934	Year to date Jan. 2, 1935 to Dec. 18, 1935	Year to date Jan. 3, 1934 to Dec. 19, 1934	% change from 1934
Akron.....	\$ 50,934	+25.5	\$595,041	\$524,238	+13.5
Butler.....	7,965	+27.2	85,014	78,220	+8.7
Canton.....	32,282	+32.2	350,778	295,477	+18.7
Cincinnati.....	292,160	+21.4	3,313,038	2,860,622	+15.8
Cleveland.....	486,409	+29.1	5,450,556	4,617,649	+18.0
Columbus.....	152,863	+14.7	1,806,645	1,407,714	+28.3
Dayton.....	47,849	+20.9	576,185	472,820	+21.9
Erie.....	20,666	+13.6	251,195	219,703	+11.9
Franklin.....	2,878	+14.3	35,242	29,172	+13.3
Greensburg.....	5,478	+24.8	64,752	57,793	+13.0
Hamilton.....	8,737	+22.3	101,430	89,793	+13.0
Homestead.....	2,111	+21.0	25,466	21,880	+16.4
Lexington.....	23,755	+37.2	229,442	200,639	+14.4
Lima.....	10,303	+37.8	107,822	93,535	+20.4
Lorain.....	3,328	+35.6	39,077	31,326	+24.7
Middletown.....	8,408	+37.9	88,035	72,802	+20.9
Oil City.....	8,829	+17.2	103,621	83,332	+24.3
Pittsburgh.....	670,929	+0.7	7,452,624	6,589,486	+13.1
Springfield.....	13,786	+19.3	164,402	140,839	+16.7
Steubenville.....	7,033	+27.9	80,247	69,743	+15.1
Toledo.....	103,858	+35.5	1,098,615	994,090	+10.5
Warren.....	7,017	+31.8	79,366	70,085	+13.2
Wheeling.....	27,839	+18.0	334,508	316,611	+5.7
Youngstown.....	36,026	+29.2	442,786	378,313	+17.0
Zanesville.....	6,430	+13.7	76,129	67,329	+13.1
Total.....	\$2,037,873	+15.2	\$22,950,016	\$19,779,293	+16.0

Fourth District Business Indexes

(1925-25 = 100)

	Nov., 1935	Nov., 1934	Nov., 1933	Nov., 1932	Nov., 1931
Bank Debits (24 cities).....	76	63	52	49	66
Commercial Failures (Number).....	48	60	57	134	131
" (Liabilities).....	20	67	50	111	146
Sales—Life Insurance (O. & Pa.).....	88	86	89	93	109
" —Department Stores (47 firms).....	83	75	67	59	79
" —Wholesale Drugs (13 firms).....	93	82	75	72	76
" —Dry goods (10 firms).....	51	47	43	36	48
" —Groceries (30 firms).....	71	67	56	52	62
" —Hardware (14 firms).....	71	63	57	45	57
" —(All 67 firms).....	71	65	56	51	61
" —Chain Drugs (4 firms)*.....	91	74	67	29	78
Building Contracts (Total).....	30	20	35	27	30
" (Residential).....	18	9	9	10	17
Production—Coal (O., W. Pa., E. Ky.).....	69	65	66	64	63
" —Cement (O., W. Pa., W. Va.).....	57	33	20	63	64
" —Elec. Power (O., Pa., Ky.)*.....	168	144	137	124	139
" —Petroleum (O., Pa., Ky.)*.....	118	114	109	101	121
" —Shoes.....	66	54	49	48	45

*October

**Per individual unit operated.

Wholesale and Retail Trade

(1935 compared with 1934)

Fourth District Business Statistics

(000 omitted)

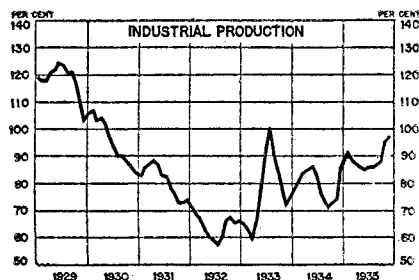
	November 1935	% change from 1934	Jan.-Nov. 1935	% change from 1934
Fourth District Unless Otherwise Specified.....				
Bank Debits—24 cities.....	\$2,051,000	+20.2	\$21,120,000	+15.7
Savings Deposits—end of month: 41 banks, O. and Pa.....	\$ 698,448	+ 6.2	1	
Life Insurance Sales: Ohio and Pa.....	\$ 73,533	+ 2.1	860,224	+ 1.3
Retail Sales: Dept. Stores—49 firms.....	\$ 18,273	+11.5	172,110	+ 4.5
Wearing Apparel—12 firms.....	896	+ 9.2	8,457	+ 3.1
Furniture—43 firms.....	802	+24.7	8,104	+ 3.6
Wholesale Sales: Drugs—13 firms.....	\$ 1,409	+14.0	14,696	+ 2.2
Dry Goods—10 firms.....	1,259	+ 9.1	12,426	+ 2.8
Groceries—30 firms.....	3,840	+ 1.9	42,574	+ 5.1
Hardware—14 firms.....	1,465	+18.8	14,045	+ 8.6
Building Contracts—total.....	\$ 14,265	+46.6	160,546	+13.2
" —Residential.....	3,046	+89.1	43,687	+132.8
Commercial Failures—Liabilities.....	\$ 888	—70.1	14,551	—37.4
" —Number.....	702	—19.5	834	+2.0
Production: Pig Iron, U. S..... tons	2,066	+115.9	18,925	+26.6
Steel Ingot, U. S..... tons	3,153	+ 95.7	30,344	+28.4
Auto-Pass. Cars, U. S.....	338,4252	+590.4	3,000,8222	+45.2
Auto—Trucks, U. S.....	59,5992	+72.9	660,8672	+24.1
Bituminous Coal..... tons	12,453	+ 6.3	130,137	—0.5
Cement—O., W. Pa., W. Va. bbls.	685	+71.7	6,965	—1.6
Elec. Power—O., Pa., Ky. k.w.h.	1,4072	+16.0	12,7554	+10.3
Petroleum—O., Pa., Ky. bbls.	2,1858	+ 3.3	21,0944	+ 7.5
Shoes..... pairs	8	+22.5	8	+15.7
Tires, U. S..... casings				
Bituminous Coal Shipments: L. E. Ports..... tons	4,654	+26.2	35,514	—0.6
Iron Ore Receipts: L. E. Ports..... tons	1,472	+249.6	19,890	+27.7
1 not available				
2 actual number				
3 October				
4 first 10 months				
5 confidential				

	SALES November 1935	Percentage Increase or decrease SALES first 11 months	STOCKS November 1935
DEPARTMENT STORES (49)			
Akron.....	+12.1	+ 0.6	— 0.9
Cincinnati.....	+ 7.2	+ 4.7	+ 8.6
Cleveland.....	+11.1	+ 2.5	+ 0.2
Columbus.....	+10.5	+ 4.9	+ 8.0
Pittsburgh.....	+12.0	+ 5.6	+ 0.1
Toledo.....	+ 7.2	+ 5.6	+ 6.4
Wheeling.....	+14.8	+ 8.7	+ 3.1
Youngstown.....	+30.5	+ 7.7	+23.3
Other Cities.....	+14.9	+ 6.2	— 2.4
District.....	+11.5	+ 4.5	+ 2.5
WEARING APPAREL (12)			
Cincinnati.....	— 0.5	— 1.1	+ 9.9
Pittsburgh.....	+12.7	+ 8.2	+ 7.2
Other Cities.....	+14.1	+ 3.8	+11.2
District.....	+ 9.2	+ 3.1	+ 9.9
FURNITURE (43)			
Cincinnati.....	— 9.1	+10.9	
Cleveland.....	+24.1	— 7.6	
Columbus.....	+23.9	+11.6	
Dayton.....	+29.9	+11.0	
Toledo.....	+43.6	+17.1	
Other Cities.....	+49.6	+23.2	
District.....	+24.7	+ 3.6	
CHAIN STORES*			
Drugs—District (4).....	+23.5	+ 8.1	
Groceries—District (5).....	+ 3.8	+ 5.1	
WHOLESALE GROCERIES (30)			
Akron.....	+15.2	+30.2	
Cleveland.....	—18.1	— 6.4	
Erie.....	+ 2.7	+ 6.5	
Pittsburgh.....	+ 7.9	+ 2.1	
Toledo.....	+ 8.3	+ 9.8	
Other Cities.....	+11.8	+ 8.8	
District.....	+ 1.9	+ 5.1	— 2.1
WHOLESALE DRY GOODS (10).....	+ 9.1	+ 2.8	— 3.3
WHOLESALE DRUGS (13).....	+14.0	+ 2.2	
WHOLESALE HARDWARE (14).....	+18.8	+ 8.6	

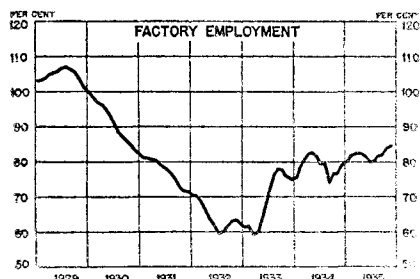
*Per individual unit operated.

Summary of National Business Conditions

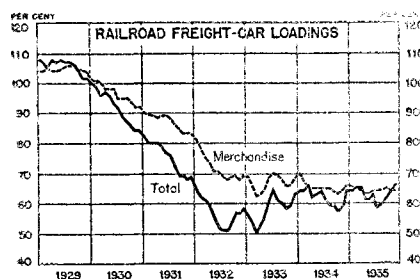
By the Board of Governors of the Federal Reserve System



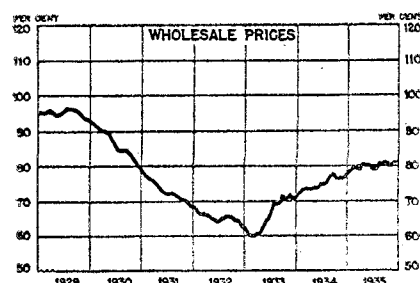
Index of industrial production, adjusted for seasonal variation. (1923-25 average = 100). Latest figure, November 97.



Index of factory employment, adjusted for seasonal variation. (1923-25 average = 100.) Latest figure, November, preliminary 84.7.



Indexes of daily average number of cars loaded, adjusted for seasonal variation. (1923-25 average = 100.) Latest figure November, total 66, merchandise 64.



Index of United States Bureau of Labor Statistics. (1926 = 100.) By months 1929 to 1931; by weeks 1932 to date. Latest figure for week ending December 14, 80.8.

Industrial production and employment, which usually decline at this season, showed little change from October to November. Distribution of commodities to consumers increased more than seasonally.

Production and Employment

The Board's seasonally adjusted index of industrial production advanced from 95 per cent of the 1923-1925 average in October to 97 per cent in November. Output of industries producing durable goods continued to increase substantially in November, while activity in most other industries declined somewhat. Output of steel increased further during November to a higher rate than in any previous month this year and this high level was maintained during the first three weeks of December. Automobile production in November continued the sharp increase which began after the change to new models in September. Activity at silk mills and at woolen mills declined.

Factory employment and payrolls, which usually decline from the middle of October to the middle of November, showed little change for that period this year. Increases in employment were reported for the automobile, iron and steel, machinery, railroad car, and cotton textile industries and at railroad repair shops. There were larger than seasonal declines at sawmills, shoe factories, silk and rayon mills, and establishments producing wearing apparel.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued to increase in November and the first half of December. There was a decline, largely seasonal, in residential building, while other types of construction showed an increase.

Agriculture

Crop production in 1935, according to final estimates by the Department of Agriculture, showed an increase of about 20 per cent in volume over the drought year of 1934, and the farm value of 64 crops amounted to \$5,120,000,000 compared with \$4,780,000,000 last season. The cotton crop, which has been reduced in recent months by bad weather, is now estimated at 10,734,000 bales compared with the exceptionally small output of 9,636,000 bales in 1934. Cash farm income from marketings of crops and livestock and from Government rental and benefit payments is estimated at about \$6,800,000,000 for the calendar year 1935, as compared with \$6,387,000,000 last year.

Distribution

Freight-car loadings decreased by less than the usual seasonal amount during November, reflecting principally a smaller decline in shipments of miscellaneous freight than is customary at this time of year. Value of department store sales, on a daily average basis, increased from October to November.

Commodity Prices

The general level of wholesale commodity prices, after a decline during October, increased during November and showed little change during the first two weeks of December.

Bank Credit

Excess reserves of member banks, which had increased to a new high level of \$3,310,000,000 on December 11, largely as the result of continued gold imports, declined considerably during the week ending December 18, as a consequence of seasonal demands for currency and a large increase in Treasury balances with the Federal reserve banks, in connection with mid-December fiscal operations.

Changes in condition of reporting banks in 101 leading cities during the four weeks ending December 18 reflected principally the influence of new Government financing. These banks showed increases of \$310,000,000 in holdings of United States Government securities, of \$110,000,000 in loans to brokers and dealers in securities, and of \$200,000,000 in United States Government deposits. Adjusted demand deposits showed a further growth of \$270,000,000 in the three weeks ending December 11 and declined by \$250,000,000 in the following week, as a result of withdrawals for holiday currency demands, income tax payments, and the purchase of new Government securities.