

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

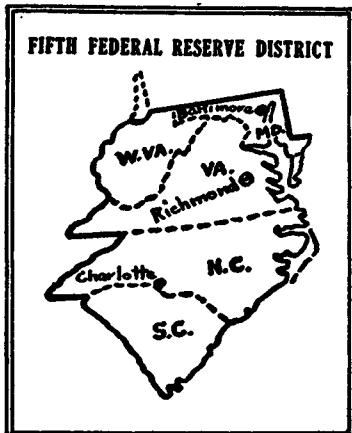


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RICHMOND, VIRGINIA

NOVEMBER 30, 1933

TRADE expanded seasonally in the Fifth Federal reserve district in October, and in addition there was improvement in several basic factors which was not due to seasonal influences. In banking, rediscards for member banks at the Federal Reserve Bank of Richmond declined further between the middle of October and the middle of November, and Federal reserve notes in actual circulation increased seasonally, but somewhat less than in most years at the same time. Reporting member banks in the larger cities slightly increased their loans during the past month, and also increased their investments in securities. Demand deposits increased more than the rise in loans, while time deposits changed very little. Debits to individual accounts figures in four weeks ended November 8 showed a smaller than seasonal decrease in comparison with debits in the preceding four weeks, and in nearly all cities materially exceeded debits in the corresponding four weeks last year. The number of business failures in the Fifth district in October was lower than in any other October in the past thirteen years, and liabilities were the lowest for any month since June 1920. Employment statistics are difficult to secure, but all indications point to material improvement in this field in recent weeks. Coal production in October increased seasonally over September production. Textile mills operated at a reduced rate in October in comparison with both September this year and October last year, but this was chiefly due to unusual activity in July and August, which anticipated future requirements to some extent. Building operations provided for last month by permits issued and contracts awarded lagged behind most industrial and trade lines, but plans are shaping up for a large volume of construction work in the near future, much of it designed primarily to furnish employment. Retail trade as reflected in department store sales exceeded the volume of trade in October last year in most of the district,



although unusually warm weather in October retarded buying to an appreciable degree. Collections in retail stores improved distinctly during October in comparison with September, but were still a little slower than in October last year. Wholesale trade last month was in larger volume than in October 1932 in all five lines for which figures are available, the increases in dry goods and hardware being especially notable, and wholesale collections were better than collections a year ago in every line reported upon. Perhaps the most marked improvement in basic conditions in the Fifth district is in cotton and tobacco growing sec-

tions. In spite of a greatly reduced acreage this year, cotton production in the Carolinas and border counties of Virginia exceeded production in 1932, and the price this year has been sufficiently improved to add in the neighborhood of fifteen million dollars to the income of cotton growers in the three states. The tobacco crop of the district is between 75 and 80 per cent larger than the crop of 1932, and prices this year are also about 20 per cent or more above prices last year. The growers will probably receive at least twice as much for their 1933 tobacco as for their 1932 crop. Farmers are well supplied with feed and grain crops this year, and hay yields were good. Weather was favorable for harvesting all crops, and preparations for fall planting of grain is well advanced in most of the district.

Reserve Bank Statement

Total earning assets of the Federal Reserve Bank of Richmond rose by \$2,512,000 between the middle of October and the middle of November. Rediscards for member banks declined by \$2,098,000 during the month, but the portfolio of open market paper rose by \$250,000, and the Bank increased its holdings of Government securities by \$4,360,000. Federal reserve note circulation increased seasonally during the past month, rising by \$2,851,000, and member banks further in-

ITEMS	000 omitted		
	Nov. 15 1933	Oct. 15 1933	Nov. 15 1932
Rediscounts held	\$ 6,818	\$ 8,916	\$ 18,310
Open market paper.....	492	242	1,945
Government securities	78,563	74,203	47,133
Total earning assets	85,873	83,361	67,388
Circulation of Fed. Res. notes.....	149,697	146,846	100,889
Members' reserve deposits.....	80,536	70,856	49,006
Cash reserves	166,601	154,158	96,794
Reserve ratio	69.55	67.03	62.20

creased their reserve balances at the reserve bank, raising them by \$9,680,000 between October 15 and November 15. Member bank reserves are far in excess of legal requirements. The several changes mentioned in the statement with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond by \$12,443,000 between the middle of October and the middle of November, and increased the ratio of reserves to note and deposit liabilities combined by 2.52 points.

In comparison with condition figures reported on November 15, 1932, the corresponding figures for November 15, 1933, show material changes in nearly all items. Total earning assets of the Richmond reserve bank rose by \$18,485,000 during the year, due entirely to an increase of \$31,430,000 in holdings of Government securities which more than offset decreases of \$11,492,000 in rediscounts for member banks and \$1,453,000 in the portfolio of open market paper. Federal reserve note circulation at the middle of November this year exceeded the circulation a year earlier by \$48,808,000. Member bank reserve deposits rose by \$31,530,000 during the past year, due to excess reserves now being carried by member banks at the reserve bank. The several changes in the statement resulted in an increase in total cash reserves amounting to \$69,807,000 between November 15, 1932, and November 15, 1933, and caused a rise of 7.35 points in the ratio of note and deposit liabilities combined.

Member Bank Statement

ITEMS	000 omitted		
	Nov. 15 1933	Oct. 11 1933	Nov. 16 1932
Loans on stocks and bonds (including Governments).....	\$ 59,835	\$ 61,456	\$ 62,042
All other loans.....	118,065	114,287	121,182
Total loans and discounts.....	177,900	175,743	183,224
Investments in securities.....	161,227	159,681	131,786
Reserve bal. with F. R. Bank..	29,777	29,991	17,502
Cash in vaults.....	9,832	10,022	8,271
Demand deposits	191,624	187,584	162,447
Time deposits	129,026	129,449	134,858
Borrowed from F. R. Bank....	246	124	495

The accompanying table shows totals of the principal items of condition reported by twenty-eight member banks in ten leading cities of the Fifth Federal reserve district as of three dates, November 15 and October 11, this year, and November 16, last year, thus afford-

ing opportunity for comparison of the latest available figures with those a month and a year earlier. It should be understood that the figures in the table are not necessarily the highest or lowest figures that occurred during the periods under review.

The twenty-eight reporting member banks increased their loans by \$2,157,000 between October 11 and November 15, both this year, a seasonal rise in "all other loans" amounting to \$3,778,000 more than balancing a decline of \$1,621,000 in loans on securities. In banks in the larger centers, borrowing by merchants to discount bills for fall merchandise at this season usually exceeds liquidation of indebtedness by farmers as a result of marketing of agricultural products. Investments in securities, chiefly Government obligations, rose by \$1,546,000 during the past month. The reporting banks slightly reduced their reserve balance at the reserve bank between October 11 and November 15, but the decrease was merely a daily fluctuation due to clearing operations. Cash in vaults declined by \$190,000 last month. Aggregate deposits rose during the period under review, an increase of \$4,040,000 in demand deposits more than offsetting a decrease of \$423,000 in time deposits. The decline in time deposits is more than accounted for by transfer of Christmas Savings funds from time to demand deposits after November 1. Two of the twenty-eight reporting banks were borrowing a total of \$246,000 at the Federal Reserve Bank of Richmond on November 15, compared with one bank which was borrowing \$124,000 on October 11.

During the year between November 16, 1932, and November 15, 1933, total loans in the reporting member banks decreased \$5,324,000, of which \$2,207,000 was in loans on securities and \$3,117,000 was in all other loans. Investments in securities rose by \$29,441,000 during the year, and aggregate reserve balance with the reserve bank increased by \$12,275,000, the reserve balance on the 1933 date being much larger than actual requirements. Cash in vaults rose by \$1,561,000 during the past year. Aggregate deposits in the twenty-eight banks rose by \$23,345,000 between the middle of November last year and this year, a gain in demand deposits amounting to \$29,177,000 offsetting a decline of \$5,832,000 in time deposits. On November 16, 1932, three of the twenty-eight banks were borrowing a total of \$495,000 at the reserve bank, in comparison with two banks which were borrowing a total of \$246,000 on November 15, 1933.

Time and Savings Deposits

Time deposits in twenty-eight reporting member banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$314,431,540 at the end of October 1933, a higher figure than \$313,944,813 reported at the end of September this year, but materially less than \$342,216,553 reported at the end of October 1932.

Debits to Individual Accounts

The debits to individual, firm and corporation accounts figures shown in the accompanying table for three equal periods of four weeks include all checks

CITIES	000 omitted		
	Total debits, four weeks ended		
	Nov. 8, 1933	Oct. 11, 1933	Nov. 9, 1932
Asheville, N. C.....	\$ 7,761	\$ 8,778	\$ 6,740
Baltimore, Md.	201,555	228,480	243,313
Charleston, S. C.	10,126	11,148	9,553
Charleston, W. Va.	30,621	25,421	25,009
Charlotte, N. C.	39,834	40,303	31,871
Columbia, S. C.	15,308	13,951	10,948
Cumberland, Md.	5,230	6,006	4,778
Danville, Va.	7,737	4,783	5,090
Durham, N. C.	29,614	27,213	17,820
Greensboro, N. C.	6,376	6,265	12,203
Greenville, S. C.	13,213	12,415	10,983
Hagerstown, Md.	5,101	6,128	4,942
Huntington, W. Va.	9,101	9,327	9,054
Lynchburg, Va.	12,830	12,495	11,074
Newport News, Va.	5,675	6,246	5,688
Norfolk, Va.	34,113	33,287	30,364
Portsmouth, Va.	2,950	2,858	2,739
Raleigh, N. C.	16,136	13,939	14,617
Richmond, Va.	110,666	109,141	104,905
Roanoke, Va.	17,813	17,036	17,652
Washington, D. C.	151,027	160,494	164,967
Wilmington, N. C.	7,135	6,690	6,651
Winston-Salem, N. C.	27,142	27,492	21,887
Fifth District Totals	\$767,064	\$789,896	\$772,848

drawn against depositors' accounts in the banks of twenty-three leading trade centers of the Fifth Federal reserve district.

A comparison of the total of \$767,064,000 in debits reported for the four weeks ended November 8, 1933, with the total reported for the preceding four weeks, ended October 11 this year, shows a decrease of \$22,832,000, or 2.9 per cent. A decline during the more recent period is seasonal, due to heavy payments of dividends and interest on October 1, but the decrease this year was less than normally occurs. Thirteen of the twenty-three cities reported higher figures for the more recent four weeks, while last year only nine and in 1931 only five of the twenty-three cities reported higher figures in comparison with the figures reported for the preceding periods.

In comparison with figures reported for four weeks last year, ended November 9, 1932, corresponding figures for the four weeks ended November 8, 1933, show a total decrease of \$5,784,000, or 0.7 per cent, but, as we pointed out last month in the *Review*, this decrease was due entirely to lower figures this year in Baltimore, Greensboro and Washington. In these cities a large percentage of the banks did not open after the March banking holiday, and, as a result of frozen deposits, debits in the three cities have been much lower than debits a year ago. Nineteen of the twenty-three cities reported higher figures for the 1933 period, and if figures for Baltimore, Greensboro and Washington were omitted the remaining twenty cities would show an average increase of 15.8 per cent in debits. Price changes during the past year no doubt account for part of the rise in 1933 debits figures, but much of the improvement is due to an actual increase in the volume of business done in the later period.

Business Failures

In the November issue, the *Dun and Bradstreet Monthly Review* says, "The improvement that has occurred in economic conditions in the United States is clearly demonstrated by the recent record of business failures. In the past few months there has been a very great change for the better in the matter of these insolvencies." There were only 1,206 failures in the United States in October 1933, with aggregate liabilities totaling \$30,581,970, compared with 2,273 insolvencies and liabilities aggregating \$52,869,974 in October 1932, decreases of 47 per cent in number and 42 per cent in liabilities. The number of failures last month was the lowest for any October in the past thirteen years, and last month's liabilities were the lowest for any October since 1925. In the Fifth Federal reserve district, October 1933 insolvencies numbered only 74, and liabilities totaled only \$851,565, compared with 119 failures and liabilities amounting to \$1,933,670 reported for October 1932, decreases of 38 per cent in number of failures and 56 per cent in liabilities for the 1933 month. The district record was better than the National record in total liabilities involved, but was worse than the National record in the number of bankruptcies. The number of failures in the Fifth district in October 1933 was the lowest for any October since 1920, and aggregate liabilities were the lowest for any month since June 1920. Every one of the twelve Federal reserve districts reported fewer failures and lower liabilities for October this year than for October 1932.

Employment

In most years there is some seasonal increase in unemployment with the coming of cold weather, but this year efforts being made to increase work have more than offset this tendency, with the result that additional workers have been able to find jobs during the past six weeks. Public works projects largely designed to give employment are getting started, and there is some rise in private construction work, chiefly in residential building. Conditions in labor circles are of course still far from satisfactory, but distinct improvement has been made in recent weeks and labor is much better employed than was the case a year ago. People who have not yet secured employment are worse off than they were before prices of nearly all commodities began rising, and therefore all relief agencies will be called upon for more assistance per family during the coming winter, but it is expected that a smaller number of families will require help.

Coal Production

Bituminous coal production in the United States totaled 29,656,000 net tons in October 1933, a smaller than usual seasonal increase over 29,500,000 tons mined in September this year, and materially less than 32,677,000 tons in October 1932. Total production of soft coal during the calendar year to November 11 amounted to 279,107,000 net tons, compared with 254,479,000 tons mined during the corresponding period last year. Shipments of coal through Hampton Roads

ports in 1933 prior to November 11 totaled 14,852,536 tons, compared with 13,865,669 tons shipped through the same ports to the corresponding date in 1932.

In its October 21 report, the Bureau of Mines, Department of Commerce, gave bituminous coal production figures for the month of September. The report credited West Virginia with 9,465,000 net tons, while Pennsylvania, the second ranking state, mined 8,690,000 tons. In its November 4 report, the Bureau of Mines stated that stocks of bituminous coal rose rapidly during the third quarter of 1933, partly due to seasonal influences and partly to purchases in anticipation of higher prices after the adoption of the code for the coal industry. In spite of the unusually heavy additions to stock, the tonnage on hand on October 1 was not excessive for that date, and was in fact smaller than on any other October 1 except that of 1932 since 1922.

Textiles

For the second consecutive month, operations in Fifth district textile mills in October fell behind those of the preceding month, and cotton consumption further declined, but this reaction from the unusual activity in the late summer months was natural and was expected by mill executives. Fifth district mills consumed 232,396 bales of cotton in October, a decrease of 1.0 per cent under 234,801 bales used in September this year and 4.0 per cent less than 242,038 bales consumed in the district in October 1932. Last month North Carolina mills consumed 122,429 bales, South Carolina mills used 98,331 bales, and Virginia mills 11,636 bales. Consumption of cotton in the Fifth district in October amounted to 46.12 per cent of National consumption, a lower figure than either 47.01 per cent of National consumption used in the district in September this year or 48.23 per cent used in October 1932.

Cotton Statistics

Spot cotton prices advanced in the latter part of October and early November under the stimulus of Government loans to enable growers to hold their cotton. Loans were made on a basis of 10 cents per pound to growers who would agree to reduce their 1934 cotton acreage. The price of middling grade cotton on ten Southern markets rose during the past month from 8.89 cents per pound on October 13 to 9.85 cents on November 17, the latest date for which official figures are available.

Condition figures on the 1933 cotton crop, based on the November 1 condition of the crop, were issued by the Department of Agriculture on November 8. This report raised the estimate of production in the United States to 13,100,000 bales, in comparison with the estimate of 12,885,000 bales on October 1, 1933, and 13,002,000 bales ginned in 1932. The November 1 report raised this year's probable production figures for the three cotton growing states of the Fifth district, in comparison with the estimates made a month earlier. South Carolina's yield is now estimated to 725,000

bales, compared with prospects for 720,000 bales on October 1 and 716,000 bales grown last year. North Carolina's crop of 695,000 bales compares with an estimate of 660,000 bales on October 1, and 660,000 bales ginned in 1932. Virginia's prospective yield of 39,000 bales compares with 38,000 bales predicted a month earlier and 34,000 bales grown in 1932. Total production in the Fifth district is forecast at 1,459,000 bales, an increase of 41,000 bales during October and 49,000 bales more than last year's production. The average number of pounds per acre was much higher in the Fifth district this year than in 1932, resulting in a larger yield from a lower acreage.

Ginning figures to November 1, released by the Census Bureau on November 8, showed 10,361,404 bales ginned from this year's crop, compared with 9,247,045 bales of last year's crop ginned before November. Weather conditions during October were excellent for cotton picking, and practically all of the crop was gathered by the end of the month.

Cotton consumption in the United States in October showed a small increase over the month of September, and was also above consumption in October last year. The number of bales used totaled 503,873 in October 1933, compared with 499,486 bales used in September this year and 501,893 bales in October 1932. Total consumption this cotton year—August 1 through October 31—amounted to 1,591,929 bales, against 1,399,132 bales consumed in the corresponding three months of last season. Manufacturing establishments held 1,361,190 bales on October 31, compared with 1,160,457 bales held on September 30 and 1,267,181 bales on October 31, 1932. Public warehouses and compresses held 9,474,342 bales in storage at the end of October this year, compared with 7,374,556 bales so held a month earlier and 9,824,523 bales on October 31 last year. October exports totaled 1,046,524 bales, compared with 869,244 bales exported in September and 1,008,023 bales sent abroad in October 1932. Total exports during the three months of the present cotton year—August 1–October 31, inclusive—totaled 2,446,395 bales, a higher figure than 2,193,842 bales shipped over seas during the corresponding three months last year. Spindles active at some time during October numbered 25,875,142, compared with 26,002,148 in September this year and 24,583,408 in October 1932.

Cotton growing states consumed 405,157 bales of cotton in October, compared with 401,373 bales in September and 414,490 bales in October 1932. Last month's consumption in the cotton growing states amounted to 80.41 per cent of National consumption, compared with 80.36 per cent in September this year and 82.59 per cent in October 1932. Of the 405,157 bales of cotton consumed in the cotton growing states in October, the Fifth district mills used 232,396 bales, or 57.36 per cent, a lower figure than 58.39 per cent of Southern consumption attained by Fifth district mills in October last year.

Tobacco Marketing

South Carolina auction tobacco markets sold 28,196,-302 pounds of growers' tobacco in October this year, for an average price of \$12.38 per hundred pounds. The markets were not open in October 1932. Total sales this year through October amounted to 78,269,097 pounds, and the average price to November 1 was \$12.61 per hundred. Last year sales for the entire season totaled only 36,251,281 pounds, and the average price was \$11.41 per hundred. The November 1 estimate of tobacco production in South Carolina this year was 78,200,000 pounds, compared with 39,236,000 pounds grown in the State in 1932 and a five-year average of 81,408,000 pounds. Production figures for the State and sales figures in warehouses do not agree, some tobacco being grown in one state and sold in another because of nearness of markets across state lines.

North Carolina markets sold 167,943,957 pounds of producers' tobacco in October 1933, at an average price of \$15.05 per hundred pounds. These figures compare with 104,972,582 pounds sold for an average of \$12.59 per hundred in October 1932. Total sales this season to November 1 of 265,663,703 pounds show an increase over 183,258,847 pounds sold in 1932 before November, and final production for 1933 estimated at 525,604,000 pounds is 79 per cent more than the yield of 293,750,000 pounds in 1932. Greenville led the North Carolina markets in October sales with 24,783,916 pounds, but two warehouses at Stoneville led in price with an average of \$21.23 per hundred pounds. Wilson ranked second in October sales with 24,315,188 pounds. North Carolina tobacco this year varies widely in color and grades, and prices vary accordingly.

Virginia leaf tobacco markets sold 11,211,592 pounds for growers in October, at an average price of \$14.21 per hundred pounds. Last year the October sales amounted to 7,834,922 pounds at an average of \$8.94 per hundred. October sales consisted entirely of Flue-cured types, no Fire-cured or Sun-cured markets being open during the month. Danville led all markets with total sales of 5,445,638 pounds, South Boston ranking second with 2,129,797 pounds. Martinsville paid the highest average price in October, \$16.19 per hundred pounds. The quality of tobacco sold in Virginia in October was considerably better than the quality in October last year, grading 37 per cent good, 40 per cent medium, and only 23 per cent common. Last year October sales averaged only 15 per cent good, 36 per cent medium, and 49 per cent common. This year's tobacco crop in Virginia is estimated at 84,575,000 pounds, compared with the very short crop of 53,084,000 pounds harvested in 1932.

Agricultural Notes

Maryland farmers were aided by favorable weather conditions during October, according to the agricultural statistician of the Maryland Crop Reporting Service, and except in the Western portion of the state good progress was made in sowing grain and harvesting

late crops. Prospective yields for tobacco and Irish potatoes increased during October, corn and sweet potato estimates remained unchanged, and the commercial apple crop declined. Corn production estimated at 16,356,000 bushels compares with 16,440,000 bushels last year and a five-year average (1926-1930) of 14,425,000 bushels. The Maryland tobacco crop of 18,688,000 pounds compares with 22,750,000 pounds in 1932 and a five-year average of 23,230,000 pounds. Irish potatoes are expected to yield 2,760,000 bushels in 1933, against 2,945,000 bushels in 1932 and a 1926-1930 average of 3,595,000 bushels. Sweet potatoes totaling 840,000 bushels this year compare with 920,000 bushels last year and 1,388,000 bushels the five-year average. Commercial apple production is now forecast at 226,000 barrels, compared with 252,000 barrels in 1932 and an average of 448,000 barrels in 1926-1930.

Virginia harvesting made rapid progress during October and yields of most crops turned out above the ten-year average. The dry and clear weather was excellent for saving late hay crops and for curing burley and sun-cured tobacco, but the seeding of all grain crops in the Southern and Southwestern districts was retarded and many farmers had not completed this work by November. During the latter part of October pastures dried up and afforded very little grazing except in the Northern counties. Corn was severely damaged by the August storm in Eastern and Northern counties, but the yield per acre turned out somewhat higher than the average for the past ten years. Total production of corn this year is estimated at 35,132,000 bushels, compared with 26,388,000 bushels harvested last year and a five-year average of 32,873,000 bushels. The supply of feed grains and forage crops throughout the State is greater than usual, and there will be an abundance of feed for livestock during the coming winter. Peanut digging was practically finished in October and picking was well under way on November 1. Weather conditions were unusually favorable for curing peanuts and growers reported a high quality crop. Total production is estimated to be 109,250,000 pounds, compared with 140,000,000 pounds harvested last year. The Virginia apple crop suffered heavy loss from insects and diseases and also from the August storm, and total production is 10,900,000 bushels, compared with 7,830,000 bushels last year and a five-year average of 12,671,000 bushels. Harvest of the commercial crop had practically been completed by November 1 and growers report a much smaller percentage making No. 1 grade than usual. A large proportion of the crop was sold to by-products plants. The commercial crop is estimated to be 1,800,000 barrels, compared with 1,963,000 barrels harvested last year and a five-year average of 2,720,000 barrels. The yield of late Irish potatoes was very poor, the earlier part of the growing season being too hot and wet and the latter part too dry. Total production, including the early crop, is estimated at 8,649,000 bushels, compared with 9,682,000 bushels dug last year and a five-year average of 15,464,000 bushels. The yield of sweet potatoes was not quite as heavy as had

been expected, but the commercial districts yielded better than last year. Total production of sweet potatoes is estimated at 4,255,000 bushels, compared with 3,610,000 bushels harvested in 1932 and 4,602,000 bushels the five-year average. The production of sorghum syrup is considerably larger this year than usual, being forecast at 252,000 gallons compared with 200,000 gallons last year.

West Virginia weather in October was a little too dry for late crops, but was unusually favorable for harvesting. Frost were later than usual this year. The estimated production of corn this year is 13,082,000 bushels, compared with 11,150,000 bushels in 1932 and a five-year average production of 11,408,000 bushels. Corn husking was well advanced on November 1 and early returns indicate a crop of fair to good quality. The Irish potato crop in West Virginia was one of the poorest in many years. Total production is estimated at 2,640,000 bushels, compared with 3,608,000 bushels dug in 1932 and a five-year average of 3,562,000 bushels. The average yield this year was only 60 bushels per acre, against 88 bushels last year. On the other hand, sweet potatoes turned out well this year, and the average yield per acre was 90 bushels compared with 77 bushels per acre in 1932. The tobacco crop for 1933 is estimated at 5,180,000 pounds, more than twice the 1932 crop of 2,312,000 pounds and also well above the five year average of 4,362,000 pounds, but the 1933 crop was harvested from 7,000 acres against only 3,700 acres planted to tobacco in 1932. As the season advances, the damage to the apple crop becomes more apparent. Total production of 4,200,000 bushels compares with 4,191,000 bushels last year and a five-year average of 6,831,000 bushels. Commercial orchards suffered the greatest losses this year, many of the apples which were not destroyed being so badly damaged that they could not make the top grades and had to be sold in bulk to by-products plants. Commercial apple production is estimated to be 700,000 barrels for 1933, compared with 833,000 barrels last year and a five-year average of 1,340,000 barrels.

North Carolina's agricultural statistician reports that the situation in his State is distinctly improved. He says that tobacco prices are much more favorable than last year, in spite of a much larger crop; that cotton farmers are not so blue as they were a year ago; and that peanut growers are beginning to smile. October weather was favorable for harvesting, and killing frosts did not occur until late. The corn crop of North Carolina is forecast at 42,550,000 bushels this year, compared with 34,830,000 bushels in 1932 and a five-year average of 39,328,000 bushels. The peanut crop of 197,925,000 pounds is smaller than the yield of 254,740,000 pounds last year and a five-year average of 206,549,000 pounds, but the price of nuts this year is relatively good. An apple crop this year of 5,254,000 bushels far exceeds last year's yield of 1,825,000 bushels and is also larger than the five-year average crop of 3,571,000 bushels. Irish potatoes yielded 7,469,000 bushels this year in North Carolina, compared with 6,596,000 bushels last year and a five-year aver-

age of 6,927,000 bushels. The sweet potato crop of 8,360,000 bushels is also larger than last year's yield of 7,990,000 bushels and the five-year average of 6,629,000 bushels. Sorghum syrup made in the State this year totaled 1,752,000 gallons, compared with 1,680,000 gallons last year and a five-year average of 1,304,000 gallons.

South Carolina corn production is forecast at 22,330,000 bushels this year, compared with 17,885,000 bushels gathered last year and a five-year average production of 20,751,000 bushels. A peanut crop of 9,520,000 pounds compares with 10,240,000 pounds in 1932 and a five-year average of 7,315,000 pounds. South Carolina pecan orchards produced 1,150,000 pounds of nuts this year, compared with 750,000 pounds in 1932 and a five-year average of 856,000 pounds. The apple production of 1933 is forecast at 279,000 bushels, compared with 164,000 bushels in 1932 and a five-year average of 387,000 bushels. The Irish potato crop yielded 1,728,000 bushels this year in South Carolina, compared with 1,462,000 bushels dug in 1932 and a five-year average of 2,894,000 bushels. Sweet potatoes yielded 4,897,000 bushels in 1933, compared with 6,072,000 bushels last year and 4,227,000 bushels the five-year average. Sorghum syrup made this year totaled 416,000 gallons, compared with 540,000 gallons made in 1932 and a five-year average production of 363,000 gallons.

Construction

Building Permits Issued in October 1933 and 1932

CITIES	Permits Issued		Total Valuation	
	1933	1932	1933	1932
Baltimore, Md.....	779	1,365	\$ 854,286	\$1,995,960
Cumberland, Md.....	6	16	19,775	10,358
Frederick, Md.....	13	17	5,466	9,475
Hagerstown, Md.....	12	9	2,245	1,355
Salisbury, Md.....	14	28	16,625	23,750
Danville, Va.....	24	8	6,704	905
Lynchburg, Va.....	21	27	37,150	16,691
Norfolk, Va.....	96	109	44,876	75,550
Petersburg, Va.....	0	6	0	7,950
Portsmouth, Va.....	24	28	12,690	14,095
Richmond, Va.....	85	85	100,808	54,610
Roanoke, Va.....	31	28	15,544	27,778
Bluefield, W. Va.....	3	6	1,620	1,035
Charleston, W. Va.....	88	37	25,464	24,060
Clarksburg, W. Va.....	14	10	2,700	6,010
Huntington, W. Va.....	21	26	11,310	17,905
Asheville, N. C.....	20	10	10,037	1,760
Charlotte, N. C.....	25	42	21,860	45,061
Durham, N. C.....	11	15	39,850	36,150
Greensboro, N. C.....	52	37	74,927	14,863
High Point, N. C.....	14	9	4,785	13,210
Raleigh, N. C.....	9	6	3,040	8,705
Rocky Mount, N. C.....	4	4	1,975	885
Salisbury, N. C.....	8	5	5,790	5,320
Winston-Salem, N. C.....	58	63	32,790	14,450
Charleston, S. C.....	38	50	8,440	17,930
Columbia, S. C.....	36	46	9,917	20,914
Greenville, S. C.....	35	27	13,215	7,090
Rock Hill, S. C.....	25	8	15,025	15,335
Spartanburg, S. C.....	13	19	7,720	2,380
Washington, D. C.....	522	611	550,415	711,675
District Totals	2,101	2,757	\$1,957,049	\$3,203,215

Building permits issued by inspectors in thirty-one

Fifth district cities in October 1933 totaled 2,101, with estimated valuation amounting to \$1,957,049, compared with 2,757 permits valued at \$3,203,215 issued in October 1932, decreases of approximately 24 per cent in number and 39 per cent in total valuation in the 1933 month. Fifteen of the thirty-one cities reported higher figures for October this year, including Richmond, but the other four of the five largest cities showed lower 1933 figures.

Contracts awarded in October for construction work in the Fifth district, including both urban and rural projects, totaled only \$10,752,712, compared with \$13,464,279 in October 1932 and \$23,342,082 in October 1931, according to figures collected by the F. W. Dodge Corporation. Of the awards in October this year, \$2,173,187, or 20.2 per cent, was for residential work, compared with \$3,294,019, or 24.5 per cent, for this type of work in October 1932.

Retail Trade, 31 Department Stores

	<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
October 1933 sales, compared with sales in October 1932:					
+ 8.2	+ 2.1	— 6.4	+ 5.0	— .5	
January-October 1933 sales, compared with Jan.-Oct. 1932:					
— 3.1	— 6.2	— 10.1	— 5.8	— 7.4	
Oct. 31, 1933, stocks, compared with stocks on Oct. 31, 1932:					
+ 6.8	+ 25.3	+ 25.3	— 5.2	+ 20.2	
Oct. 31, 1933, stocks, compared with stock on Sept. 30, 1933:					
+ 6.9	+ 5.0	+ 3.8	+ 7.9	+ 4.9	
Number of times stock was turned in October 1933:					
.335	.282	.271	.286	.283	
Number of times stock was turned since January 1, 1933:					
3.136	2.787	2.781	2.358	2.775	
Percentage of Oct. 1, 1933, receivables collected in October:					
28.9	23.2	25.7	27.4	25.0	

Wholesale Trade, 59 Firms

	21	7	6	13	12
	<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
October 1933 sales, compared with sales in October 1932:					
+ 15.9	+ 23.0	+ 10.5	+ 45.1	+ 4.2	
October 1933 sales, compared with sales in September 1933:					
— 8.4	+ 7.4	— 30.9	+ 7.5	— 3.0	
Jan.-Oct. 1933 sales, compared with Jan.-Oct. 1932 sales:					
+ 5.3	+ 33.5	+ 24.8	+ 27.1	— 8.2	
Oct. 31, 1933, stocks, compared with Oct. 31, 1932, stocks:					
+ 6.4(8*)	+ 45.0(3*)	+ 42.4(5*)	+ 8.5(7*)	
Oct. 31, 1933, stocks, compared with Sept. 30, 1933, stocks:					
— .1(8*)	— 17.1(3*)	— 2.4(5*)	+ 2.1(7*)	
Percentage of Oct. 1, 1933, receivables collected in October:					
70.7(12*)	37.2(4*)	55.4(6*)	44.2(11*)	53.1(8*)	

* Number of reporting firms.

(Compiled November 21, 1933)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Volume of industrial output continued to decline in October. Factory employment and payrolls, after increasing continuously for six months up to the middle of September, showed little change from then to the middle of October. There was an increase in the volume of construction undertaken, reflecting the expansion of public works.

Production and employment

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

Total number of employees at factories, excluding cannning establishments, showed little change from the middle of September to the middle of October. At cannning establishments there was a decline of a seasonal character, and the Board's index, which includes this industry, showed a slight decrease.

Value of contruction contracts awarded during October and the first half of November, as reported by the F. W. Dodge Corporation, showed a considerable advance over the preceding six-week period, reflecting a growing volume of public works.

Distribution

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

Prices

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

Foreign Exchange

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

Bank Credit

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

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

Rates on acceptances and yields on short-term United States Treasury bills and certificates rose slightly from mid-October to November 20, and yields on Government and high-grade corporate bonds advanced somewhat. Discount rates of the Federal reserve banks of Boston, San Francisco, and Philadelphia were reduced from 3 per cent to 2 1/2 per cent on November 2, 3, and 16, respectively.