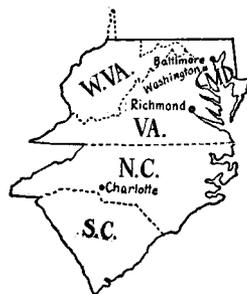


MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond, Va.

December 31, 1939

Summary of November Business Conditions

TRADE and industry in the Fifth Federal Reserve district were both quite active in November, and practically all figures were better than November 1938 figures. A number of indicators showed some recessions from October levels, but these were seasonal developments in nearly all instances.

Debits to individual accounts in 25 cities, reflecting transactions through the banks, were 10 per cent above November 1938 debits, every city showing an increase for the first time in over two years. Loans and investments in reporting member banks both increased during November and were higher than a year ago. Demand deposits also registered gains for the month and the year.

RETAIL AND WHOLESALE SALES LARGE

In distributive lines, November's record was substantially better than that of November 1938. Department store sales showed an increase of 11 per cent, retail furniture sales rose 17 per cent, and wholesale trade showed an average gain of 16 per cent in about a dozen lines. Sales of new passenger automobiles in November exceeded November 1938 sales by 11 per cent, in spite of the absence of one leading manufacturer from the market.

Industrial advances made in September and October were held in November. Cotton textile mills continued

operations at high levels and consumed more cotton than in any other month on record except March 1937. Rayon mills operated at capacity, but shipments again exceeded production for the seventh consecutive month, and reserve stocks of yarn fell to about a week's supply. Coal production, while declining slightly from the unusually high October level, exceeded November 1938 output by 19 per cent. Tobacco manufacturing was off in certain lines, but in cigarettes, of which the Fifth district makes approximately 80 per cent, there was a gain of 7 per cent.

EMPLOYMENT CONTINUES UPWARD

Employment rose during November and the first half of December, seasonal additions to retail sales forces more than offsetting some decline in outside work. Industrial employment on the whole was about the same as in October, but was substantially better than in the final months of 1938.

Construction provided for in November permits issued and contracts awarded was less than in October, probably due to seasonal influences. Permits exceeded those for November 1938 by 33 per cent, but contract awards last month were 35 per cent less than a year ago. The decline in contracts reflects a reduced volume of publicly financed projects.

BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	November 1939	October 1939	November 1938	% Change	
				Month	Year
Debits to individual accounts (25 cities).....	\$1,351,579,000	\$1,412,426,000	\$1,233,406,000	— 4	+ 10
Sales, 31 department stores, 5th district.....	\$ 11,391,091	\$ 11,330,531	\$ 10,248,481	+ 1	+ 11
Sales, 36 furniture stores, 5th district.....	\$ 1,316,057	\$ 1,462,045	\$ 1,127,845	— 10	+ 17
Sales, 178 wholesale firms, 5th district.....	\$ 10,724,000	\$ 11,450,000	\$ 9,251,000	— 6	+ 16
Registrations, new autos, 5th district.....	17,380	15,260	15,638	+ 14	+ 11
Tobacco sold in 5th district (Pounds).....	260,664,844	305,771,128	80,196,905	— 15	+225
Growers' receipts from tobacco, 5th district.....	\$ 44,258,844	\$ 48,240,022	\$ 16,640,044	— 8	+166
Average price of tobacco, per 100 pounds.....	\$ 16.98	\$ 15.78	\$ 20.75	+ 8	— 18
Number of business failures, 5th district.....	30	47	51	— 36	— 41
Liabilities in failures, 5th district.....	\$ 289,000	\$ 750,000	\$ 320,000	— 61	— 10
Value of building permits, 31 cities.....	\$ 8,947,654	\$ 14,032,486	\$ 6,729,179	— 36	+ 33
Value of contracts awarded, 5th district.....	\$ 24,056,000	\$ 28,276,000	\$ 36,928,000	— 15	— 35
Cotton consumption, 5th district (Bales).....	341,096	320,999	287,585	+ 6	+ 19
Cotton price, cents per lb., end of month.....	9.92	9.09	8.47	+ 9	+ 17
Print cloths, 38½ in., 64x60s, end of month.....	5.13	5.50	4.50	— 7	+ 14
Rayon yarn shipments, U. S. (Pounds).....	32,900,000	34,100,000	21,700,000	— 4	+ 52
Rayon yarn stocks, U. S. (Pounds).....	7,500,000	9,400,000	40,000,000	— 20	— 81
Bituminous coal mined, U. S. (Tons).....	42,835,000	45,950,000	35,925,000	— 7	+ 19

GOVERNMENT SECURITY HOLDINGS FURTHER REDUCED

The Reserve System further reduced Government security holdings between November 15 and December 15, and accordingly holdings at the Richmond bank declined by \$5,158,000. Circulation of Federal Reserve notes, on the contrary, rose by \$5,170,000 during the same period, a seasonal increase, and cash reserves also increased moderately. Member bank reserve deposits were practically the same at mid-December as a month earlier.

RESERVE BANK STATEMENT ITEMS Fifth District

ITEMS	000 omitted		
	Dec. 15 1939	Nov. 15 1939	Dec. 15 1938
Discounts held	\$ 109	\$ 256	\$ 157
Foreign loans on gold.....	208	142	0
Open market paper.....	0	0	24
Industrial advances	950	1,007	1,485
Government securities	129,904	135,062	120,321
Total earning assets.....	\$131,171	\$136,467	\$121,987
Circulation of Fed. Res. notes.....	230,718	225,548	209,172
Members' reserve deposits.....	279,816	279,791	223,376
Cash reserves	426,704	417,333	376,240
Reserve ratio	76.58	75.94	76.59

LOANS AND INVESTMENTS RISE

At 41 regularly reporting member banks in 12 Fifth district cities, both loans and investments rose between November 15 and December 13, and there was also a seasonal increase in cash in vaults. Demand deposits rose during the period, but time deposits declined. Time deposits usually decline somewhat during the holiday shopping season.

SELECTED ITEMS—41 REPORTING BANKS Fifth District

ITEMS	000 omitted		
	Dec. 13 1939	Nov. 15 1939	Dec. 14 1938
Loans and discounts.....	\$264,576	\$260,721	\$242,824
Investments in securities.....	449,111	437,513	426,905
Reserve bal. with F. R. bank.....	192,636	185,381	149,180
Cash in vaults	24,813	20,406	21,492
Demand deposits	540,913	535,113	476,614
Time deposits	196,702	201,392	195,305
Money borrowed	0	0	0

MUTUAL SAVINGS DECLINE SEASONALLY

In keeping with seasonal trend, deposits in 10 mutual savings banks in Baltimore declined last month from \$220,944,398 on October 31 to \$220,910,601 on November 30, but on the later date were above deposits totaling \$218,613,489 on November 30, 1938.

EMPLOYMENT CONTINUES UPWARD

The number of workers employed in the Fifth district increased in late November and the first half of December, but most of the increase was a temporary seasonal one caused by additions to employees in retail outlets to handle the holiday trade. Many stores carrying holiday goods practically double their workers in December, and this year these additions more than offset some seasonal decline in workers engaged on outside projects. Industrial plants in November either increased operations further or held at recent levels, and coal mining on a daily basis was at approximately the high rate of October. The following figures, compiled for the most part by the Bureau of Labor Statistics, show the

trends of employment and payrolls in the Fifth district from October to November:

STATES	Percentage change from Oct. 1939 to Nov. 1939	
	in number on payroll	in amount of payroll
Maryland	+ 1.5	+ 1.3
Dist. of Columbia.....	+ 0.4	+ 0.3
Virginia	+ 0.4	+ 1.5
West Virginia	+ 3.8	+ 6.9
North Carolina	+ 1.2	+ 2.1
South Carolina	+ 3.0	+ 6.0

DEBITS SHOW SEASONAL DECLINE

Debits to individual accounts in November were 4 per cent below October, but exceeded those for November 1938 by 10 per cent. November debits are usually smaller than those in October, partly because October is a longer month and partly because many quarterly payments also are made. In comparison with November 1938 figures, every reporting city showed higher figures for November 1939, the first time all cities increased since April 1937.

DEBITS TO INDIVIDUAL ACCOUNTS Fifth District

CITIES	000 omitted			% of Change	
	Nov. 1939	Oct. 1939	Nov. 1938	Month	Year
Maryland					
Baltimore	\$ 354,795	\$ 386,664	\$ 319,818	- 8	+11
Cumberland	8,509	8,859	7,856	- 4	+16
Hagerstown	8,541	9,571	8,203	-11	+ 4
Dist. of Col.					
Washington	263,313	277,873	257,738	- 5	+ 2
Virginia					
Danville	19,735	14,484	15,734	+36	+25
Lynchburg	15,121	14,767	14,273	+ 2	+ 6
Newport News.....	11,600	11,985	9,020	- 3	+29
Norfolk	52,022	52,433	47,789	- 1	+ 9
Portsmouth	4,578	4,188	4,246	+ 9	+ 8
Richmond	186,398	187,297	165,934	0	+12
Roanoke	28,182	27,452	25,856	+ 3	+ 9
West Virginia					
Charleston	52,200	50,880	46,024	+ 3	+13
Huntington	18,024	18,902	16,302	- 5	+11
Parkersburg	9,480	10,794	9,304	-12	+ 2
North Carolina					
Asheville	11,855	13,006	11,670	- 9	+ 2
Charlotte	66,978	71,940	55,111	- 7	+22
Durham	40,469	44,114	36,482	- 8	+11
Greensboro	22,802	19,879	18,091	+15	+26
Raleigh	43,386	45,851	40,951	- 5	+ 6
Wilmington	10,997	11,571	10,258	- 5	+ 7
Winston-Salem ..	45,559	45,857	43,596	- 1	+ 5
South Carolina					
Charleston	17,760	22,662	16,458	-22	+ 8
Columbia	28,338	26,277	25,354	+ 8	+12
Greenville	19,711	22,104	18,392	-11	+ 7
Spartanburg	11,226	13,016	9,496	-14	+18
District Totals ..	\$1,351,579	\$1,412,426	\$1,233,406	- 4	+10

INSOLVENCIES AND LIABILITIES DECLINE

Commercial failures in the Fifth district and the United States were reported by *Dun & Bradstreet* as follows:

PERIODS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
November 1939	30	886	\$ 289,000	\$ 11,877,000
October 1939	47	916	750,000	16,140,000
November 1938	51	984	320,000	12,302,000
11 Months, 1939	509	10,899	\$5,817,000	\$156,511,000
11 Months, 1938	591	11,961	7,118,000	209,977,000

AUTO SALES CONTINUE TO RISE

Sales of 1940 automobiles rose further in November, in spite of the virtual absence of one of the leading manufacturers from the market. Registrations of new passenger cars in the Fifth district in November were 14 per cent above October registrations, and 11 per cent higher than those in November 1938. New cars have

sold in such numbers that used cars traded in are beginning to burden some dealers, although the market for used cars has also been relatively good. The following registration figures on new cars were furnished by *R. L. Polk & Co.*:

REGISTRATION OF NEW PASSENGER CARS—NUMBER

STATES	Nov. 1939	Nov. 1938	% Change	11 Months 1939	11 Months 1938	% Change
Maryland	3,627	3,102	+ 17	35,693	23,904	+ 49
Dist. of Col. ...	2,109	2,123	- 1	23,521	15,801	+ 49
Virginia	3,677	2,985	+ 23	38,342	27,438	+ 40
West Virginia ..	2,056	1,739	+ 18	20,808	14,726	+ 41
No. Carolina ...	3,394	3,586	- 5	40,714	28,155	+ 45
So. Carolina ...	2,517	2,103	+ 20	23,005	13,755	+ 67
District	17,380	15,638	+ 11	182,033	123,779	+ 47

BOTH PERMITS AND CONTRACTS DECREASE

The value of building permits issued in 31 Fifth district cities in November 1939 totaled \$8,947,654, a decrease of 36 per cent under the unusually high total of \$14,032,486 in October this year but an increase of 33 per cent over \$6,729,179 in November 1938. Washington reported the highest figure last month, \$3,347,440; Baltimore was second with \$1,428,780; Charleston, W. Va., third with \$1,200,161; Columbia fourth with \$791,105; and Richmond fifth with \$204,069. Permits issued in the first 11 months of 1939 totaling \$114,216,748 show an increase of 42 per cent over permits totaling \$80,222,225 issued in the first 11 months of 1938.

Contracts actually awarded for construction work in the district in November totaled \$24,056,000. This represents a decline of 15 per cent from contracts totaling \$28,276,000 awarded in October, and a drop of 35 per cent from \$36,928,000 in November 1938. A considerable part of the decrease from last year is due to a decline in publicly financed projects, residential and industrial work having held up better. Total contracts awarded in the first 11 months of this year amounted to \$355,113,000, an increase of 23.5 per cent over \$287,491,000 in awards in the corresponding period last year. Awards this year are higher than for any other year since 1929. Figures collected by the *F. W. Dodge Corporation* by states for November 1939 and 1938 on construction contracts awarded are as follows:

CONSTRUCTION CONTRACTS AWARDED

STATES	Nov. 1939	Nov. 1938	% Change
Maryland	\$ 6,000,000	\$ 7,325,000	- 18
Dist. of Col.	2,948,000	5,651,000	- 48
Virginia	5,279,000	7,619,000	- 31
West Virginia	1,357,000*	2,835,000*	- 52
North Carolina ..	5,475,000	8,404,000	- 35
South Carolina ..	3,180,000	5,509,000	- 42
Fifth District	\$24,239,000	\$37,343,000	- 35

* Includes some contracts outside 5th district.

COAL PRODUCTION DECLINES SLIGHTLY

Bituminous coal mined in November totaled 42,835,000 net tons, a decrease of 6.8 per cent below the high October output of 45,950,000 tons, but 19.2 per cent above 35,925,000 tons mined in November last year. On a daily basis, output of 1,741,000 tons in November 1939 was only 1.5 per cent below daily production of 1,767,000 tons in October this year. Total output of bituminous coal this calendar year to December 9 of 361,897,000 tons compares with 317,966,000 tons in 1938 and 501,610,000

tons in 1929 to the same date. Shipments of coal through Hampton Roads to December 9 totaled 18,620,595 tons this year, 15,732,231 tons in 1938, and 20,898,452 tons in 1929.

COTTON TEXTILES ACTIVE

The cotton textile industry was very active in November, and continued at approximately the same high rate in the first half of December. Sales in November slacked to some extent, but in December unfinished cloth and yarn sales increased sharply and substantially exceeded the large mill output. After declining somewhat in November, cloth prices in December advanced with rising cotton prices. Consumption of cotton in November in the Fifth district exceeded consumption in any other November, and was the second highest figure for any month on record. Cotton consumption figures in bales in Fifth district states in November 1939, October 1939, November 1938, and in the first 11 months of this year and last are shown herewith:

COTTON CONSUMPTION—FIFTH DISTRICT

MONTHS	In Bales			
	No. Carolina	So. Carolina	Virginia	District
November 1939	191,192	136,222	13,682	341,096
October 1939	181,068	126,700	13,231	320,999
November 1938	156,212	118,756	12,617	287,585
11 Months, 1939	1,768,660	1,308,616	132,683	3,209,959
11 Months, 1938	1,397,379	1,083,755	128,146	2,609,280

RAYON SHIPMENTS AGAIN EXCEED PRODUCTION

Shipments of rayon filament yarn to domestic consumers in November were slightly smaller than October shipments, but continued much larger than a year ago, and also exceeded production for the seventh consecutive month. Shipments in November totaled 32,900,000 pounds, according to the December *Rayon Organon*, compared with 34,100,000 pounds shipped in October 1939 and 21,700,000 pounds in November 1938. In the first 11 months of 1939 shipments of rayon yarn totaled 325,300,000 pounds, an increase of 31 per cent over 247,900,000 pounds shipped in the corresponding period last year. Excess of shipments over production in November reduced reserve stocks from 9,400,000 pounds to 7,500,000 pounds during the month. On November 30, 1938, reserve stocks totaled 40,000,000 pounds, and were up to 43,400,000 pounds as late as April 30, 1939. Further price increases were made as of December 1 by several producers making 50 and 75 denier viscose process yarn.

COTTON PRICES AT TWO-YEAR HIGH

Spot cotton prices on Southern markets, which had advanced sharply between the middle of October and the middle of November, rose further after that period to an average of 10.92 cents per pound for middling grade on December 15, the latest date for which official figures are available. This price is the highest Friday average since August 6, 1937, and compares with 9.51 cents a month earlier and 8.36 cents a year ago.

The Department of Agriculture's December cotton crop report lowered the estimate from 11,845,000 bales on November 1 to 11,792,000 bales on December 1. In the Fifth district, South Carolina's estimate declined from

895,000 bales to 870,000 bales during November, and North Carolina's prospects dropped from 475,000 bales to 455,000 bales. Virginia was unchanged with 12,000 bales.

COTTON CONSUMPTION AND ON HAND

	(Bales)			
	Nov. 1939	Nov. 1938	Aug. 1 to Nov. 30 This Year Last Year	
Fifth district states:				
Cotton consumed	341,096	287,585	1,259,106	1,081,969
Cotton growing states:				
Cotton consumed	609,862	503,514	2,255,818	1,890,724
Cotton on hand Nov. 30 in				
Consuming establishments ..	1,561,499	1,514,193	.....	.....
Storage & compresses	15,447,107	15,538,740	.....	.....
United States:				
Cotton consumed	718,721	596,416	2,659,007	2,233,081
Cotton on hand Nov. 30 in				
Consuming establishments ..	1,782,949	1,714,312	.....	.....
Storage & compresses	15,484,508	15,591,629	.....	.....
Exports of cotton	583,644	480,384	2,337,825	1,534,324
Spindles active, U. S.	22,774,170	22,447,106	.....	.....

TOBACCO SALES ABOVE SEASONAL LEVEL

The tobacco markets being closed from early in September until October 10 threw sales later in the season, and November sales in the Fifth district totaled 260,664,844 pounds compared with only 80,196,905 pounds sold in November last year. The average price of \$16.98 per hundred pounds last month was 7.6 per cent better than the October average of \$15.78, but was 18.2 per cent below the November 1938 average of \$20.75. Total sales this season to November 30 in the district amounted to 904,280,911 pounds, at an average of \$15.78 per hundred, compared with 651,201,439 pounds sold for \$22.96 per hundred before November 30, 1938. The total received by growers for this year's crop prior to December 1 was \$142,667,000, compared with \$149,547,000 in 1938, both figures exclusive of any special payments by the Federal Government.

STATES	Producers' Tobacco Sales, Pounds		Price per Cwt.	
	November 1939	November 1938	1939	1938
South Carolina	947,392	0	\$11.62	\$ 0
North Carolina	208,358,063	51,746,353	17.20	21.02
Virginia (Flue cured)	50,350,071	27,430,448	16.29	20.64
(Fire cured)	1,009,318	1,020,104	10.81	9.93
District	260,664,844	80,196,905	16.98	20.75
Season through ...	904,280,911	651,201,439	15.78	22.96

TOBACCO MANUFACTURING DECLINES

Production of all types of manufactured tobacco declined in November from October, due chiefly to the shorter month. Figures for November this year and last were released by the Bureau of Internal Revenue as follows:

TOBACCO PRODUCTS MANUFACTURED

	Nov. 1939	Nov. 1938	% Change
Smoking & chewing tobacco, Pounds	25,192,803	27,747,016	- 9
Cigarettes, Number	14,461,358,957	13,505,602,337	+ 7
Cigars, Number	505,098,447	515,858,670	- 2
Snuff, Pounds	3,242,896	3,193,290	+ 2

RETAIL AND WHOLESALE TRADE

DEPARTMENT STORE TRADE

	Net Sales	Net Sales	Stocks		Ratio Nov. collections to accounts outstanding Nov. 1
	Nov. 1939 comp. with November 1938	Jan. 1 to date same period last years	Nov. 1938	Nov. 30, 1939	
Richmond (3) ...	+12.5	+ 4.0	+ 6.3	+ 5.1	35.0
Baltimore (8) ...	+11.9	+ 3.6	+ 3.0	+ 5.1	33.6
Washington (6) .	+ 9.5	+ 5.0	+ 8.5	+ 7.7	30.3
Other Cities (14)	+14.4	+ 5.1	+13.3	+16.1	30.9
District (31) ..	+11.1	+ 4.4	+ 6.7	+ 7.3	32.0
Same stores by states, with 26 stores added:					
Virginia (13) ...	+12.8	+ 4.4	...	...	...
West Va. (10) ..	+13.5	+ 4.3	...	...	...
No. Carolina (8) .	+ 8.8	+ 4.8	...	...	...
So. Carolina (12)	+12.2	+10.1	...	...	...

RETAIL FURNITURE SALES

STATES	% Change in Sales, November and 11 Months 1939	
	Compared with Nov. 1938	Compared with 11 Months 1938
Maryland, 10 stores	+19	+ 9
Dist. of Col., 7 stores	+ 8	+ 6
Virginia, 9 stores	- 4	+ 7
North Carolina, 3 stores	+48	+19
South Carolina, 7 stores	+43	+27
District, 36 stores	+17	+10
Individual Cities:		
Baltimore, 10 stores	+19	+ 9
Columbia, 3 stores	+56	+ 1
Richmond, 4 stores	-15	- 1
Washington, 7 stores	+ 8	+ 6

WHOLESALE TRADE, 178 FIRMS

LINES	Net Sales		Stocks		Ratio Nov. collections to accounts outstanding Nov. 1
	November 1939 compared with Nov. 1938	Nov. 1939	Nov. 30, 1939 compared with Nov. 30, 1938	Oct. 31 1939	
Auto supplies (7)	+ 2	- 8	0	- 1	66
Shoes (4)	+24	-27	+ 5	- 9	59
Drugs (11)	+ 9	- 2	+ 2	- 7	75
Dry Goods (8)	+16	- 2	0	- 4	44
Electrical goods (7)	+78	- 2	+47	+ 8	75
Groceries (56)	+ 6	0	+ 6	- 2	91
Hardware (19)	-17	- 8	+12	+ 1	48
Indus. supplies (12) ...	+31	-16	+14	- 2	73
Plumbing & heating (6)	+14	-13	- 5	- 2	53
Paper & products (7) ..	+17	- 8	- 3	- 3	72
Tobacco & products (7) .	+ 4	+ 5	..	..	80
Miscellaneous (34)	+10	- 4	+17	+ 4	59
District Totals (178) ..	+16	- 6	+12	- 1	63

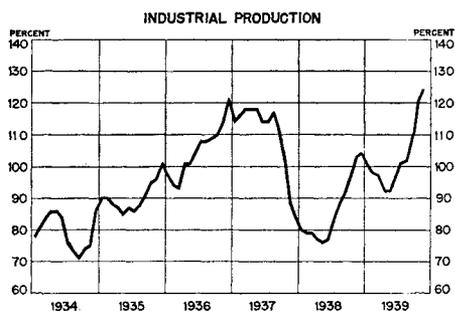
FIFTH DISTRICT CROPS

In the January 31, 1940, issue of the Monthly Review we shall publish a table showing final 1939 crop yields for the several states in the Fifth Federal Reserve district, in comparison with corresponding figures for some earlier periods.

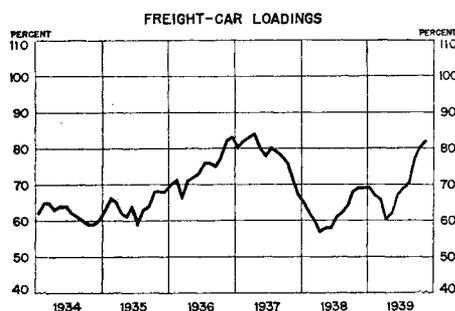
(Compiled December 21, 1939)

SUMMARY OF NATIONAL BUSINESS CONDITIONS

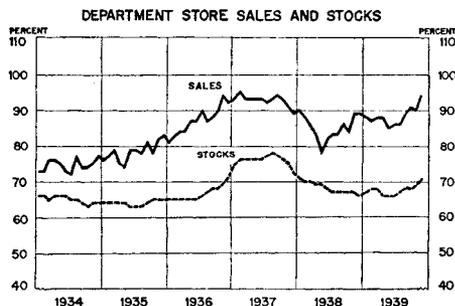
(Compiled by the Board of Governors of the Federal Reserve System)



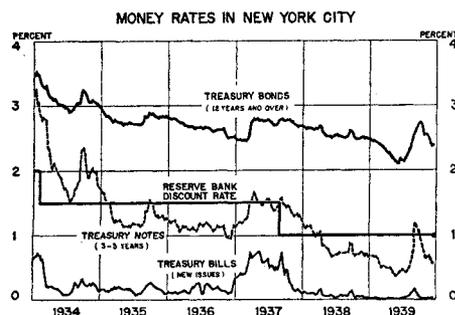
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average =100. By months, January 1934 to November 1939.



Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average =100. By months, January 1934 to November 1939.



Indexes of value of sales and stocks, adjusted for seasonal variation, 1923-1925 average =100. By months, January 1934 to November 1939.



For weeks ending January 6, 1934, to December 9, 1939.

Following a rapid rise after the outbreak of the European war industrial activity continued at a high level in November and the first half of December. There was a considerable increase in distribution of commodities to consumers while prices of basic commodities, which had been steady during November, rose somewhat in the first two weeks of December.

PRODUCTION

The Board's seasonally adjusted index of industrial production advanced from 121 to 124 per cent in November, reflecting sustained activity at a period of the year when a decline is usual. Production of durable goods, which had advanced rapidly for several months, showed a further expansion. Record production of steel ingots continued in November and was followed by a less than seasonal decline in the first half of December. Automobile production increased in November, notwithstanding the fact that plants of one important company remained closed pending settlement of an industrial dispute. After this was settled at the end of November assemblies rose sharply. Retail sales of new automobiles were in large volume in November and at the end of the month dealers' stocks of new cars apparently were smaller than at the corresponding time in other recent years. Lumber production declined less than seasonally in November but plate glass production, which had reached a high level in October, showed a reduction.

Output of nondurable goods continued at a high level in November. At cotton and woolen mills activity increased somewhat further and was close to the record levels reached three years ago. Rayon production advanced to new high levels but at silk mills there was a sharp decline following substantial increases earlier this fall. Output of flour and sugar declined further from the levels reached in September while changes in activity at shoe factories and meat-packing establishments were largely seasonal in character.

Coal production in November declined somewhat from the high level reached in October. Output of crude petroleum increased further and iron ore shipments continued in exceptionally large volume until the Great Lakes' shipping season closed in the latter part of the month.

Value of construction contracts, as reported by the F. W. Dodge Corporation, increased in November following a sharp decline in October. In both months changes in total awards reflected principally fluctuations in the volume of contracts for public construction. Private residential awards declined somewhat less than seasonally in November, while awards for other private projects showed little change. Contracts for private work, both residential and non-residential, were larger than a year ago, while those for public projects were below the high level of that time when contracts under the Public Works Administration program were being awarded in large volume.

EMPLOYMENT

Factory employment and pay rolls continued to increase in November, reflecting chiefly further sharp advances in industries producing steel, machinery, and other durable goods.

DISTRIBUTION

In November distribution of commodities to consumers increased considerably. The Board's seasonally adjusted index of department store sales, which had been around 90 in the three preceding months, advanced to 94, a level about the same as at the peak in 1937 when prices of commodities sold at department stores were generally somewhat higher than at present.

Freight-car loadings showed less than the usual seasonal decrease from October to November and the Board's adjusted index increased from 80 to 82, which was only slightly under the recovery peak reached in the early part of 1937. Shipments of ore and miscellaneous freight declined less than is usual in November, while loadings of coal decreased more than seasonally from the relatively high October level.

COMMODITY PRICES

Prices of both industrial materials and foodstuffs advanced from the latter part of November to the middle of December. Wheat and silk prices rose considerably and there were smaller increases in cotton and hides. Prices of steel scrap and nonferrous metals, on the other hand, showed declines.

GOVERNMENT SECURITY MARKET

Prices of United States Treasury bonds advanced sharply during the last half of November to a level not far below the all-time high point of last June and remained steady during the first half of December.

BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities rose substantially during November and the first half of December, reflecting largely purchases of new United States Government securities. Commercial loans, which had been increasing since August, continued to rise until the third week in November. Deposits increased further.