

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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DISTRICT SUMMARY. The volume of business transacted in the Fifth reserve district in November was up to seasonal average, and in spite of the low cotton price prevailing this year most observers are moderately optimistic on prospects for the first half of 1927. At the Federal Reserve Bank of Richmond rediscounts held on December 15th were approximately 45 per cent below those of a year ago, and reports from 68 regularly reporting member banks show a lower total of outstanding loans to customers this year. Bank debits figures during the four weeks ended December 8, 1926, were slightly below the figures for the corresponding period in 1925, but the decline was probably accounted for by a lower price level this year and the occurrence of one more holiday than in 1925. Savings deposit figures are above those of November a year ago, and there was a smaller decline in savings during November than usually occurs in that month. Business failures in the Fifth district were more numerous than in November 1925, but fell below those of October this year. Labor is seasonally employed, with sufficient work in prospect to hold out promise of steady employment through the winter. Building construction seems to be declining gradually from the record figures of 1925, but is still above the level of any other year. Coal production in November reached a record figure, and continued unusually large in December. Bright tobacco prices were high this season, and yields were large enough to make the 1926 crop very profitable. Retail trade, as reflected in department store sales, was well above the level of November 1925, and was nearly 4 per cent above that of October, whereas November sales usually exceed those of October by less than 1 per cent. Wholesale trade reported upon in November was in larger volume than in November 1925 in all lines except groceries, although seasonally below the level of October.

RESERVE BANK OPERATIONS.

Between November 15th and December 15th, both this year, the volume of rediscounts for member banks held by the Federal Reserve Bank of Richmond dropped from \$37,160,000 to \$27,-

643,000, most of the decline occurring in the discounts for banks in the larger cities. During the same period the Reserve bank's total bill holdings declined from \$52,190,000 to \$39,895,000. On the other hand, member banks built up their reserve deposits from \$68,846,000 on November 15th to \$69,940,000 on December 15th, and seasonal demands for currency in connection with holiday buying raised the volume of Federal Reserve notes in actual circulation from \$82,247,000 to \$85,704,000 during the month. As a result of the several changes mentioned, the cash reserves of the Federal Reserve Bank of Richmond rose from \$108,791,000 on November 15th to \$120,879,000 on December 15th, and the ratio of cash reserves to note and deposit liabilities combined rose from 68.86 per cent to 76.78 per cent during the same period.

Reserve bank credit was outstanding in the Fifth District in smaller volume at the middle of December this year than at the corresponding time a year ago. On December 15, 1926, rediscounts for member banks held by the Federal Reserve Bank of Richmond totaled \$27,643,000, compared with \$39,974,000 held on December 15, 1925. Liquidation this season has been considerably larger than in 1925, when a large volume of rediscounts were carried over to the new year. The circulation of Federal Reserve notes stood at \$85,704,000 at the middle of December this year and at \$92,484,000 on the corresponding date in 1925. Total bill holdings of the Federal Reserve Bank of Richmond, which totaled \$39,895,000 on December 15, 1926, amounted to \$43,275,000 on December 15, 1925. Member bank reserve deposits at the Richmond Reserve bank totaled \$69,940,000 this year against \$66,813,000 last year. The cash reserves of the Richmond bank on December 15th this year totaled \$120,879,000, compared with \$115,278,000 on December 15, 1925, and the ratio of cash reserves to note and deposit liabilities combined was 76.78 per cent on December 15th this year and 72.10 per cent on December 15th last year. The decrease in the demand for Reserve bank credit this year is chiefly in the banks of the larger cities, but banks in agricultural sections have liquidated their indebtedness more rapidly than might have been expected under the existing low prices for cotton and dark tobacco.

CONDITION OF SIXTY-EIGHT REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Dec. 8, 1926	Nov. 10, 1926	Dec. 9, 1925
1. Total Loans and Discounts (including all rediscounts.....)	\$516,252,000	\$520,344,000	\$529,476,000
2. Total Investments in Bonds and Securities	131,624,000	135,185,000	129,579,000
3. Reserve Balance with Federal Reserve Bank	40,573,000	42,612,000	41,697,000
4. Cash in Vaults.....	16,284,000	14,688,000	16,064,000
5. Demand Deposits.....	385,158,000	386,855,000	390,948,000
6. Time Deposits.....	206,244,000	208,972,000	202,480,000
7. Borrowed from Federal Reserve Bank..	8,116,000	16,570,000	18,976,000

The accompanying table shows totals for the principal items of condition reported by sixty-eight identical member banks of the Fifth Federal reserve district on three dates, December 8, 1926, November 10, 1926, and December 9, 1925. These data afford an opportunity for comparing the latest available figures with those of a month and a year earlier.

A comparison of the figures for December 8th with those of November 10th, both this year, indicates that the fall liquidation of indebtedness has been unusually good, payment of agricultural loans exceeding the demand for commercial loans incident to the receipt of holiday merchandise. Loans and discounts outstanding on December 8th were \$4,092,000 below the volume of loans reported on November 10th, and during the same period the sixty-eight banks reduced their rediscounts at the Reserve bank by \$8,454,000, or more than 50 per cent of the total volume of rediscounts a month ago. Between November 10th and December 8th, the reporting banks reduced their investments in bonds and securities by \$3,561,000, and their reserve deposits at the Reserve bank dropped \$2,039,000. Seasonal demands for currency caused an increase of \$1,596,000 in cash in vaults, but demand deposits declined \$1,697,000 and time deposits declined \$2,728,000 during the month under review. A decline in time deposits at this season is a normal development.

On December 8th this year outstanding loans to customers of the sixty-eight reporting banks totaled \$13,224,000 less than the volume of loans on December 9, 1925. Investments in bonds and securities rose by \$2,045,000 during the year. Aggregate reserve balances of the reporting banks at the Reserve bank changed little between the two dates, declining approximately \$1,000,000, and the amount of cash in vaults on December 8th this year was practically the same as on December 9th last year. Demand deposits, in keeping with the decline in loans to customers, dropped \$5,790,000 during the year, but time deposits rose by \$3,764,000. The lessened demand for credit at the member banks this year is indicated by their borrowing at the Reserve bank, which declined from \$18,976,000 on December 9, 1925, to \$8,116,000 on December 8, 1926, a decrease of \$10,860,000 or approximately 57 per cent. This lessened demand for Federal Reserve credit seems due to a healthier liquidation on the part of the customers of member banks rather than to a recession of current business.

BUSINESS FAILURES—*Dun's Review* for December 4th, in commenting upon the business failure figures of the past month, says, "In view of the fact that the number of failures in the United States invariably rises toward the close of a year, the increase reported for November is not surprising. Last month's total of 1,830 defaults is 3.8 per cent above the total of 1,763 reported for October, and is 9.4 per cent in excess of the 1,672 insolvencies for November 1925. Yet in that year the increase in November failures, compared with those for October, was 5.8 per cent, or more than is shown in the present instance. The record of liabilities for last month is favorable, decreases being shown from the amounts for both October this year and November last year. The indebtedness for last month totaled \$32,693,993, while for October it was \$33,230,720, and for November 1925 was \$35,922,421. With the exception of the year 1924, last month's liabilities are the smallest reported for November since 1920."

Business failures in the Fifth District during November 1926 numbered 120, with liabilities of \$3,067,845, compared with 127 failures and liabilities totaling \$3,394,205 in October, the District therefore making a better comparative record last month than the national one. In comparison with 91 failures and liabilities of \$1,631,370 in November 1925, however, the November record this year is not so favorable as the average for the country.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	Dec. 8, 1926	Nov. 10, 1926	Dec. 9, 1925
Asheville, N. C.	\$ 28,602,000	\$ 31,353,000	\$ 27,860,000
Baltimore, Md.	381,395,000	390,905,000	446,043,000
Charleston, S. C.	25,319,000	39,089,000	24,874,000
Charleston, W. Va.	36,973,000	35,147,000	36,611,000
Charlotte, N. C.	47,417,000	49,148,000	47,045,000
Columbia, S. C.	18,081,000	18,676,000	16,620,000
Cumberland, Md.	8,212,000	8,633,000	9,700,000
Danville, Va.	16,594,000	15,258,000	12,410,000
Durham, N. C.	36,308,000	33,785,000	31,929,000
Greensboro, N. C.	24,328,000	24,539,000	20,522,000
Greenville, S. C.	21,143,000	21,357,000	24,525,000
Hagerstown, Md.	10,375,000	10,693,000	10,481,000
Huntington, W. Va.	26,861,000	24,354,000	27,191,000
Lynchburg, Va.	18,827,000	18,551,000	20,060,000
Newport News, Va.	10,516,000	10,712,000	11,414,000
Norfolk, Va.	82,617,000	75,639,000	86,812,000
Raleigh, N. C.	21,260,000	23,317,000	26,083,000
Richmond, Va.	135,905,000	136,130,000	166,050,000
Roanoke, Va.	29,418,000	29,511,000	26,155,000
Spartanburg, S. C.	12,983,000	13,603,000	17,156,000
Washington, D. C.	232,365,000	230,619,000	228,255,000
Wilmington, N. C.	19,369,000	21,285,000	20,399,000
Winston-Salem, N. C.	37,356,000	40,724,000	35,444,000
Totals.....	\$1,282,224,000	\$1,303,028,000	\$1,373,639,000

Debits to individual, firm and corporation accounts in clearing house member banks in leading cities furnish a good barometer of the volume of business transacted in the several cities during the period or periods of time covered by the figures. According to this measure, general business in the Fifth district during the four weeks ended December 8, 1926, was in somewhat smaller volume than in either the preceding four weeks this year or the corresponding four weeks last year, but the lower figures during the most recent period were due in part to the occurrence of two holidays in comparison with one holiday in each of the earlier periods.

During the four weeks ended December 8, 1926, twenty-three cities of the Fifth Reserve district reported aggregate debits totaling \$1,282,224,000, a slightly smaller figure than \$1,303,028,000 reported for the preceding four weeks, ended November 10, 1926, but on a daily average basis, counting business days only, debits each day totaled \$58,282,909 during the period ended December 8th and \$56,653,391 during the like period ended November 10th. The decline in debits during the later four weeks was general throughout the Fifth district, seventeen of the twenty-three cities reporting lower totals than for the preceding like period.

In comparison with the four weeks ended December 9, 1925, when debits amounted to \$1,373,639,000, the total of \$1,282,224,000 reported for the corresponding period this year shows a decline of 6.7 per cent, but the four weeks ended December 8, 1926, contained two holidays while the corresponding period last year contained only one. On a daily basis, debits during the 1926 period under review show an approximate decline of 2.4 per cent. Ten cities reported increased and thirteen decreased figures for the 1926 period.

SAVINGS DEPOSITS—Contrary to custom, deposits in fourteen mutual savings banks in Baltimore rose during November, increasing from \$157,836,179 on October 31st to \$158,178,254 on November 30th. In 1920 a slight increase in deposits was reported in November, but in each intervening year November witnessed a decline in savings bank figures. At the end of November last year the same fourteen banks had deposits aggregating \$150,891,556. Time deposits in sixty-eight regularly reporting member banks followed the seasonal trend in November and early December, declining from a total of \$208,972,000 on November 10th to \$206,244,000 on December 8th, but on the latter date stood above the \$202,480,000 reported on December 9, 1925.

LABOR—No developments of marked importance were noticed in labor circles during the past month. Unemployment increased seasonally with the coming of winter weather and the winding up of 1926 building programs, but the slackening was probably not more extensive than is normal at this season. Prospects are good for steady employment for practically all workmen during the next few months. Construction work continues in large volume, and a considerable road building program is outlined for 1927 in the Fifth District. The return of British miners to the mines will undoubtedly lessen the export demand for American coal, thereby reducing operations in West Virginia and laying off some miners, but a considerable time usually elapses after a long strike before reserves of coal

are rebuilt and demand shows any appreciable falling off. Fifth District tobacco factories are operating full time, and some of them are expanding, thereby increasing the number of workers needed. In the textile industry most mills are operating nearly full time, and prospects for a continuation of this scale of operations appear good. Local unemployment problems may arise here and there during the next few months, but at present there are no signs that appear to indicate any general surplus of workers, and mobile labor will probably be able to keep steadily at work.

BUILDING OPERATIONS FOR THE MONTHS OF NOVEMBER 1926 AND 1925.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1926	1925	1926	1925			
		1926	1925	1926	1925							
1	Baltimore, Md.....	618	565	893	832	\$ 4,180,800	\$ 5,176,320	\$ 505,566	\$ 403,200	-\$ 893,154	- 16.0%	1
2	Cumberland, Md..	23	20	8	5	7,120	64,285	52,290	2,169	- 7,044	- 10.6	2
3	Frederick, Md....	4	6	0	3	21,550	11,545	0	2,175	- 7,830	- 57.1	3
4	Hagerstown, Md..	27	16	3	8	42,160	24,230	475	26,580	- 8,175	- 16.1	4
5	Danville Va.....	17	16	5	11	98,590	45,231	16,562	5,571	64,350	126.7	5
6	Lynchburg, Va....	17	16	30	17	17,601	10,715	18,526	7,917	17,495	93.9	6
7	Norfolk, Va.....	68	75	60	42	120,375	94,499	19,080	25,280	19,676	16.4	7
8	Petersburg, Va.	1	3	6	3	240	8,700	2,790	2,675	- 8,345	- 73.4	8
9	Richmond, Va.....	110	106	87	60	481,300	353,554	55,546	107,967	75,325	16.3	9
10	Roanoke, Va.....	60	72	22	19	200,100	270,245	15,640	10,415	- 64,920	- 23.1	10
11	Bluefield, W. Va..	8	13	0	1	23,875	214,400	0	200	- 190,725	- 88.9	11
12	Charleston, W. Va.	31	48	12	12	49,515	85,838	11,128	10,185	- 35,380	- 36.8	12
13	Clarksburg, W. Va	21	17	21	8	78,315	16,150	11,375	3,575	69,965	354.7	13
14	Huntington, W.Va.	35	85	4	4	41,400	391,860	6,100	4,440	- 348,800	- 88.0	14
15	Parkersburg, W.Va	20	27	0	4	32,800	47,400	0	2,400	- 17,000	- 34.1	15
16	Asheville, N. C.	46	51	43	37	513,425	570,209	32,715	9,722	- 33,791	- 5.8	16
17	Charlotte, N. C.	34	44	16	7	237,600	153,687	11,600	3,460	92,053	58.6	17
18	Durham, N. C.	38	30	15	3	258,202	82,475	13,380	10,050	179,057	193.5	18
19	Greensboro, N. C.	49	50	32	28	614,840	1,172,745	9,892	23,928	- 571,941	- 47.8	19
20	High Point, N. C....	43	38	5	7	200,800	198,725	1,600	3,525	150	.07	20
21	Raleigh, N. C.....	41	36	5	8	138,855	47,350	2,650	10,900	83,255	142.9	21
22	Salisbury, N. C.	14	13	6	6	49,295	34,700	2,580	1,290	15,885	44.1	22
23	Wilmington, N. C.	22	13	3	3	49,800	35,450	3,800	4,000	14,150	35.9	23
24	Winston-Salem, N. C.	84	89	45	52	190,720	536,725	38,950	46,347	- 353,402	- 60.6	24
25	Charleston, S. C.	16	11	28	29	14,942	25,230	7,860	11,920	- 14,348	- 38.6	25
26	Columbia, S. C.	9	22	45	47	26,395	146,657	46,223	12,091	- 86,130	- 54.3	26
27	Greenville, S. C.	8	5	22	16	16,700	72,525	7,245	4,115	- 52,695	- 68.8	27
28	Spartanburg, S. C.	17	24	15	57	68,740	88,610	2,250	20,043	- 37,663	- 34.7	28
29	Washington, D. C.	268	418	352	456	3,067,650	4,514,980	317,175	658,220	-1,788,375	- 34.6	29
	Totals.....	1,749	1,929	1,783	1,785	\$10,843,705	\$14,495,040	\$1,212,998	\$1,434,360	-\$3,872,697	- 24.3%	

—Denotes decrease

NOTE-- The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments.

Twenty-nine Fifth District cities issued 1,749 building permits for new construction in November this year, compared with 1,924 permits in October 1926 and 1,929 in November 1925. Valuation figures for new work totaled \$10,843,705 in November 1926, \$10,718,950 in October 1926, and \$14,495,040 in November 1925. For the past three months both the number of permits and the valuation figures for new construction fell below the figures for similar work during the corresponding months in 1925. November repair and alteration permits totaled 1,783, with estimated valuation of \$1,212,998, compared with 1,785 permits valued at \$1,434,360 issued for the same class of work in November last year. Total valuation figures for all classes of work in November 1926 were 24.3 per cent below the totals of November 1925. Increases of more than 50 per cent in valuation figures in November were reported by Frederick, Danville, Lynchburg, Clarksburg, Charlotte, Durham and Raleigh. Richmond reported a small increase in both number of permits and estimated valuation, but both Baltimore and Washington reported lower valuation figures.

The F. W. Dodge Corporation reports contract awards during November in the Fifth District totaling \$44,318,401, of which \$12,643,971 was for residential construction.

COAL—Bituminous coal production in November continued at a very high level, totaling approximately 59,739,000 net tons, a daily average rate of 2,400,000 tons compared with a daily average of 2,100,000 tons mined in October. Daily production since March has exceeded production in all recent years except 1923, and since the last week in September the record of all recent years has been surpassed. Total production of bituminous coal this calendar year to December 4th amounts to 530,232,000 net tons, compared with 478,653,000 tons mined to the same date last year and a high figure of 526,084,000 tons mined during the corresponding 286 working days of 1923. Export figures continue unusually large, shipments of cargo coal through Hampton Roads alone to December 4th this year

totaling 11,164,429 net tons, compared with 3,933,910 tons exported through the same port during the corresponding period a year ago. West Virginia continued in second place during November, having dropped behind Pennsylvania in production during October.

TEXTILES—Conditions in the textile field changed little between November 15th and December 15th, although the comparative steadiness of cotton prices probably improved the prospects for mills. For months the manufacturers have been faced by steadily declining cotton prices, which kept jobbers' and retailers' orders at minimum levels, but since the price of raw material appears to have settled, at least temporarily, the prospects for a larger volume of orders as soon as January inventories are taken appear good. Most of the mills in the Fifth District are operating at or near full time. Cotton consumption in the district in November totaled 249,997 bales, compared with 236,566 bales used in October this year and 218,435 bales consumed in November 1925. Last month North Carolina mills used 136,969 bales, South Carolina mills 101,962 bales, and Virginia mills 11,066 bales, the figures in every case being above those for either October 1926 or November 1925.

COTTON—Spot cotton prices in the Carolinas fluctuated through a narrow range during the latter half of November and the first half of December. The average price for middling short staple was 12 cents per pound during the two weeks ended November 27th, but in the week ended December 4th the average dropped to 11.65 cents and in the latest week for which quotations are available, ended December 11th, the average price further declined to 11.17 cents. Much of the cotton sold brought even lower prices, due to a large amount of cotton that was below middling grade. In November and early December last year spot cotton brought approximately 19 cents per pound.

In the final report of the year, issued on December 8th, the Department of Agriculture estimated the 1926 cotton yield as 18,618,000 bales, which is materially larger than any crop ever raised. Of the estimated total production, 14,644,966 bales had been ginned prior to December 1st. The ginning figures were below expectations in trade circles, and are thought to indicate that the final outturn of the crop may fall somewhat below the estimated yield for the year. Recognizing the unusually large proportion of the crop remaining to be ginned after December 1st, the Department of Agriculture states that it has made allowance for the probability of some loss of open cotton from beating storms and for the tendency of growers to leave low grade cotton unpicked because of low prices, but it further states that unfavorable weather conditions in December and January might increase the quantity of cotton left in the fields beyond the allowance made, thereby reducing the final ginning figures next March below the estimated production for the year. It seems clear that the final ginning figures are more dependent than usual upon weather conditions after the first of December.

Cotton consumption in American mills totaled 583,950 bales in November 1926, compared with 568,532 bales used in October this year and 543,488 bales in November 1925. Total consumption for the four months of the present season—August 1st to November 30th—amounted to 2,224,239 bales, compared with 2,021,963 bales consumed during the corresponding four months last year. Stocks of cotton on hand in manufacturing establishments totaled 1,497,844 bales on November 30, 1926, compared with 1,215,873 bales a month earlier and 1,457,456 bales a year ago. Public warehouses and compresses held 6,517,565 bales on November 30, 1926, compared with 5,469,809 bales so held on October 31, 1926, and 5,206,563 bales on November 30, 1925. Exports in November of 1,486,224 bales exceeded 1,369,820 bales sent abroad in October this year and 1,206,786 bales exported in November last year, and total exports of 4,041,957 bales during the four months of the present season are above the 3,696,417 bales shipped over seas during the corresponding period in 1925. November imports totaled 41,441 bales, compared with 30,449 bales brought in in October 1926 and 27,007 bales in November 1925. Cotton growing states consumed 425,490 bales in November, compared with 404,216 bales used in October and 382,438 bales consumed in November 1925. The cotton growing states used 72.9 per cent of November's consumption this year, compared with 70.4 per cent of the November 1925 consumption.

Between November 1st and December 1st, the Department of Agriculture lowered its estimate of production in South Carolina by 130,000 bales, but raised the North Carolina estimate 40,000 bales and the Virginia estimate 7,000 bales. These changes resulted in a net decline during the month of 83,000 bales in the expected production of the Fifth District. The reduction in South Carolina was due to the disastrous effect of cold weather on late cotton in the northern and western counties, where large areas that promised well in late October were so affected by a succession of freezes in November that cotton in the younger bolls rotted and many other bolls previously considered safe have only partially opened and contain damaged and discolored cotton. Picking such cotton is difficult and expensive, and the amount of the crop now in the fields which will be picked and ginned is very doubtful. In several counties of northwest South Carolina prospects were cut almost in half by cold weather during November. The final production estimate for the state is 1,030,000 bales. Ginning in South Carolina to December 1st totaled 841,597 bales, or 81.7 per cent of the year's estimated yield in comparison with 96.1 per cent of the 1925 crop ginned to the same date last year and a five-year average of 93.6 per cent. North Carolina's estimated yield of 1,250,000 bales is the

largest in the state's history, and the per acre yield is also the largest ever gathered in that state. Previous to December 1st 1,000,361 bales were ginned, approximately 80 per cent of the year's crop. Much cotton remained in the fields in December, compared with nearly clean fields a year ago, and with picking averaging more than \$1 a hundred pounds for seed cotton or over 2 cents a pound for lint, it is thought possible that a considerable amount of late and low grade cotton will not be gathered. Virginia's cotton crop turned out better than was expected, the final estimate being 55,000 bales. The late fall permitted much cotton to be picked which earlier in the season was not expected to mature, but picking was delayed by frequent rains, and only 37,446 bales, or 68 per cent of this year's crop, were ginned prior to December, in comparison with 85 per cent of the 1925 crop ginned before that month.

TOBACCO—North Carolina tobacco markets sold 104,032,285 pounds of producers' tobacco in November at an average of \$27.66 per hundred pounds. The number of pounds sold was 20 per cent above 86,139,078 pounds sold in November last year, but this year's price was only about 5 per cent above the average of \$26.17 per hundred paid during the same month last year. The increase in pounds this year is due partly to increased production and partly to the suspension of Cooperative Association receipts of members' tobacco. Wilson led in November 1926 sales with 18,121,412 pounds, Winston-Salem ranking second with 15,180,277 pounds and Greenville third with 12,315,181 pounds. Mebane and Fuquay Springs showed the highest average prices during November with \$32.10 and \$31.28 per hundred pounds, respectively. Sales in the Old Belt markets were mostly average to good grades, and average prices were nearly 7 cents per pound higher than in November 1925, but in the New Belt the tobacco sold was poor to medium, and averaged only a slight fraction of a cent a pound above the average price in the same month last year. Total season sales of 294,496,257 pounds prior to December amount to about 77 per cent of the Government estimate of the 1926 crop.

Virginia auction markets sold 36,092,499 pounds of producers' tobacco for \$8,425,100 in November. Flue-Cured, or Bright, tobacco sold totaled 30,124,813 pounds, and brought an average price of \$26.35 per hundred pounds, compared with 20,078,595 pounds sold for an average of \$17.24 per hundred in November last year. Fire-Cured, or Dark, tobacco sold in November totaled 4,773,506 pounds, at an average of \$8.07 per hundred, compared with 5,659,049 pounds sold for \$18.69 per hundred in November 1925. Sun-Cured tobacco sold on the Richmond market totaled 1,194,180 pounds in November and averaged \$8.51 per hundred pounds, compared with 339,425 pounds at \$15.43 per hundred sold in November a year ago. The feature of the tobacco season this year in Virginia is the opposite price trend for Flue-Cured and Fire-Cured types. Flue-Cured tobacco is bringing approximately 50 per cent more than a year ago, while Fire-Cured tobacco is selling for less than half the 1925 price. Fortunately most of Virginia's tobacco is of the Flue-Cured type. In aggregate sales in November, Danville with 13,791,652 pounds is far ahead of South Boston with 5,617,418 pounds. Drake's Branch led in price with \$27.97 per hundred, but sold only 514,677 pounds, while South Boston sold over 5,600,000 pounds at an average of \$27.31 per hundred. Lynchburg led in Fire-Cured sales with 1,599,401 pounds, but again Drake's Branch led in price, selling 428,429 pounds of this type of tobacco for \$9.55 per hundred pounds.

AGRICULTURAL NOTES—During the past month farmers were busy with the usual round of operations involved in winding up the season's activities. Harvesting of most crops was finished, cotton picking continued in the Carolinas and Virginia, hogs were butchered, wood was hauled, and tobacco sold. Official figures on the year's yields of the various crops are not yet available, but it is evident that the results of agricultural work in the district have been very spotted this year. In the Bright tobacco sections good crops were sold for high prices, but in the Dark tobacco counties of Virginia the yield was not notably large and prices were disastrously low. The cotton farmers of the district raised a larger crop than in 1925, but the price this year was so much lower that the value of the crop was many millions below last year's crop, and in addition to the low price this year certain sections of the district did not share in the increased yield. The fruit crop was one of the largest ever gathered, but the national fruit crop was also large and prices were consequently low. The farmers of the district raised more food and feed crops this year than in 1925, and cured an increased tonnage of hay. They are consequently in better position to begin a new crop year than they were a year ago, when they were faced by the necessity of buying nearly all supplies for both themselves and their live stock. On the whole, the agricultural population of the district probably received considerably less money for their 1926 than for their 1925 crops, and in the sections dependent entirely upon cotton or Dark tobacco the farmers are less favorably situated than a year ago, but in other sections of the district the year has probably measured about up to average.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty-one Representative Department Stores for the Month of NOVEMBER 1926

	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in November 1926 sales over sales in November 1925:					
	3.4	15.3	7.6	8.2	6.3
Percentage increase in cumulative sales from January 1st through November, over sales during the corresponding eleven months in 1925:					
	.8	5.5	5.4	3.3	3.2
Percentage increase in November sales over average November sales during the five years 1920-1924, inclusive:					
	4.9	41.6	27.6	2.8	16.0
Percentage increase in stock on hand November 30, 1926, over stock on November 30, 1925:					
— .1	.1	7.3	4.6	1.3	2.4
Percentage increase in stock on hand November 30, 1926, over stock on October 31, 1926:					
	1.2	2.0	2.7	2.4	1.9
Percentage of sales in November 1926 to average stock carried during that month:					
	31.0	29.1	30.7	22.8	29.8
Percentage of cumulative sales since January 1st to average stock carried during each of the eleven months:					
	280.6	290.1	300.5	241.1	284.1
Percentage of outstanding orders on November 30th to total purchases of goods in 1925:					
	5.3	6.0	5.2	4.7	5.3
Percentage of collections in November to total accounts receivable on November 1st:					
	24.7	28.7	37.8	32.7	28.9

—Denotes decreased percentage.

Retail trade in the Fifth Reserve District in November, as reflected in sales by thirty-one leading department stores, was 6.3 per cent above that of November 1925, and also exceeded the average volume of sales in November during the five years 1920-1924 by 16 per cent. Total sales this year since January 1st were 3.2 per cent ahead of the record set during the first eleven months of 1925. Stocks on the shelves of the reporting stores on November 30, 1926, were 2.4 per cent larger than on November 30, 1925, and were 1.9 per cent larger than on October 31st this year. The percentage of sales in November to average stocks carried that month was 29.8 per cent, and the percentage of total sales since January 1st to average stock carried during each of the eleven months was 284.1 per cent, a slightly higher figure than 282.8 per cent attained during the corresponding eleven months last year. Collections in November averaged 28.9 per cent of receivables outstanding on November 1st, showing some improvement over 27.7 per cent of outstanding receivables collected in October.

WHOLESALE TRADE, NOVEMBER 1926

	<i>36 Groceries</i>	<i>12 Dry Goods</i>	<i>6 Shoes</i>	<i>15 Hardware</i>	<i>5 Furniture</i>	<i>12 Drugs</i>
Percentage increase in November 1926 sales, compared with sales in November 1925:						
	—5.4	11.1	18.5	13.6	22.1	1.3
Percentage increase in November 1926 sales, compared with sales in October 1926:						
	—5.5	—12.0	—23.3	—5.5	6.8	—4.6
Percentage increase in total sales since January 1st, compared with sales during the same eleven months in 1925:						
	—2.9	—2.9	8.4	3.2	—4.4	.4
Percentage increase in stock on November 30, 1926, compared with stock on November 30, 1925:						
	—4.0 (12)	—10.1 (5)	31.1 (3)	1.6 (7)
Percentage increase in stock on November 30, 1926, compared with stock on October 31, 1926:						
	5.4 (12)	—1.5 (5)	4.3 (3)	—4.3 (7)
Percentage of collections in November to total accounts receivable on November 1, 1926:						
	68.8 (22)	34.8 (8)	33.9 (5)	36.6 (11)	32.8 (3)	52.6 (8)

—Denotes decreased percentage.

NOTE: The number of firms reporting stock and collection data in each group is shown immediately following the percentages.

Eighty-six wholesale firms in six important lines of trade reported upon November's business. All lines except groceries show larger sales in November this year than last, but all lines except furniture show seasonally smaller sales than in October 1926. During the eleven elapsed months of 1926, sales of shoes, hardware and drugs exceeded sales in the corresponding period of 1925, but grocery, dry goods and furniture sales were smaller this year.

Stocks on the shelves of the reporting firms on November 30, 1926, were larger than a year earlier in shoes and hardware lines, but grocery and dry goods stocks were smaller this year. In comparison with stocks on hand a month ago, October 31st, stocks on November 30th were larger in groceries and shoes, but were smaller in dry goods and furniture.

Collections in November were better than in October in groceries and dry goods, but were slower in shoes, hardware, furniture and drugs.

(Compiled December 20, 1926.)

BUSINESS CONDITIONS IN THE UNITED STATES.

(Compiled by the Federal Reserve Board)

Activity in manufacturing industries decreased in November and December, while production of important minerals continued at a high level. Wholesale prices declined to the lowest level in more than two years. Firmer money conditions in December reflected the usual seasonal requirements in connection with holiday and end-of-year activity.

PRODUCTION. Factory employment and pay rolls declined in November, reflecting decreased activity in many important industries, but owing to the large output of minerals, the Federal Reserve Board's index of production in basic industries advanced somewhat during the month. Production of bituminous coal and petroleum in recent weeks has exceeded all previous records, and output of copper and zinc during the month of November was in unusually large volume. Pig iron production also increased slightly in November, but steel mill operations in that month and in December were considerably reduced. Automobile production, which is not included in the index of production in basic industries, declined sharply in November for the second consecutive month and was smaller than in any month since August, 1925. Textile mill activity was maintained during November at approximately the same rate as in October. The value of building contracts awarded showed less than the usual seasonal decline in November and was slightly larger than in November, 1925. Awards for the first half of December likewise exceeded those reported in the corresponding period of last year.

AGRICULTURE. The Department of Agriculture estimates the value of 55 principal crops raised in 1926, on the basis of December 1st farm prices, at \$7,802,000,000, compared with \$8,950,000,000 in 1925. Of the decrease in the value of crops the decline in the value of the cotton crop accounts for \$580,000,000, and that of the corn crop for about \$260,000,000, while the total value of the wheat crop increased by nearly \$40,000,000.

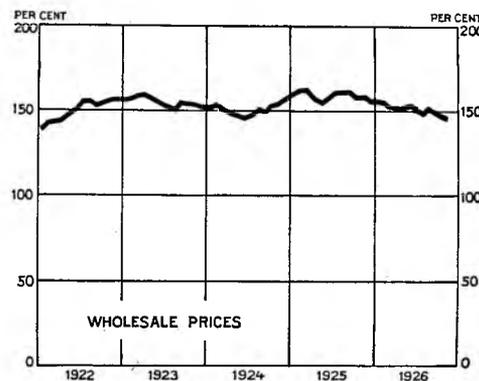
TRADE. In November distribution of merchandise at wholesale and retail showed the usual decline from the activity earlier in the autumn. Compared with a year ago, however, wholesale trade was in about the same volume and retail trade larger. Sales of department stores were about 7 per cent larger than last year and those of leading mail order houses were 6 per cent larger. Stocks of merchandise carried by wholesale firms declined further in November and were smaller at the end of the month than a year ago. Inventories of department stores, however, increased slightly more than is usual in November. Freight car loadings declined considerably in November and December from the record high levels of October, although the movement of coal continued heavy.

PRICES. The general level of wholesale prices declined in November and prices of many important basic commodities decreased further in the first half of December. The Bureau of Labor Statistics index of wholesale commodity prices for November was 148, the lowest level since July 1924. Bituminous coal prices increased sharply during October and the early part of November, but in recent weeks have declined by about two-thirds of the previous rise. Petroleum prices have been reduced since early in November, and there have also been declines in pig iron, copper, zinc, lead and silver. The fall in prices of agricultural commodities, which has lasted with few interruptions for over a year, continued in November. Grains, however, have risen somewhat since the latter part of that month. The clothing-materials and house-furnishings groups have declined steadily in price during recent months to the lowest levels of the post-war period.

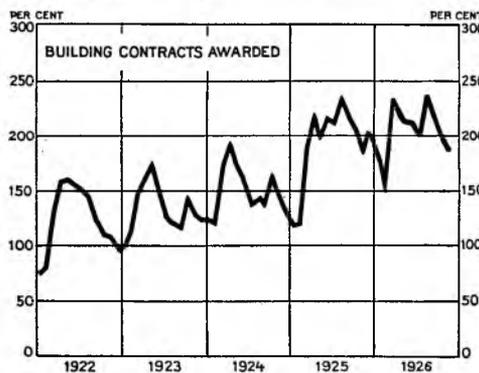
BANK CREDIT. Loans and investments of member banks in leading cities increased by over \$100,000,000 during the four weeks ending December 15th, reflecting in part the growth in the demand for credit and currency that usually occurs in December. The increase was in loans on securities, while commercial loans declined somewhat from their seasonal high point in November. The volume of reserve bank credit showed the usual seasonal increase after the middle of November, but was lower than in the corresponding period of 1925, partly because there was a smaller increase this year in the amount of money in circulation. Money market conditions became slightly firmer in December than at the end of November. Commercial paper rates were unchanged but open-market rates on bankers' acceptances advanced by one-eighth of one per cent and call rates on security loans averaged higher for the month.



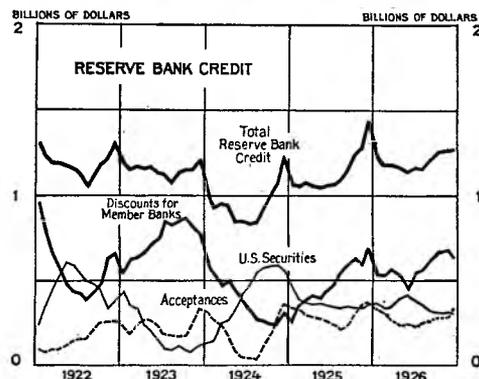
Federal Reserve Board's indexes of factory employment and pay rolls (1919-100). Latest figures, November, employment 952, pay rolls 106.8.



Index of U. S. Bureau of Labor Statistics (1913-100, base adopted by Bureau). Latest figure-November 148.1.



Index of value of building contracts awarded as reported by F. W. Dodge Corporation. (1919-100). Latest figure, November 188.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures, averages of first 21 days of December.