

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

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DISTRICT SUMMARY.—At the middle of December bank deposits in the Fifth reserve district are at record levels, member banks as a whole are in a stronger position than they occupied a year ago, and debits to individual accounts figures in November above those of November 1926 testify to the large volume of business still being done. However, except for holiday trade, business in the Fifth district in November and early December was not up to the average of recent years. In retail trade, sales of department stores fell moderately below the volume of sales in November last year, but were in larger volume than average November sales during the three years 1923-1925, inclusive. Wholesale trade was in smaller volume than in November 1926 in nearly all lines for which statistics are available. The unemployment situation did not improve during November and early December, but on the other hand it did not grow materially worse and concerted efforts to bring forward some contemplated projects have apparently improved the prospects for some relief early in the coming year. The volume of construction work provided for in permits issued in November compared more favorably with those of the preceding year than the permits issued in other recent months. Business failures in November were more numerous than in any other November since 1921, but liabilities were relatively low. Coal production in the country and in the Fifth district declined in November, and was far below the level of November 1926, when export demand on account of the British coal strike swelled the production figures. Textile mills continued full time operations through November, but early in December demand slackened and a large number of mills have either restricted their output or are seriously considering some curtailment in running time. Cotton prices declined about a cent and a half a pound during the past month, but on the whole the crop of the Fifth district is much more profitable this year than last. The year 1927 was fairly favorable for agricultural work, and farmers generally are in better shape than they were a year ago, in spite of local depressions here and there.

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 rose from \$20,535,000 to \$21,321,000, an unusual rise at the season of agricultural liquidation. The increase in rediscounts was due to an expansion of commercial loans to customers of the city banks. A seasonal need for additional currency to handle the holiday trade raised the circulation of Federal reserve notes from \$76,509,000 at the middle of November to \$78,884,000 at the middle of December. The increase in rediscounts and purchases of bills in the open market during the month raised the total earning assets of the Federal Reserve Bank of Richmond from \$80,522,000 to \$84,128,000. Member banks lowered their reserve deposits from \$75,065,000 on November 15th to \$73,737,000 on December 15th. The several changes enumerated produced a net increase in the cash reserves of the Federal Reserve Bank of Richmond from \$74,024,000 to \$77,852,000, and raised the ratio of cash reserves to note and deposit liabilities combined from 47.52 per cent at the middle of November to 50.55 per cent at the middle of December.

On December 15, 1926, member banks were borrowing \$27,643,000 from the Federal Reserve Bank of Richmond, compared with \$21,321,000 on the corresponding date this year. The circulation of Federal reserve notes, which stood at \$85,704,000 a year ago, was \$78,884,000 at the middle of December this year. On the other hand, the total earning assets of the Federal Reserve Bank of Richmond, which were \$46,679,000 on December 15, 1926, were \$84,128,000 on December 15, 1927, the increase being made up of acceptances purchased in the open market and larger holdings of Government securities. Member banks raised their reserve deposits at the reserve bank from \$69,940,000 at the middle of December last year to \$73,737,000 on December 15th this year, increased deposits in member banks requiring higher reserves at the reserve bank. The cash reserves of the Federal Reserve Bank of Richmond were \$120,879,000 on December 15, 1926, and on December 15, 1927, were \$77,852,000. The ratio of cash reserves to note and deposit liabilities combined was 76.78 per cent at the middle of December last year and 50.55 per cent on the corresponding date this year.

CONDITION OF SIXTY-SIX REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Dec. 7, 1927	Nov. 9, 1927	Dec. 8, 1926
Total Loans and Discounts (including all rediscunts)	\$524,636,000	\$522,774,000	\$516,252,000
Total Investments in Bonds and Securities Reserve Balance with Federal Reserve Bank	168,675,000	172,603,000	131,624,000
Cash in Vaults.....	44,330,000	44,159,000	40,573,000
Demand Deposits	14,977,000	15,213,000	16,284,000
Time Deposits	403,391,000	394,648,000	385,158,000
Borrowed from Federal Reserve Bank.....	242,060,000	248,866,000	206,244,000
	11,921,000	13,171,000	8,116,000

The accompanying table shows totals for the principal items of condition reported by sixty-six identical member banks of the Fifth Federal reserve district on three dates, December 7, 1927, November 9, 1927, and December 8, 1926. These data afford an opportunity for comparing the latest available figures with those of a month and a year earlier. The November figures were reported by sixty-seven banks and the figures for December 8th last year were reported by sixty-eight banks, but consolidations during the year reduced the number to sixty-six without materially altering the comparableness of the figures.

During the month between November 9th and December 7th, both this year, commercial loans extended to customers by the reporting banks exceeded the usual fall liquidation resulting from crop marketing, and total loans and discounts outstanding rose \$1,862,000. A reduction of \$3,928,000 in investments in bonds and securities enabled the reporting banks to reduce their borrowing at the reserve bank by \$1,250,000 during the month, and an increase in demand deposits totaling \$8,743,000 more than balanced a reduction of \$6,806,000 in time deposits. The decrease in time deposits was seasonal, but was larger than in most years. During the month under review, the reserve balances of the reporting banks at the reserve bank increased by \$171,000, but cash in vaults declined by \$236,000, the drop in cash being an unusual development at this season.

In comparison with the figures reported on December 8, 1926, those for December 7, 1927, show increases in all items except cash in vaults, which dropped \$1,307,000 during the year. Loans and discounts to customers rose \$8,384,000 during the year, and investments in bonds and securities increased by \$37,051,000. The reporting banks increased their reserve balances at the reserve bank by \$3,757,000, and also increased their borrowing at the reserve bank by \$3,805,000. During the year, demand deposits rose \$18,233,000 and time deposits \$35,816,000.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	December 7, 1927	November 9, 1927	December 8, 1926
Asheville, N. C.....	\$ 26,329,000	\$ 25,940,000	\$ 28,602,000
Baltimore, Md.	388,881,000	413,677,000	381,395,000
Charleston, S. C.....	23,945,000	28,126,000	25,319,000
Charleston, W. Va.	37,802,000	35,419,000	36,973,000
Charlotte, N. C.....	56,312,000	57,516,000	47,417,000
Columbia, S. C.....	21,305,000	22,866,000	18,081,000
Cumberland, Md.	9,439,000	9,290,000	8,212,000
Danville, Va.	18,499,000	15,246,000	16,594,000
Durham, N. C.....	36,918,000	40,105,000	36,308,000
Greensboro, N. C.....	25,634,000	26,861,000	24,328,000
Greenville, S. C.....	29,100,000	33,228,000	21,143,000
Hagerstown, Md.	9,674,000	10,030,000	10,375,000
Huntington, W. Va.....	23,113,000	23,926,000	26,861,000
Lynchburg, Va.	17,949,000	17,531,000	18,827,000
Newport News, Va.....	9,425,000	8,407,000	10,516,000
Norfolk, Va.	77,053,000	74,517,000	82,617,000
Raleigh, N. C.....	23,773,000	22,785,000	21,260,000
Richmond, Va.	154,438,000	151,153,000	135,905,000
Roanoke, Va.	27,357,000	26,803,000	29,418,000
Spartanburg, S. C.....	15,129,000	16,986,000	12,983,000
Washington, D. C.....	226,100,000	217,079,000	232,365,000
Wilmington, N. C.....	17,446,000	20,895,000	19,369,000
Winston-Salem, N. C.....	40,779,000	44,884,000	37,356,000
Totals	\$1,316,400,000	\$1,343,270,000	\$1,282,224,000

Debits to individual, firm and corporation accounts in clearing house banks in twenty-three leading trade centers of the Fifth reserve district totaled \$1,316,400,000 during the four weeks ended

December 7, 1927, a decrease of 2 per cent under the total of \$1,343,270,000 reported for the four preceding weeks, ended November 9th. The more recent period contained two holidays, however, compared with one holiday during the earlier period, and on a daily basis debits in the four weeks ended December 7th were approximately 2.5 per cent above those in the November 9th period. Twelve of the twenty-three cities reported lower figures for the later four weeks, while eleven cities reported higher figures. Among the largest centers, Norfolk, Richmond and Washington reported higher figures last month, but Baltimore, Charlotte and Winston-Salem reported lower totals.

Compared with aggregate debits during the four weeks ended December 8, 1926, when a total of \$1,282,224,000 was reported, the total of \$1,316,400,000 for the four weeks ended December 7th this year shows an increase of 2.7 per cent, a very satisfactory comparison in view of the marked decline in construction work in the district during the year under review. Thirteen cities reported higher and ten reported lower figures for the 1927 period. Improved conditions in the textile field accounted for more increases than any other factor, all textile centers included in the table showing higher debits totals this year than last.

SAVINGS DEPOSITS—Savings deposits appear to have a tendency to decline moderately in November in most years, but this year deposits in thirteen mutual savings banks in Baltimore rose from \$172,642,769 at the end of October to \$174,344,100 at the end of November. A year ago deposits in the same banks totaled \$158,128,346. Time deposits in sixty-six regularly reporting member banks followed the seasonal trend in November and early December, declining from a total of \$248,866,000 on November 9th to \$242,060,000 on December 7th but on the latter date stood above the \$206,244,000 reported on December 8, 1926.

BUSINESS FAILURES—As usual at this season, commercial failures in the United States have increased, numbering 1,864 in November, according to *Dun's Review* of December 3rd. This is 4.3 per cent more than the 1,787 defaults for October. Compared with the 1,830 failures of November 1926, the latest returns show an increase of less than 2 per cent. On the other hand, last month's defaults are the largest in number for any November since 1921. Last month's indebtedness of \$36,146,573 is a little below the \$36,235,872 of October and is smaller than the amounts for August, July, May and April, as well as in each month of the first quarter of this year. However, in contrast to this showing, the present liabilities disclose a rise of about \$3,000,000 from the \$32,692,993 of November 1926. For eleven months of the present calendar year commercial failures numbering 20,984 compare with 19,704 for the corresponding period of 1926, an increase of 6 per cent, and this year's indebtedness of approximately \$469,000,000 is fully 29 per cent in excess of the \$363,000,000 for the first eleven months of last year.

Business failures in the Fifth reserve district in November totaled 137, the highest number reported for any November since 1921. November 1926 witnessed 120 bankruptcies in the district. Liabilities last month were lower than a year ago, totaling \$2,555,698 compared with \$3,067,845 in November 1926.

LABOR—The number of involuntarily idle workers apparently did not increase more than the seasonal average in the Fifth reserve district during November, but the immediate unemployment problem showed no improvement. A larger number of workmen are unable to obtain employment than at any other time for several years, and in some of the larger centers the outlook for the near future is such as to demand the attention of officials and others desirous of improving the situation. A considerable number of the district's industrial plants are closed temporarily or are operating with skeleton forces, but the marked decrease in construction work appears to be chiefly responsible for the existing problem. In several cities the authorities and leading builders are attempting to advance the letting of contemplated contracts, with sufficient success to indicate that improvement may be expected in employment shortly after the New Year.

COAL—Bituminous coal production in the United States in November totaled approximately 40,628,000 net tons, compared with 44,000,000 tons mined in October this year and 59,739,000 tons in November 1926. The unseasonal decrease in November's production in comparison with that of October shows the effect of lessened activity in industry throughout the country. West Virginia led all states in tonnage in November, but by a smaller margin than in other recent months. Total production of soft coal in the entire country this calendar year to December 3rd amounted to 482,559,000 net tons, compared with 528,360,000 tons mined prior to December 3, 1926. On the other hand, total production this year exceeds production in either 1925, 1924 or 1922.

TEXTILES—Textile mills in the Fifth district consumed 270,506 bales of lint cotton in November, compared with 260,114 bales used in October this year and 249,997 bales in November last year. Each of the three textile manufacturing states in the district used more cotton last month than in either October 1927 or November 1926, North Carolina mills consuming 146,595 bales, South Carolina mills 111,357 bales, and Virginia mills 12,554 bales. Reports from mill executives and others indicate that since December 1st a considerable number of mills have begun to curtail operations, and it appears likely that there will be further restrictions in output during the next few weeks. Forward orders

have almost ceased, due chiefly to favorable weather for maturing and gathering the cotton crop, and some manufactured goods have begun to accumulate at mills. Profits on recent operations of the mills are claimed to be very small.

BUILDING OPERATIONS FOR THE MONTHS OF NOVEMBER 1927 AND 1926.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1927	1926	1927	1926			
		1927	1926	1927	1926							
1	Baltimore, Md.....	517	618	1,001	893	\$ 1,964,000	\$ 4,180,800	\$ 478,300	\$ 505,566	\$ -2,244,066	- 47.9%	1
2	Cumberland, Md....	15	23	5	8	18,936	7,120	36,760	52,290	— 3,714	— 6.3	2
3	Frederick, Md.....	3	4	1	0	12,300	21,550	500	0	— 8,750	— 40.6	3
4	Hagerstown, Md....	19	27	9	3	31,520	42,160	7,225	475	— 3,890	— 9.1	4
5	Danville Va.....	19	17	6	5	221,160	98,590	1,318	16,562	107,326	93.2	5
6	Lynchburg, Va.....	21	17	28	30	22,390	17,601	16,270	18,526	2,533	7.0	6
7	Norfolk, Va.....	54	68	94	60	86,760	120,375	67,795	19,080	15,100	10.8	7
8	Petersburg, Va.....	2	1	3	6	8,300	240	475	2,790	5,745	189.6	8
9	Richmond, Va.....	71	110	68	87	340,487	481,300	36,148	55,546	— 160,211	— 29.8	9
10	Roanoke, Va.....	68	60	24	22	153,703	200,100	21,564	15,640	— 40,473	— 18.8	10
11	Bluefield, W. Va..	12	8	0	0	10,085	23,875	0	0	— 13,790	— 57.8	11
12	Charleston, W. Va.	44	31	11	12	213,265	49,515	3,900	11,128	156,522	258.1	12
13	Clarksburg, W. Va	31	21	13	21	381,075	78,315	7,950	11,375	299,335	333.7	13
14	Huntington, W. Va	32	35	1	4	46,605	41,400	100	6,100	— 795	— 1.7	14
15	Parkersburg, W. Va	15	20	12	0	35,350	32,800	12,350	0	— 14,900	45.4	15
16	Asheville, N. C.	25	46	55	43	200,431	513,425	35,435	32,715	— 310,274	— 56.8	16
17	Charlotte, N. C.	67	34	25	16	317,040	237,600	16,989	11,600	84,829	34.0	17
18	Durham, N. C.	36	38	10	15	137,850	258,202	6,000	13,380	— 127,732	— 47.0	18
19	Greensboro, N. C.	52	49	62	32	868,720	614,840	31,358	9,892	275,346	44.1	19
20	High Point, N. C.	33	43	9	5	94,100	200,800	3,575	1,600	— 104,725	— 51.7	20
21	Raleigh, N. C.	28	41	13	5	117,425	138,855	8,815	2,650	— 15,265	— 10.8	21
22	Salisbury, N. C.	11	14	2	6	23,950	49,295	975	2,580	— 26,950	— 52.0	22
23	Wilmington, N. C.	13	22	7	3	51,100	49,800	9,850	3,800	7,350	13.7	23
24	Winston-Salem, N. C.	129	84	111	45	403,760	190,720	50,186	38,950	224,276	97.7	24
25	Charleston, S. C.	17	16	9	28	16,095	14,942	2,220	7,860	— 4,487	— 19.7	25
26	Columbia, S. C.	22	9	40	45	88,700	26,395	19,545	46,223	35,627	49.1	26
27	Greenville, S. C.	15	8	42	22	99,600	16,700	43,105	7,245	118,760	496.0	27
28	Spartanburg, S. C.	33	17	12	15	39,430	68,740	2,625	2,250	— 28,935	— 40.8	28
29	Washington, D. C.	189	268	435	352	2,684,170	3,067,650	338,955	317,175	— 361,700	— 10.7	29
	Totals.....	1,593	1,749	2,108	1,783	\$ 8,688,307	\$10,843,705	\$1,260,288	\$1,212,998	—\$ 2,108,108	— 17.5%	

— 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 1,593 building permits for new construction in November this year, compared with 1,478 permits in October 1927 and 1,749 in November 1926. Valuation figures for new work totaled \$8,688,307 in November 1927, \$6,903,407 in October 1927, and \$10,843,705 in November 1926. For the past fifteen months the value of permits issued for new work has been lower than in the corresponding month of the preceding year. November repair and alteration permits totaled 2,108, with estimated valuation of \$1,260,288, compared with 1,783 permits valued at \$1,212,998 issued for the same class of work in November last year. Total valuation figures for all classes of work in November 1927 were 17.5 per cent below the totals of November 1926. Among the larger cities, Norfolk, Charlotte and Winston-Salem reported higher valuation figures this year, but figures in Baltimore, Richmond and Washington declined. Considering the size of the cities, Greensboro, Winston-Salem and Clarksburg made the best showing last month in the value of construction work provided for in new permits.

COTTON—Spot cotton prices in the Carolinas declined approximately a cent and a half a pound during the latter half of November and the first half of December. The average price paid growers for middling cotton was 20.16 cents per pound during the week ended November 12th, but in the week ended November 19th the average dropped to 19.71 cents and continued downward through 19.67 cents for the week ended November 26th to an average of 18.96 cents during the week ended December 3rd. The week ended December 10th witnessed a slight rise to an average of 19.06 cents, but the average for the latest week, ended December 17th, declined to 18.42 cents. During November and December 1926 spot cotton brought between 11 and 11.50 cents per pound.

The Department of Agriculture's final cotton condition report on the 1927 crop estimated this year's yield at 12,789,000 bales, based on the December 1st condition. This compares with 12,842,000 bales indicated on November 1st, and final ginnings of 17,977,374 bales in 1926. The December 1st estimate showing a decrease of 53,000 bales under the November 1st estimate was somewhat lower than the trade expected, but cotton prices were not materially affected.

The Bureau of the Census ginning report to December 13th showed 12,071,799 bales ginned prior to that date this year, compared with 15,540,804 bales ginned to the same date in 1926 and 14,831,846 bales ginned before December 13th in 1925. Due to very favorable weather for picking, a larger percentage of the total crop was ginned before December this year than a year ago, only 329,915 bales being ginned between December 1st and 13th this year compared with over a million bales last year.

Cotton consumption in American mills in November totaled 625,680 bales, compared with 612,935 in October this year and 583,746 bales in November 1926. Total consumption for the four months of the present season—August 1st to November 30th—amounted to 2,499,370 bales, compared with 2,222,930 bales consumed during the corresponding four months last year. Stocks of cotton on hand in manufacturing establishments totaled 1,551,336 bales on November 30, 1927, compared with 1,327,095 bales a month earlier and 1,493,013 bales a year ago. Public warehouses and compresses held 5,969,418 bales on November 30, 1927, compared with 5,433,129 bales so held on October 31, 1927, and 6,516,502 bales on November 30, 1926. Exports in November of 999,501 bales were lower than 1,126,509 bales sent abroad in October this year and 1,486,224 bales exported in November last year, and total exports of 3,097,362 bales during the four months of the present season are below the 4,041,923 bales shipped over seas during the corresponding period in 1926. November imports totaled 28,845 bales, compared with 19,235 bales brought in during October and 41,441 bales in November 1926. Cotton growing states consumed 468,596 bales in November, compared with 449,040 bales used in October and 426,129 bales consumed in November 1926. The cotton growing states used 74.89 per cent of November's consumption this year, compared with 73.00 per cent of the November 1926 consumption.

Between November 1st and December 1st, the Department of Agriculture raised its estimate of production for South Carolina by 5,000 bales, and also raised the estimate for North Carolina 12,000 bales. The estimate for Virginia was lowered 2,000 bales during the month. These changes resulted in a net increase in November of 15,000 bales in the expected production of the Fifth district. The final estimate for South Carolina is 735,000 bales. Ginnings in South Carolina to December 1st totaled 700,991 bales, or 95.4 per cent of the year's yield, in comparison with 81.7 per cent of the 1926 crop ginned to the same date last year. North Carolina's estimated yield of 857,000 bales is 13 per cent below last year's record crop, but the present crop is worth approximately \$10,000,000 more money. Previous to December 1st, ginnings in North Carolina totaled 787,000 bales, approximately 92 per cent of this year's crop, compared with 80 per cent ginned before December last year. Virginia's expected production of 32,000 bales is about 37 per cent less than the 51,000 bales grown in 1926, but the acreage planted to cotton in Virginia this year was 29 per cent less than last year. Ginnings in Virginia totaled 23,562 bales prior to December 1st, or 73.6 per cent of the year's yield, compared with 73.2 per cent of the crop ginned before December a year ago. In all Fifth district cotton growing states the weather was favorable for late development and for picking in October and November, and on December 1st very little cotton remained in the fields. The good weather caused the lint to suffer less than usual from discoloration, and very little cotton was beaten out by hard rains.

TOBACCO—North Carolina tobacco markets sold 120,977,862 pounds of producers' tobacco in November at an average of \$26.28 per hundred pounds. The number of pounds sold was 16 per cent above 104,032,285 pounds sold in November last year, but this year's price was about 5 per cent below the average of \$27.66 per hundred paid during the same month last year. Winston-Salem led in November 1927 sales with 19,975,812 pounds, Wilson ranking second with 16,791,262 pounds and Greenville third with 15,042,466 pounds. Mebane and Roxboro paid the highest average prices during November with \$32.54 and \$29.09 per hundred pounds, respectively. Total season sales of 386,015,087 pounds prior to December amount to about 88 per cent of the Government estimate of the 1927 crop.

Virginia auction markets sold 40,119,836 pounds of producers' tobacco in November. Flue-cured, or Bright, tobacco sold totaled 35,957,135 pounds, and brought an average price of \$24.20 per hundred pounds, compared with 29,903,184 pounds sold for an average of \$26.42 per hundred in November last year. Fire-cured, or Dark, tobacco sold in November totaled 3,392,984 pounds, at an average of \$9.52 per hundred, compared with 4,773,506 pounds sold for \$8.07 per hundred in November 1926. Sun-cured tobacco sold on the Richmond market totaled 769,717 pounds in November and averaged \$10.65 per hundred pounds, compared with 1,194,180 pounds at \$8.51 per hundred sold in November a year ago. In aggregate sales in November, Danville with 15,538,468 pounds sold for an average of \$25.31 per hundred led in both quantity and price, South Boston with sales totaling 7,800,160 pounds for \$24.85 ranking second. Lynchburg led in Fire-cured sales with 1,420,664 pounds, but Drake's Branch led in price, selling 282,751 pounds of this type of tobacco for \$10.19 per hundred pounds. The quality of the Virginia tobacco crop this season has been slightly better than last year, and prices for Fire-cured types have been better, but Flue-cured tobacco prices are lower than in 1926.

AGRICULTURAL NOTES—Crops in the Fifth reserve district turned out well this year, on the whole, and it now appears that farmers are in better position than they were a year ago. There are sections of the district in which conditions are not good, notably in southern, eastern and central

South Carolina where the cotton crop was very poor, but on the other hand the Piedmont counties of that state have gathered the largest cotton crop in several years. As a whole the cotton crop of the district was much more profitable than the 1926 crop, both because of higher prices this year and the cheapness with which the crop was grown. Farmers raised increased supplies of food and feed crops this year, and are in position to begin next year's operations advantageously.

In our *Review* next month final production figures by states for the leading crops of the Fifth district will be given.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Twenty-Nine Representative Department Stores for the Month of November 1927

Percentage increase in November 1927 sales, compared with sales in November 1926:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
— 7.1	.6	— 2.7	— 3.4	— 3.4
Percentage increase in total sales since January 1st, over sales during the first eleven months of 1926:				
— 3.7	2.0	— 1.5	— 1.4	— 2.1
Percentage increase in November 1927 sales over average November sales during the three years 1923-1925, inclusive:				
1.1	23.6	14.1	1.8	7.7
Percentage increase in stock on hand November 30, 1927, over stock on November 30, 1926:				
— 3.3	2.3	5.7	6.5	1.8
Percentage increase in stock on hand November 30, 1927, over stock on October 31, 1927:				
2.6	3.4	4.5	1.3	3.2
Percentage of sales in November 1927 to average stock carried during that month:				
29.7	29.2	28.6	20.6	28.1
Percentage of cumulative sales since January 1st to average stock carried during each of the eleven elapsed months:				
281.5	292.9	292.4	226.6	279.9
Percentage of outstanding orders on November 30th to total purchases of goods in 1926:				
4.1	3.9	3.2	3.9
Percentage of collections in November to total accounts receivable on November 1, 1927:				
25.4	31.0	31.9	33.0	28.6

— Denotes decreased percentage.

Retail trade in the Fifth reserve district in November, as reflected in sales by twenty-nine leading department stores, was 3.4 per cent below that of November 1926, but exceeded the average volume of sales in November during the three years 1923-1925 by 7.7 per cent. Total sales this year since January 1st were 2.1 per cent less than the record set during the first eleven months of 1926. Stocks on the shelves of the reporting stores on November 30, 1927, were 1.8 per cent larger than on November 30, 1926, and were 3.2 per cent larger than on October 31st this year. The percentage of sales in November to average stocks carried that month was 28.1 per cent, and the percentage of total sales since January 1st to average stock carried during each of the eleven months was 279.9 per cent, a slightly lower figure than 284.1 per cent attained during the corresponding eleven months last year. Collections in November averaged 28.6 per cent of receivables outstanding on November 1st, showing some improvement over 27.8 per cent of outstanding receivables collected in October, but a decline from 28.9 per cent collected in November 1926.

WHOLESALE TRADE, NOVEMBER 1927

Percentage increase in November 1927 sales, compared with sales in November 1926:					
<i>33 Groceries</i>	<i>11 Dry Goods</i>	<i>5 Shoes</i>	<i>16 Hardware</i>	<i>5 Furniture</i>	<i>13 Drugs</i>
— .5	—11.9	—12.1	— 9.3	—39.6	2.6
Percentage increase in November 1927 sales, compared with sales in October 1927:					
— 2.5	—16.2	—32.1	—12.8	—21.3	— 4.7
Percentage increase in total sales since January 1, 1927, compared with sales in the first eleven months of 1926:					
— 5.0	— 2.2	1.8	2.2	—10.3	— .3
Percentage increase in stock on November 30, 1927, compared with stock on November 30, 1926:					
— 2.6(12*)	18.2(4*)	—25.3(4*)	— 1.2(8*)
Percentage increase in stock on November 30, 1927, compared with stock on October 31, 1927:					
1.5(12*)	— 5.8(4*)	— 6.1(4*)	— .9(8*)
Percentage of collections in November to total accounts receivable on November 1, 1927:					
64.7(20*)	36.1(8*)	35.0(5*)	41.5(12*)	24.1(3*)	50.3(8*)

— Denotes decreased percentage.

* Number of reporting firms.

Eighty-three wholesale firms in six important lines of trade reported upon November's business. All lines except drugs show smaller sales in November this year than last, and all lines show seasonally smaller sales than in October 1927. During the first eleven months of 1927, sales of shoes and hardware slightly exceeded sales during the corresponding eleven months of 1926, but grocery, dry goods, furniture and drug sales were less this year.

Stocks of dry goods on the shelves of the reporting firms on November 30th were larger than on November 30, 1926, but grocery, shoe and hardware stocks were smaller. During the past month stocks of groceries increased, but dry goods, shoe and hardware stocks decreased, as is usual at this season.

The percentages of collections in November to accounts receivable on the first of the month were higher in dry goods, shoes and hardware than in November 1926, but were lower in groceries, furniture and drugs.

(Compiled December 20, 1927)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity and freight carloadings declined further in November, while retail trade showed more than the usual seasonal increase. The general level of wholesale commodity prices, after advancing for four months, remained practically unchanged in October and November.

PRODUCTION. Output of manufactures and minerals was reduced in November, and the combined index of production, after adjustments for customary seasonal variations, fell below the 1923-1925 average for the first time since 1924. The largest decline was in the output of automobiles, owing largely to preparations for the production of new models. Iron and steel production has also declined further and in November was the lowest since 1924. In December, however, inquiries for iron and steel increased. Textile mill activity was slightly curtailed in November but continued at a higher level than in previous years. There were decreases in the production of coal, building materials, and leather and shoes. Building contract awards showed seasonal declines in November and the first two weeks of December and were slightly smaller than in the corresponding period of last year.

The total value of about fifty crops in 1927 is estimated by the Department of Agriculture at \$8,430,000,000, an increase of \$635,000,000 over 1926. The greatest increases in value were shown for cotton, corn, barley and oats, while the largest decrease for any individual crop was shown for potatoes. The physical quantity of production of the seventeen principal crops was about 2 per cent less than last year but 3 per cent above the average of the last ten years.

TRADE. Retail trade increased slightly more than usual in November. Compared with a year ago, retail trade of department stores, mail order houses and chain stores was larger, while wholesale trade continued in slightly smaller volume in nearly all reporting lines. Freight carloadings declined during November and in the early part of December were smaller than in the corresponding periods for the past four years. There were large decreases in loadings of all classes of commodities.

PRICES. The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, after a continued advance since early in the summer, remained at practically the same level in November as in October. Changes were relatively small in all groups, increases occurring in foods, and hides and leather, and decreases in farm products, textiles, fuels and building materials. In the first two weeks of December prices of wheat, cattle, hogs, cotton, pig iron and soft wood lumber declined, while those of silk, woolen goods, hides and sole leather advanced.

BANK CREDIT. Between the middle of November and the middle of December total loans and investments of member banks in leading cities showed a considerable increase, reflecting continued growth in the volume of loans on securities and in the banks' investment holdings. In the same period loans chiefly for commercial purposes, which reached a seasonal peak in October, showed a further slight decline.

At Federal reserve banks the seasonal increase in currency requirements and the continued demand for gold for export during the four weeks ending December 21st were reflected in a growth in member bank borrowing. At the end of this period the total volume of reserve bank credit in use was larger than on any other date in the past six years. Somewhat firmer conditions in the money market in December were reflected in increased rates on call money. Rates on prime commercial paper and bankers acceptances remained unchanged during the month.

NOTE. The customary charts to accompany the above summary are omitted this month, to prevent delay in printing and mailing the *Monthly Review*.