

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

DECEMBER 31, 1931

NINETEEN THIRTY-ONE has not closed as this is written, and annual statistics cannot be given until next month, but mention can be made of some general tendencies and influences which were at work this year. Business in the Fifth Federal reserve district, which contains Maryland, Virginia, West Virginia, the two Carolinas and the District of Columbia, has been below seasonal level throughout 1931, and this condition was increasingly evident during the fall months when it became clear that there would be less liquidation of indebtedness in the closing months of the year than usually occurs. In addition to generally depressed business more or less world wide in scope, there were a few special influences at work in the district. The severe drought of 1930 and low prices for the district's cash crops made it impossible for the farmers to liquidate their indebtedness on last year's operations, and therefore they began the current year under a handicap. In 1931, weather was excellent on the whole and good yields of nearly all crops resulted, but this advantage was offset when 1931 prices for the leading agricultural products fell far below even the poor prices of 1930. For the second year in succession farm income was reduced and as a consequence demand for goods in rural areas was smaller. Bank suspensions were more numerous in this district than in previous years and a substantial volume of deposits was tied up in closed banks. Bankruptcies also increased among individuals and business firms.

Looking specifically at developments of the past month, rediscounts held by the Federal Reserve Bank of Richmond declined somewhat between the middle of November and the middle of December, which is usual at this season, but the circulation of Federal reserve notes also declined during the same period, which is not a customary development at the time when the demand for cash for holiday shopping is expected to increase note circulation. Reporting member banks showed some seasonal reduction in loans in the past month, and deposits declined also, somewhat more than is accounted for by the reduction in loans. Debits to individual, firm and corporation accounts showed about the normal rise in the four weeks ended December 9, 1931, in comparison with debits in the preceding four weeks this year, but were nearly 20 per

cent less than in the corresponding four weeks ended December 10, 1930. Commercial failures in the Fifth district in November were relatively more numerous than the average for the United States, and in liabilities involved the district record was also unfavorable. Employment conditions showed no material change last month. Coal production is materially below the rate of production a year ago, reflecting slackened demand from industrial consumers and railroads. The textile industry compares favorably with the schedule of operations a year ago, being one of the few industries which made some gains in 1931. Prices of agricultural products in several cases declined further in late November and early December. Building permits issued in November in leading cities of the Fifth district were very low in estimated valuation, and contracts actually awarded for construction work reached a relatively low total. Retail trade in November was not up to seasonal level in comparison with earlier months this year, and was materially less in dollar amount than trade in November 1930. Wholesale trade was also poor in November, both in comparison with trade in October this year and in November last year.

Reserve Bank Statement

ITEMS	000 omitted		
	Dec. 15 1931	Nov. 15 1931	Dec. 15 1930
Rediscounts held	\$ 36,081	\$ 41,042	\$ 37,039
Open market paper.....	11,528	16,150	11,796
Government securities	25,025	27,406	12,261
Other earning assets.....	700	700	0
Total earning assets.....	73,334	85,298	61,096
Circulation of Fed. Res. notes..	99,046	101,770	106,241
Members' reserve deposits.....	55,381	54,251	60,578
Cash reserves	94,124	86,607	119,028
Reserve ratio	58.86	52.28	71.11

Rediscounts for member banks held by the Federal Reserve Bank of Richmond decreased \$4,961,000 between the middle of November and the middle of December. A moderate decrease at this time of year is a seasonal development, there being comparatively little demand for loans from either agricultural or mercantile borrowers. The reserve bank reduced its portfolio of open market paper by \$4,622,000 last month,

and also reduced its holdings of Government securities by \$2,381,000. These changes lowered the total earning assets of the Richmond bank by \$11,964,000 between November 15 and December 15. Circulation of Federal reserve notes declined \$2,724,000 last month, an unseasonal decrease when holiday currency needs normally increase the reserve bank's circulation. Member bank reserve deposits rose \$1,130,000 between November 15 and December 15. The several changes in the statement enumerated, with others of less importance, raised the cash reserves of the Richmond bank by \$7,517,000 during the past month, and also raised the ratio of reserves to note and deposit liabilities combined by 6.58 points.

A comparison of the figures on the statement for December 15, 1931, with the figures for December 15, 1930, shows an increase of \$12,238,000 in the bank's total earning assets this year, due to an increase of \$12,764,000 in holdings of Government securities. There was also an increase of \$700,000 in miscellaneous earning assets, but rediscounts held declined by \$958,000 and the portfolio of open market paper decreased by \$268,000 during the year. Federal reserve notes in circulation on December 15 this year totaled \$7,195,000 less than notes in circulation a year earlier, and member bank reserve deposits at the Federal Reserve Bank of Richmond declined by \$5,197,000 during the year. Lower circulation figures this year are partly due to unusually high figures in December 1930, when several serious bank failures had caused member banks to accumulate currency in their vaults. The reduction in member bank reserve deposits this year is due in part to lower deposits against which reserves are carried. These changes in the statement, with others, resulted in a decrease of \$24,904,000 in the Richmond bank's cash reserves, and a decline of 12.25 points in the ratio of cash reserves to note and deposit liabilities combined.

Member Bank Statement

ITEMS	000 omitted		
	Dec. 9 1931	Nov. 11 1931	Dec. 10 1930
Loans on stocks and bonds (including Governments)	\$144,415	\$144,155	\$171,397
All other loans.....	233,640	242,076	289,272
Total loans and discounts.....	378,055	386,231	460,669
Investments in stocks & bonds..	237,023	238,068	182,401
Reserve bal. with F. R. Bank....	35,483	37,234	38,367
Cash in vaults.....	15,438	17,551	14,058
Demand deposits	310,958	316,054	344,875
Time deposits	231,769	238,204	245,375
Borrowed from F. R. Bank.....	16,515	18,306	14,042

The accompanying table shows the principle items of condition of fifty regularly reporting member banks in the Fifth reserve district as of three dates, thus affording an opportunity for comparison of the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

Most of the changes during the past month in the combined statement of the fifty reporting member banks were seasonal in character. Between November 11 and December 9, both this year, loans by these banks decreased \$8,176,000, all of which was in agricultural and commercial loans. Total investments in bonds and securities also declined, by \$1,045,000, and aggregate reserve balances of the reporting institutions at the Federal Reserve Bank of Richmond decreased by \$1,751,000. Cash in vaults declined \$2,113,000 during the past month. Between November 11 and December 9, deposits in the reporting banks declined a total of \$11,531,000, demand deposits decreasing \$5,096,000 and time deposits dropping \$6,435,000. The several changes mentioned enabled the banks to reduce their borrowing at the reserve bank by \$1,791,000 during the past month. Twenty-eight of the fifty reporting banks were borrowing at the reserve bank on December 9, compared with thirty banks which were borrowing on November 11.

Condition figures for December 9, 1931, show some marked changes when compared with corresponding figures for December 10, 1930. Loans and discounts decreased \$82,614,000 during the year, loans on stocks and bonds declining \$26,982,000 and all other loans declining \$55,632,000. On the other hand, the fifty reporting banks increased their investments in bonds and securities by \$54,622,000 during the year, and cash in vaults also rose by \$1,380,000. Partly as a result of the decline in loans previously mentioned, deposits in the reporting banks dropped \$47,523,000 between December 10, 1930, and December 9, 1931, demand deposits decreasing \$33,917,000 and time deposits declining \$13,606,000. Lower deposits this year caused a decrease of \$2,884,000 in reserve balances carried by the reporting institutions at the reserve bank. On December 9 this year the banks included in the list were borrowing \$2,473,000 more from the Federal Reserve Bank of Richmond than they were borrowing on December 10, 1930.

Debits to Individual Accounts

Debits to individual, firm and corporation accounts figures in the table, reported for three equal periods of four weeks each by clearing house banks in twenty-four leading Fifth district cities, show the usual increase during the period ended December 9, in comparison with the four weeks ended November 11. Aggregate debits in the reporting cities totaled \$973,378,000 during the four weeks ended December 9, an increase of \$20,768,000, or 2.2 per cent, over the total of \$952,610,000 reported for the preceding period this year. Among the twenty-four reporting cities, nine failed to show the seasonal increase. Portsmouth showed the greatest percentage increase, 27.7 per cent, Roanoke ranking second with an increase of 13.7 per cent. Richmond gained 5.1 per cent during the later period, but Baltimore and Washington figures both declined a small fraction of 1 per cent.

In comparison with debits totaling \$1,206,528,000 reported for the four weeks ended December 10, 1930, the total for the corresponding four weeks this year showed a decrease of \$233,150,000, or 19.3 per cent. A part of the reduction is due to lower price levels in

CITIES	000 omitted		
	Total debits, four weeks ended		
	Dec. 9, 1931	Nov. 11, 1931	Dec. 10, 1930
Asheville, N. C.....	\$ 10,596	\$ 10,160	\$ 13,044
Baltimore, Md.....	294,807	295,590	414,943
Charleston, S. C.....	8,300	11,562	18,858
Charleston, W. Va.....	33,976	32,651	37,394
Charlotte, N. C.....	37,111	34,734	43,223
Columbia, S. C.....	19,572	18,127	23,241
Cumberland, Md.....	6,551	6,865	8,445
Danville, Va.....	7,827	7,877	10,732
Durham, N. C.....	23,661	22,790	26,030
Greensboro, N. C.....	17,178	15,815	19,415
Greenville, S. C.....	13,467	13,951	16,520
Hagerstown, Md.....	6,061	5,923	8,510
Huntington, W. Va.....	13,912	12,659	19,494
Lynchburg, Va.....	14,323	13,849	17,448
Newport News, Va.....	9,726	9,008	12,217
Norfolk, Va.....	43,886	38,859	51,679
Portsmouth, Va.....	5,165	3,732	5,426
Raleigh, N. C.....	22,674	20,033	20,121
Richmond, Va.....	116,161	110,202	138,411
Roanoke, Va.....	25,709	22,182	30,641
Spartanburg, S. C.....	8,384	8,520	11,763
Washington, D. C.....	199,412	199,433	214,474
Wilmington, N. C.....	8,774	10,230	12,262
Winston-Salem, N. C.....	26,145	27,858	32,237
District Totals	\$ 973,378	\$ 952,610	\$1,206,528

some lines this year, but a generally lower level of business activity probably accounted for most of the decline. Only one city reported a higher figure for the 1931 period, Raleigh reporting a gain of 12.7 per cent. The three largest cities reported materially lower figures this year, Baltimore declining 29.0 per cent, Richmond declining 16.1 per cent, and Washington declining 7.0 per cent.

Savings and Time Deposits

Twelve mutual savings banks in Baltimore reported total deposits at the close of business November 30, 1931, amounting to \$212,948,740, a slightly lower figure than \$213,710,081 of deposits at the end of October this year but a higher figure than \$198,623,483 reported for November 30, 1930. Time deposits in fifty regularly reporting member banks totaled \$231,769,000 on December 9, 1931, in comparison with time deposits aggregating \$238,204,000 on November 11 this year and \$245,375,000 on December 10, 1930. Some decline in savings and time deposits occurs in most years during November and December, due chiefly to withdrawals for holiday shopping, but the decrease reported for member banks between November 11 and December 9 was somewhat larger than usual.

Commercial Failures

The commercial failure figures of the Fifth reserve district in November compared unfavorably with total figures for the United States. Bankruptcies numbering 139 in the district, with aggregate liabilities of \$2,570,911, showed increases of 14.9 per cent over 121 failures and of 49.6 per cent over liabilities totaling \$1,718,380 reported for November 1930. The United States figures showed increases of 8.1 per cent in

number of insolvencies and 9.8 per cent in aggregate liabilities. Ten of the twelve reserve districts reported more failures in November 1931 than in 1930, the Kansas City and San Francisco districts showing the only decreases in failures, while in liabilities involved the districts divided evenly, six reporting higher and six reporting lower figures for the 1931 month. The Kansas City district made the best record last month with a decrease of 70.5 per cent in liabilities, and the Chicago district made the worst record with an increase of 193.4 per cent.

Employment

There were no developments of material importance in labor circles during the past month. Virginia highway contractors instituted a stagger system of employment for unskilled workers, and thereby gave work to some hundreds of additional laborers, but this plan does not increase total wages paid to the workers. Weather has been unusually favorable for outside work this fall, and apparently there have been not quite as many seasonal additions to the ranks of the unemployed as might have been expected. The mild weather has also decreased the need for fuel and heavy clothing for the people who are unable to secure work. In spite of these favorable influences, however, the situation continues serious, with more people out of work than at any other time in a number of years. Calls for assistance at charitable organizations and governmental relief agencies are expected to be much more numerous during the winter than in any recent year.

Coal Production

Bituminous coal mines in the United States dug 30,110,000 net tons of coal in November this year, a decrease from 35,700,000 tons mined in the longer month of October 1931 and also less than 38,609,000 tons mined in November 1930. Total output of bituminous coal in the United States during the present calendar year to December 12 (approximately 292 working days) amounts to 360,943,000 net tons, compared with 483,404,000 tons mined to the same date last year and 507,838,000 tons in 1929. Shipments of coal through Hampton Roads in November totaled approximately 1,578,144 tons, and total shipments from January 1 through November 30 totaled 18,632,462 tons.

The November 28 report of the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of October 1931. West Virginia led all states with 9,990,000 net tons, Pennsylvania ranking second with 8,336,000 tons and Illinois third with 4,200,000 tons. West Virginia's production in October was only 10.3 per cent below October 1930 figures, while Pennsylvania output declined 27.1 per cent in October this year.

Textiles

Textile mills in the Fifth district continued operations in November on about the same schedule as in October, but there was an increase in cotton consumption in comparison with the month of November 1930.

In November 1931, mills in North Carolina used 110,604 bales of cotton, South Carolina mills used 92,441 bales, and Virginia mills used 9,839 bales, a district total of 212,884 bales, compared with 221,330 bales consumed in the district in the longer month of October 1931 and 191,245 bales used in November 1930. The district decrease of 3.82 per cent in cotton used in November in comparison with October was less than the National decrease of 7.18 per cent, and the increase last month in the district over consumption in November 1931 amounting to 11.3 per cent was larger than the National increase of 3.26 per cent. Consumption of cotton in the Richmond reserve district in November this year totaled 49.64 per cent of National consumption, compared with 47.90 per cent in October 1931 and 46.05 per cent in November 1930.

Cotton Statistics

Between November 13 and December 11, spot cotton prices on ten Southern markets were lower than in the preceding month. On November 13 the average price for middling grade short staple cotton was 6.06 cents per pound, but on November 20 the average price had dropped to 5.75 cents and continued downward to 5.65 cents on November 27. The price advanced slightly in December, averaging 5.70 cents on December 4 and 5.77 cents on December 11, the latest date for which figures are available.

Condition figures in the Department of Agriculture's final report of the year, issued on December 8, estimated this year's production of cotton as 16,918,000 bales of 500 pounds gross weight, the second largest yield on record. The crop estimate shows an increase of 15,000 bales over the November 1 forecast and is 2,986,000 bales above final ginning figures on the 1930 crop, in spite of a reduction in acreage this year amounting to about 10 per cent. The report stated that final ginning figures for this season would depend upon whether the various factors were favorable for picking the part of the crop still in the fields. The production estimate for the Fifth district was raised above the November 1 figure, the increase occurring in South Carolina. North Carolina's probable production for 1931 was given in the latest estimate as 775,000 bales, a lower figure than 800,000 bales forecast a month earlier and exactly the same as the crop of 1930. South Carolina's forecast of 1,015,000 bales shows an increase over 990,000 bales predicted a month earlier, and is larger than final ginnings of 1,001,000 bales last year. The Virginia yield for 1931 is 43,000 bales, compared with 42,000 bales expected on November 1 and 42,000 bales grown last year. Total production in the Fifth district is therefore expected to be about 15,000 bales larger this year than in 1930, although acreage was reduced about 15 per cent in the district this year. In spite of the larger yield this year, prices have been so much lower that the total receipts from cotton in the Fifth district will be approximately 40 per cent less this year than for the shorter crop of 1930, calculations being based on December 1 spot prices.

Ginning figures to December 1, released by the Census Bureau on December 8, showed 15,023,451 bales ginned from this year's crop, compared with 12,834,-

970 bales of last year's crop ginned before December.

Cotton consumption in American mills in November totaled 428,870 bales, according to the report of the Census Bureau released on December 14. This figure shows a decrease from 462,025 bales consumed during the longer month of October this year, but is approximately 3.3 per cent above 415,315 bales consumed in November 1930. Total consumption during the four months of the present cotton year amounted to 1,780,418 bales, compared with 1,604,615 bales consumed during the four months ended November 30, 1930. Cotton on hand at manufacturing establishments on November 30 this year totaled 1,441,165 bales, compared with 1,115,793 bales held on October 31 this year and 1,564,011 bales held on November 30 last year. Bales in public warehouses and compresses numbered 10,695,797 at the end of November, 9,449,987 at the end of October, and 8,397,549 on November 30, 1930. Exports of cotton totaled 1,070,643 bales in November, compared with 1,014,180 bales sent abroad in October this year and 907,649 bales in November 1930. Total exports during the four months of the present cotton year—August 1–November 30, inclusive—totaled 2,854,045 bales, a lower figure than 3,180,761 bales shipped over seas during the corresponding four months last year. Spindles active at some time during November numbered 24,860,684, compared with 25,188,112 in October this year and 25,796,748 in November 1930.

Cotton growing states consumed 358,942 bales in November, compared with 333,278 bales used in November last year. Last month's consumption in the cotton growing states amounted to 83.69 per cent of National consumption, compared with 80.25 per cent of National consumption used in the cotton growing states in November last year. Of the 358,942 bales of cotton consumed in the cotton growing states in November, the Fifth district mills used 212,884 bales, or 59.31 per cent, a higher figure than 57.38 per cent of Southern consumption attained by Fifth district mills in November last year.

Tobacco Marketing

South Carolina tobacco markets sold 2,937,888 pounds of producers' tobacco in November, only two markets being open. All markets in South Carolina closed before December, and total sales were 65,185,796 pounds, at an average price of \$9.144 per hundred pounds. The same markets sold 77,017,302 pounds in 1930, at an average price of \$12.033 per hundred pounds. A smaller yield and lower prices this year resulted in a decrease of \$3,307,041 in receipts from 1931 sales in comparison with receipts in 1930.

North Carolina auction markets sold 115,520,271 pounds of producers' tobacco in November 1931, at an average price of \$8.81 per hundred pounds, compared with 141,608,883 pounds sold for growers in November 1930, at \$13.92 per hundred pounds. Total sales this season on North Carolina markets reached 357,222,099 pounds, compared with 415,481,856 pounds sold on the same markets prior to December 1, 1930. Last month Wilson led in sales with 16,111,437 pounds, but Greenville was a close second with sales totaling 15,692,830 pounds. Mebane led all North Carolina

markets in average price paid in November with \$11.02 per hundred pounds, Durham ranking second with \$10.38 and Oxford third with \$9.92 per hundred. In season sales Greenville reports 48,741,256 pounds, Wilson being second with 47,183,278 pounds.

Virginia tobacco markets sold 24,636,155 pounds of growers' tobacco in November 1931, compared with 35,172,540 pounds sold in November last year, according to reports by warehousemen to the Commissioner of Agriculture. The average price of all types sold during November was \$7.96 per hundred pounds, compared with \$9.14 for the corresponding month last year. Flue-cured sales amounted to 23,022,970 pounds, with an average of \$8.16 per hundred pounds, compared with 30,261,415 pounds sold in November last year for an average of \$9.35 per hundred. Fire-cured sales last month amounted to 1,512,733 pounds with an average of \$4.90 per hundred pounds, compared with 4,682,650 pounds sold in November 1930 at an average of \$7.90 per hundred. Sun-cured sales amounted to 100,452 pounds, at \$5.23 per hundred, compared with 228,475 pounds sold in November last year at an average of \$7.00 per hundred. Danville led in sales last month with 11,540,146 pounds, and Danville also led in average price paid with \$9.10 per hundred pounds. Warehousemen estimated that the quality of all sales during the month graded 16 per cent good, 38 per cent medium, and 46 per cent common, compared with 12 per cent good, 27 per cent medium, and 61 per cent common for November 1930.

Agricultural Notes

Farm work for 1931 has been completed except for some late harvesting, but final figures on crop production are not yet available. In the next issue of this *Review* a table will be printed, containing production figures for the leading crops of the Fifth district for 1931, 1930 and 1929.

In contrast to 1930, which was one of the poorest years on record for farming because of the very severe drought, 1931 conditions were excellent for nearly all crops, and large per acre yields were made. In the district's chief money crops, cotton and tobacco, acreages were materially reduced this year, but unusually favorable weather produced a larger cotton crop than that of 1930. Both cotton and tobacco prices were lower this year than in any recent year, and many other farm products were sold at low prices. As a result, the Department of Agriculture estimates the total value of 1931 crops in the Fifth district as \$352,113,000, a decrease of 27 per cent under \$483,051,000 for the short crops of 1930 and 46 per cent below \$649,480,000 for 1929 crops. Farmers in the district raised large feed and food crops this year, and are therefore in better position to live at home than they were last year, in spite of the lower cash returns on this year's operations.

Building Permits Issued, Fifth District Cities, November 1931 and 1930

CITIES	Permits Issued		Total Valuation	
	1931	1930	1931	1930
Baltimore, Md.	1,025	1,082	\$1,772,040	\$1,946,160
Cumberland, Md.	10	11	3,370	23,540
Frederick, Md.	11	15	5,726	12,347
Hagerstown, Md.	9	20	6,155	26,340
Salisbury, Md.	13	25	6,200	20,150
Danville, Va.	8	5	23,982	16,740
Lynchburg, Va.	28	31	25,302	332,375
Norfolk, Va.	119	132	117,225	321,691
Petersburg, Va.	5	8	31,253	13,500
Portsmouth, Va.	37	25	23,239	20,050
Richmond, Va.	103	98	115,485	448,649
Roanoke, Va.	43	32	57,672	33,217
Bluefield, W. Va.	2	7	2,595	7,910
Charleston, W. Va.	45	35	41,377	332,585
Clarksburg, W. Va.	18	20	8,888	19,217
Huntington, W. Va.	29	14	19,830	33,795
Asheville, N. C.	24	31	7,390	20,185
Charlotte, N. C.	36	64	115,513	158,753
Durham, N. C.	8	17	21,675	191,679
Greensboro, N. C.	37	31	79,415	31,065
High Point, N. C.	16	11	17,590	17,360
Raleigh, N. C.	18	18	240,624	21,838
Rocky Mount, N. C.	11	9	11,510	3,245
Salisbury, N. C.	4	4	6,600	7,280
Wilmington, N. C.	17	18	18,800	10,700
Winston-Salem, N. C.	48	64	21,353	32,591
Charleston, S. C.	33	41	18,789	240,725
Columbia, S. C.	46	34	73,102	115,980
Greenville, S. C.	15	22	18,665	35,480
Rock Hill, S. C.	10	10	8,475	3,530
Spartanburg, S. C.	14	19	5,425	14,177
Washington, D. C.	496	418	1,197,510	1,477,220
Totals	2,338	2,371	\$4,122,775	\$5,990,074

Building inspectors in thirty-two Fifth district cities issued 2,338 permits in November this year, compared with 2,371 permits issued in November last year. Estimated valuation figures last month totaled \$4,122,775, a decrease of 31.2 per cent in comparison with \$5,990,074 valuation for November 1930. Nine of the thirty-two cities reported higher valuation figures for the 1931 month, Raleigh making the best record of the month in proportion to population.

Contracts awarded in November for construction work in the Fifth district, including both rural and urban projects, totaled \$19,644,097, compared with \$15,067,295 awarded in November 1930 and \$22,870,261 in November 1929, according to figures collected by the F. W. Dodge Corporation. Of the awards in November this year, \$3,791,522 was for residential work, compared with \$3,721,005 for this type of work in 1930.

Retail Trade, 34 Department Stores

<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cit.</i>	<i>District</i>
November 1931 sales, compared with sales in November 1930:				
-15.8	-15.3	- 9.9	-15.7	-13.4
Jan.-November 1931 sales, compared with Jan.-November 1930:				
- 8.3	- 7.3	- 1.0	-13.7	- 5.7
Nov. 30, 1931, stock, compared with stock on Nov. 30, 1930:				
-13.4	-12.9	- 4.5	-15.9	-10.3
Nov. 30, 1931, stock, compared with stock on Oct. 31, 1931:				
+ 9	- 1.7	+ 5.9	+ 2.7	+ 1.9
Number of times stock was turned in November 1931:				
.285	.315	.306	.211	.296
No. times stock was turned between Jan. 1 and Nov. 30, 1931:				
3.373	3.404	3.567	2.425	3.335
Percentage of Nov. 1, 1931, receivables collected in November:				
29.6	24.3	30.8	27.3	27.3

Department store trade in November in the Fifth Federal reserve district was not up to seasonal level, and averaged 13.4 per cent less in dollars than sales in November 1930, according to reports from thirty-four leading stores in thirteen cities. Only one of the reporting stores showed larger sales in November this year than in November last year, and that was due to a special Anniversary sale. Washington stores as a whole reported smaller declines in sales last month than stores in other sections, due probably to the steadier employment conditions in the District of Columbia than elsewhere in the district. Cumulative sales in the first eleven months of 1931 totaled 5.7 per cent less than sales in the corresponding period of 1930.

Stocks of goods on the shelves of the reporting stores showed a seasonal increase during November, but at the end of the month were 10.3 per cent less than stocks on hand on November 30, 1930, part of this decrease being due to lower prices in many lines this year. The reporting stores turned their stocks .296 times in November, a lower figure than usual, but between January 1 and November 30 the average rate of turnover was 3.335 times, a higher figure than 3.041 and 2.969 times stock was turned in the corresponding eleven months in 1930 and 1929, respectively.

Collections during November averaged 27.3 per cent of receivables outstanding on November 1, a lower figure than 28.3 per cent reported for both October 1931 and November 1930. The slowness of collections was felt throughout the entire district.

Wholesale Trade, 64 Firms

23	9	6	14	12
<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
November 1931 sales, compared with sales in November 1930:				
-15.2	-19.4	-17.8	-15.3	-11.7
November 1931 sales, compared with sales in October 1931:				
-10.0	-22.0	-28.2	-15.1	-10.4
Jan.-Nov. 1931 sales, compared with Jan.-Nov. 1930 sales:				
-17.3	-21.9	- 8.3	-22.9	- 7.3
Nov. 30, 1931 stocks, compared with Nov. 30, 1930 stocks:				
-19.1(8*)	-30.5(4*)	-15.0(5*)	-13.2(7*)
Nov. 30, 1931 stocks, compared with Oct. 31, 1931 stocks:				
+ 2.8(8*)	- 9.6(4*)	-14.8(5*)	- 2.3(7*)
Percentage of Nov. 1, 1931 receivables collected in November:				
56.0(14*)	35.0(6*)	48.2(6*)	31.4(11*)	46.9(8*)

* Number of reporting firms.

Wholesale trade in the Fifth reserve district in November was poor, most of sixty-four reporting firms in five leading lines reporting materially lower sales than in either October this year or November last year. Part of the decrease in comparison with October was seasonal, and part in comparison with November 1930 was due to lower prices this year, but the declines last month were greater than these influences account for. In cumulative sales since January 1, all five lines show lower figures than in the like period of 1930, drugs decreasing least with 7.3 per cent, and hardware most with 22.9 per cent.

Stocks carried by the reporting firms decreased seasonally in all lines except groceries in November, and on November 30, 1931, all firms were carrying lower stocks than on November 30, 1930, dry goods showing the greatest decline and hardware the least.

The percentages of collections in November to accounts receivable on the first of the month were lower in all lines except shoes than in October, and were lower in all lines except dry goods and shoes than in November last year.

(Compiled December 21, 1931)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity and factory employment declined further from October to November, reflecting in part the usual seasonal tendencies. Continued gold imports and further reduction in member bank reserve requirements during November and the first half of December were reflected in a considerable decline in the outstanding volume of reserve bank credit.

Production and Employment

In November industrial production showed a somewhat larger decrease than is usual at this season, and the Board's seasonally adjusted index declined from 73 to 72 per cent of the 1923-1925 average. Activity declined at woolen mills, lumber mills, and coal mines, while daily average output at steel mills increased and volume of automobile production showed less than the usual seasonal decline from the low level of October. The November increase in steel production was followed by a considerable decline in the first three weeks of December. Output of petroleum increased further in November to a level slightly lower than that prevailing last summer before output was sharply curtailed.

Volume of employment in most manufacturing industries declined by more than the seasonal amount between the middle of October and the middle of November. Reductions were particularly large in the wearing apparel, leather, and building materials industries, while in the automobile and tire industries declines were smaller than usual at this season.

The value of building contracts awarded, as reported by the F. W. Dodge Corporation, has declined further in recent months and a preliminary estimate of the Board's seasonally adjusted index for the last quarter of 1931 is 49 per cent of the 1923-1925 average, compared with 59 for the third quarter, 65 for the second quarter, and 79 for the first quarter of the year; part of this decline in dollar volume reflects lower building costs.

Production of principal crops in 1931 was about 10 per cent larger than in 1930, according to the December crop report of the Department of Agriculture, while acreage harvested was slightly smaller than a year ago. There were large increases in the crops of cotton, corn, winter wheat, apples, and peaches, while the harvests of oats, barley, and rye were smaller than last year; as in 1930 the hay crop was unusually small.

Distribution

Commodity distribution continued at about the same rate in November as in October, the volume of freight-car loadings showing a seasonal decline,

while sales at department stores increased by about the usual amount for that month.

Wholesale Prices

The general level of wholesale prices remained practically unchanged from October to November, according to the Bureau of Labor Statistics index; prices of grains, petroleum, and silver advanced, while those of livestock and dairy products showed declines, partly of a seasonal character. Between the middle of November and the middle of December there were decreases in the prices of many leading commodities including livestock, meats, grains, sugar, silk, and silver; during this period prices of copper and rubber showed a decline, followed by a recovery.

Bank Credit

Volume of reserve bank credit outstanding declined during November and the first half of December, and averaged \$360,000,000 less in the week ending December 12 than at its October peak seven weeks earlier. The decrease was in large part in the banks' portfolio of acceptances, as discounts for member banks and holdings of United States Government securities showed little change for the period. The decline in total volume of reserve bank credit outstanding during the period reflected a growth of \$100,000,000 in the stock of monetary gold, largely through imports from Japan, and a continued reduction in the reserve balances of member banks, reflecting a further liquidation of member bank credit. Demand for currency declined during the last three weeks of November, and showed considerably less than the usual seasonal increase in the first half of December. After the middle of December, however, bank suspensions in New England were followed by some increased withdrawals of currency, part of which has begun to return.

Loans and investments of member banks in leading cities continued to decline and on December 9 were \$370,000,000 smaller than four weeks earlier. The decrease was equally divided between the banks' loans and their investments. Deposits of these banks, both demand and time, also showed a decrease, with a consequent reduction in required reserves.

Money rates in the open market showed little change from the middle of November to the middle of December. Rates on prime commercial paper continued at $3\frac{3}{4}$ to 4 per cent, while rates on 90-day bankers' acceptances advanced from $2\frac{7}{8}$ to 3 per cent on November 25.