

# MONTHLY REVIEW

## CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



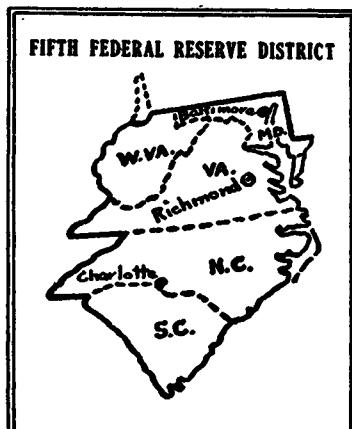
WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT  
**FEDERAL RESERVE BANK OF RICHMOND**

**RICHMOND, VIRGINIA**

**JANUARY 31, 1932**

SUMMARY	1931	1930	1929
Debits to Individual Accounts (24 Cities).....	\$13,536,067,000	\$15,588,979,000	\$16,851,269,000
Number of Commercial Failures, 5th District.....	1,574	1,572	1,420
Liabilities Involved in Failures, 5th District.....	\$ 34,880,659	\$ 32,806,719	\$ 24,705,654
Cotton Consumption, 5th District Mills, (Bales).....	2,507,332	2,375,299	3,039,884
Cotton Grown in Fifth District (Bales).....	1,833,000	1,818,000	1,625,000
Tobacco Grown in Fifth District (Pounds).....	681,734,000	817,651,000	725,109,000
Farm Value, All Crops in Fifth District.....	\$ 352,113,000	\$ 483,051,000	\$ 649,480,000
Building Permits for All Work (32 Cities).....	34,484	35,091	42,122
Value of Permits for All Work (32 Cities).....	\$ 80,739,801	\$ 97,992,273	\$ 131,888,967
Value of Contracts Awarded, 5th District.....	\$ 243,595,366	\$ 352,912,092	\$ 385,963,047
Total Sales, 34 Department Stores, 5th District.....	\$ 107,726,854	\$ 115,013,920	\$ 117,636,010
Total Sales, 63 Wholesale Firms in 5 Lines.....	\$ 41,321,045	\$ 49,353,307	\$ 64,176,273
Bituminous Coal Production, U. S. (Tons).....	378,110,000	467,526,000	534,989,000

The accompanying summary shows in statistical form some of the leading activities of the Fifth Federal reserve district in 1931 in contrast with the two preceding years. Most of the figures for 1931 compare unfavorably with those of both 1930 and 1929. Debits to individual accounts figures for last year totaled 13.2 per cent less than debits in 1930, and 19.7 per cent below those of 1929. Commercial failures were practically the same in number last year as in 1930, and were only 10.8 per cent more numerous than in 1929, but the aggregate liabilities involved in 1931 insolvencies exceeded those of 1930 by 6.3 per cent and those of 1929 by 41.2 per cent. Cotton consumption in Fifth district mills increased 5.6 per cent last year over consumption in the preceding year, but was 17.5 per cent less than cotton consumption in the district in 1929. Building permits issued in the Fifth district last year decreased in both number and in estimated valuation in comparison with the figures for the two preceding years, and contracts actually awarded for construction work in the district declined even more, indicating that the depression in building extended to suburban and



rural work as well as to city projects. Retail and wholesale trade in 1931 was materially smaller than trade in 1930 and 1929. Unemployment increased in 1931, and there were more wage reductions than in 1930. Agricultural yields were excellent in the district in 1931, and on an acreage basis exceeded production of any recent year in most crops, but prices for crops were the lowest in many years and total income derived by farmers was much lower than in 1930 or 1929. This decrease in the cash return on the year's farming, following the disastrous drought year and low prices in 1930, made it impossible for a very large percentage of the farmers to liquidate their indebtedness in the fall. As a result of this frozen credit, many banks found themselves unable to meet their obligations and were forced to close. At the end of the year, financial conditions were strained, especially in the lower half of the district, and member banks were leaning much more on the Federal reserve bank than they were at the end of 1930.

Trade in December 1931 was up to seasonal level in comparison with the fall months of 1931, but was in

smaller volume than trade in December 1930. Department store sales last month were 9.7 per cent less than sales in December 1930, and four of five wholesale lines for which data are available also showed smaller sales in the 1931 month, shoe jobbers reporting the only increase. Between the middle of December and the middle of January, changes of great importance occurred in banking in the Fifth district, and a number of banks were forced to close in the Carolinas, the most outstanding of these being a State bank branch system in South Carolina. The unsettled conditions among the banks in the Carolinas greatly increased the demand for reserve bank credit, and consequently rediscount holdings and note circulation of the Federal Reserve Bank of Richmond both advanced sharply during the past month, when under normal conditions both would have tended to decline. Deposits in member banks decreased materially between December 15 and January 15. Debits to individual accounts figures during the five weeks ended January 13, 1932, showed a seasonal increase over debits in the five weeks ended December 9, 1931, but fell 16 per cent below totals for the corresponding five weeks ended January 14, 1931. Commercial failures showed somewhat less than the seasonal increase in December over November, and were practically the same as in December 1930, but liabilities last month compared quite unfavorably with those of both November 1931 and December 1930. Employment showed no improvement in December, but mild weather lessened the usual seasonal increase in the number of unemployed. Coal production in December was below the daily rate of production in November, and was much less than in the preceding December. Fifth district textile mills used more cotton in December than in the corresponding month of the preceding year, but showed a seasonal decline in comparison with cotton consumption in November 1931. Cotton prices rose about half a cent a pound between the middle of December and the middle of January, but tobacco prices continued to decline. Building permits issued last month in the district increased over those of December 1930, but last month's estimated valuation declined 28 per cent.

#### Reserve Bank Statement

ITEMS	000 omitted		
	Jan. 15 1932	Dec. 15 1931	Jan. 15 1931
Rediscounts held .....	\$ 44,736	\$ 36,081	\$ 23,332
Open market paper.....	9,650	11,528	7,384
Government securities .....	9,081	25,025	17,261
Other earning assets.....	700	700	0
Total earning assets.....	64,167	73,334	47,977
Circulation of Fed. Res. notes.....	110,622	99,046	90,569
Members' reserve deposits.....	50,372	55,381	60,892
Cash reserves .....	107,343	94,124	113,505
Reserve ratio .....	64.09	58.86	72.71

Rediscounts for member banks held by the Federal Reserve Bank of Richmond increased between the middle of December and the middle of January, contrary to the trend in most years. The increase was due chiefly to a desire of many member banks to strengthen their

cash position because of bank failures. Rediscounts held on January 15 totaled \$8,655,000 more than those held on December 15. For the same reasons that caused the rise in rediscounts, the circulation of Federal reserve notes also increased during the past month, rising by \$11,576,000 between December 15 and January 15. Member bank reserve deposits declined by \$5,009,000 during the month under review, partly due to lower deposits in member banks and partly to withdrawals of reserves by members needing the funds to meet customer demands on them. The reserve bank built up its cash reserves \$13,219,000 between December 15 and January 15 by reducing its portfolio of open market paper \$1,878,000 and disposing of \$15,944,000 of Government securities. These changes reduced the total earning assets of the Federal Reserve Bank of Richmond by \$9,167,000 between December 15 and January 15, but raised the ratio of cash reserves to note and deposit liabilities combined by 5.23 points. It is interesting to note that the January 15 figures for rediscounts and circulation of Federal reserve notes were lower than the figures reached earlier in the month, when the volume of rediscounts held rose above \$47,000,000 and note circulation went above \$115,000,000 for a day or two.

In comparison with figures for January 15 last year, those shown on the statement of the Federal Reserve Bank of Richmond for January 15, 1932, indicate a much heavier reliance this year on the reserve bank by member banks. Rediscounts rose \$21,404,000 during the year, nearly doubling the January 15, 1931, figure, and the amount of Federal reserve notes in circulation was \$20,053,000 higher on the 1932 date. During the year, member banks reduced their reserve deposits by \$10,520,000. The Richmond reserve bank decreased its portfolio of assets other than rediscounts by \$5,214,000, but the material increase in rediscount holdings raised the total earning assets of the Bank by \$16,190,000 during the year. The increased demand for reserve bank credit this year lowered the cash reserves of the Federal Reserve Bank of Richmond by \$6,162,000 below the relatively high figure on January 15, 1931, and also reduced the ratio of cash reserves to note and deposit liabilities combined by 8.62 points.

#### Member Bank Statement

ITEMS	000 omitted		
	Jan. 13 1932	Dec. 9 1931	Jan. 14 1931
Loans on stocks and bonds (including Governments) .....	\$144,624	\$144,255	\$171,228
All other loans.....	224,712	231,172	272,116
Total loans and discounts.....	369,336	375,427	443,344
Investments in stocks & bonds..	234,130	235,242	175,638
Reserve bal. with F. R. Bank...	33,154	35,322	36,410
Cash in vaults.....	15,838	15,312	14,088
Demand deposits .....	295,997	309,528	332,427
Time deposits .....	224,457	229,639	239,462
Borrowed from F. R. Bank.....	22,617	16,003	6,121

The accompanying table shows the principal items of condition of forty-nine 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.

During the month between December 9 and January 13, total loans and discounts held by the forty-nine reporting banks declined by \$6,091,000, all of the net decrease occurring in agricultural and commercial loans. A decrease in loans at the end of the year is seasonal, but the liquidation this year was rather less than in most years. The reporting banks also decreased their investments in stocks and bonds by \$1,112,000 during the month, and lowered their reserve balance at the reserve bank by \$2,168,000. Cash in vaults rose by \$526,000 between December 9 and January 13. Aggregate deposits in the forty-nine banks declined \$18,713,000 last month, demand deposits falling \$13,531,000 and time deposits decreasing \$5,182,000. The reduction in loans would naturally bring about a decrease in deposits, but the loss last month was much more than is accounted for by the repayment of loans. The unusual withdrawals caused the reporting banks to increase their borrowing at the reserve bank by \$6,614,000 between December 9 and January 13.

A comparison of the January 13, 1932, figures with those for January 14, 1931, shows increases in investments, cash in vaults, and in borrowing at the reserve bank during the year, but all other items declined. Total loans and discounts decreased \$74,008,000 between the middle of January last year and this, loans

on stocks and bonds decreasing \$26,604,000 and all other loans falling \$47,404,000. Aggregate deposits declined \$51,435,000 during the year, demand deposits falling \$36,430,000 and time deposits \$15,005,000. The decrease in deposits was materially less than might have been expected to accompany a larger decline in loans. Investments in stocks and bonds by the forty-nine reporting banks increased \$58,492,000 between the 1931 and 1932 dates, cash in vaults rose by \$1,750,000, and borrowing at the reserve bank increased by \$16,496,000. Most of the increased borrowing occurred in the past four months.

#### Savings and Time Deposits

Savings deposits in twelve mutual savings banks in Baltimore increased slightly during December, probably due to the crediting of interest at the year's end. Deposits on December 31 totaled \$213,515,559, compared with \$212,948,740 on November 30, 1931, and \$198,794,363 on December 31, 1930. In 1929, when employment conditions were much better than they were in either 1930 or 1931, deposits in the twelve reporting banks in Baltimore increased only \$1,887,273, while in 1930 there was a rise of \$9,745,618, and in 1931, the worst of the three years, deposits rose \$14,721,196. Time deposits in forty-nine reporting member banks declined during the past month from \$229,639,000 on December 9, 1931, to \$224,457,000 on January 13, 1932, and on the latter date compared unfavorably with deposits aggregating \$239,462,000 on January 14, 1931. It should be mentioned, however, that time deposits in reporting member banks do not represent actual savings accounts to as great a degree as they do in the deposits in mutual savings banks.

#### DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	Total Debits During the Five Weeks Ended			Annual Totals	
	Jan. 13, 1932	Dec. 9, 1931	Jan. 14, 1931	1931	1930
Asheville, N. C.....	\$ 14,343,000	\$ 12,671,000	\$ 15,465,000	\$ 139,608,000	\$ 298,131,000
Baltimore, Md. ....	389,766,000	357,873,000	494,672,000	4,413,211,000	5,165,821,000
Charleston, S. C....	24,360,000	11,400,000	22,170,000	208,428,000	290,223,000
Charleston, W. Va....	51,468,000	40,896,000	56,016,000	456,759,000	502,862,000
Charlotte, N. C.....	48,343,000	43,641,000	50,722,000	500,477,000	582,145,000
Columbia, S. C.....	23,286,000	24,272,000	46,426,000	258,860,000	303,263,000
Cumberland, Md. ....	8,269,000	8,005,000	10,149,000	95,058,000	112,145,000
Danville, Va. ....	9,053,000	9,820,000	10,134,000	82,998,000	98,781,000
Durham, N. C.....	23,805,000	28,918,000	29,783,000	290,147,000	321,971,000
Greensboro, N. C....	18,512,000	20,275,000	26,133,000	214,543,000	257,023,000
Greenville, S. C....	16,690,000	16,666,000	19,453,000	181,083,000	218,680,000
Hagerstown, Md. ....	7,644,000	7,302,000	10,538,000	96,033,000	116,180,000
Huntington, W. Va....	17,600,000	16,757,000	25,099,000	191,327,000	251,691,000
Lynchburg, Va. ....	19,811,000	17,404,000	23,496,000	199,056,000	231,174,000
Newport News, Va....	13,042,000	11,836,000	14,228,000	128,476,000	138,258,000
Norfolk, Va. ....	51,843,000	52,340,000	68,099,000	565,561,000	681,618,000
Portsmouth, Va. ....	5,643,000	6,037,000	5,449,000	54,437,000	58,573,000
Raleigh, N. C.....	32,192,000	27,038,000	34,453,000	259,468,000	287,663,000
Richmond, Va. ....	146,485,000	140,181,000	168,447,000	1,478,255,000	1,655,672,000
Roanoke, Va. ....	30,862,000	30,345,000	34,333,000	311,114,000	365,827,000
Spartanburg, S. C....	11,058,000	10,171,000	15,125,000	111,076,000	144,674,000
Washington, D. C....	261,883,000	250,095,000	288,136,000	2,772,213,000	2,899,966,000
Wilmington, N. C....	12,981,000	10,665,000	17,014,000	134,651,000	170,001,000
Winston-Salem, N. C.	42,104,000	32,641,000	40,097,000	393,228,000	436,637,000
District Totals -----	\$1,281,043,000	\$1,187,249,000	\$1,525,637,000	\$13,536,067,000	\$15,588,979,000

The table on page 3 shows debits to individual, firm and corporation accounts in the clearing house banks in twenty-four leading trade centers of the Fifth Federal reserve district, three equal periods of five weeks being given to allow for comparison of the latest available figures with those of the preceding like period and the corresponding period a year ago. In addition, total debits are shown by cities and the district for the calendar years 1931 and 1930.

Debits figures for five weeks ended January 13, 1932, showed a seasonal increase amounting to \$93,794,000, or 7.9 per cent, over aggregate debits in the preceding five weeks, ended December 9, 1931, the increase being due in part to holiday trade but principally to the large volume of payments falling due on January 1. Of the twenty-four reporting cities, eighteen reported higher figures for the more recent period, while six cities failed to show the seasonal increase. Three of the six decreases, in Columbia, Durham and Greensboro, were probably due to closed banks in the later period, and Danville's decline was due at least in part to the holiday suspension of tobacco marketing. All of the larger cities except Norfolk showed higher figures in the period ended January 13.

In comparison with debits aggregating \$1,525,637,000 reported for five weeks ended January 14, 1931, this year's figures for the corresponding period show a decline of \$244,594,000, or 16.0 per cent. Only three cities, Charleston, S. C., Portsmouth and Winston-Salem, reported higher figures for the current period. The decreases in this year's figures were due in part to a generally reduced volume of business and in part to lower prices in many lines.

Total debits in the twenty-four reporting cities for 1931 showed a decrease of \$2,052,912,000, or 13.2 per cent, in comparison with debits in 1930. The decrease was district wide, every one of the reporting cities showing lower figures for the later year. Washington, with a decline of only 4.4 per cent, made the best record for 1931 in comparison with 1930, while Newport News and Portsmouth tied for second place with decreases of 7.1 per cent. The district total of debits in the twenty-four reporting cities in 1931 was the lowest for any year since 1922.

#### Commercial Failures

The pressure of year-end settlements usually causes business failures to increase in December, but this year the rise was chiefly in liabilities. Failures in the Fifth district in December totaled 140, compared with 139 in both November 1931 and December 1930. The increase in comparison with the preceding month was the smallest reported for any December since 1923. Aggregate liabilities involved in last month's insolvencies made a much worse record than the number of failures, liabilities totaling \$4,301,830 comparing with \$2,570,911 for November 1931 and \$3,131,419 for December 1930. In the United States, failures in December 1931 exceeded December 1930 failures by 9.2 per cent, but total liabilities in the nation decreased 12.5 per cent, chiefly due to very high figures in December 1930 in the Atlanta and St. Louis reserve districts.

The year 1931 witnessed 1,574 failures in the Fifth reserve district, with liabilities totaling \$34,880,659. These figures show increases of 1/10th of 1 per cent and 6.3 per cent, respectively, over 1,572 failures and liabilities totaling \$32,806,719 in 1930. The number of insolvencies last year was less than those of 1927 and 1922, but exceeded those of all other years since the World War. Last year's liabilities compared more favorably with earlier years, being less than liabilities reported in five of the preceding twelve years.

#### Employment

There was no improvement in employment conditions in December and early January, and the year ended with a larger number of unemployed than a year earlier. During 1931 the number of idle workers increased gradually but steadily, and wage and salary reductions spread as business experienced the second year of depression. Weather this winter has been unusually favorable for outside work and seasonal additions to unemployment have probably been less than in most years. The mild weather has also helped the people who are out of work by reducing fuel and clothing requirements.

#### Coal Production

Bituminous coal production in the United States in December totaled 30,260,000 net tons, a higher figure than 30,110,000 tons mined in November, but on a daily basis December showed a decline from the output of the earlier month. In December 1930, production of soft coal totaled 40,222,000 net tons. Total production for the year 1931 was approximately 378,110,000 net tons, compared with 467,526,000 tons mined in 1930. Shipments of coal through Hampton Roads in December totaled approximately 1,812,000 tons, and total shipments from January 1 through December 31 totaled 20,445,000 tons.

The January 2, 1932, report of the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of November. West Virginia continued in first place with 7,790,000 tons, Pennsylvania ranking second with an output of 7,280,000 tons.

#### Textiles

Fifth district textile mills continued to operate in December at a higher rate than in December 1930, but showed a seasonal recession from the rate of operations maintained in November 1931. Cotton consumed in the district in December totaled 198,076 bales, of which North Carolina mills used 102,259 bales, South Carolina mills used 86,966 bales, and Virginia mills 8,851 bales. In November 1931 the mills in the Carolinas and Virginia consumed 212,884 bales, and in December 1930 they used 184,815 bales. Total consumption in 1931 amounted to 2,507,332 bales, an increase of 5.6 per cent over 2,375,299 bales consumed in 1930. Consumption of cotton in the Richmond reserve district in December 1931 totaled 47.7 per cent of National consumption, compared with 49.6 per cent in November 1931 and 45.6 per cent in December 1930.

## Cotton Statistics

*Spot cotton prices* between December 11 and January 15 were higher than in the preceding month, but were about 3 cents per pound lower than in the corresponding period of the preceding year. The advance last month was from an average of 5.77 cents per pound on December 11 for middling grade 7/8 inch staple upland cotton to 6.25 cents per pound on January 15. The rise in price was caused chiefly by a somewhat better foreign demand.

*Cotton consumption* in American mills in December 1931 totaled 415,517 bales, according to the report of the Bureau of the Census made public on January 14. This figure shows a seasonal decrease from 428,870 bales consumed during the month of November, but is 2.5 per cent more than 405,518 bales consumed in December 1930. Total consumption during the five months of the present cotton year amounted to 2,195,935 bales, compared with 2,010,133 bales consumed during the five months ended December 31, 1930. Cotton on hand at manufacturing establishments on December 31, 1931, totaled 1,630,543 bales, compared with 1,441,165 bales held on November 30, 1931, and 1,655,537 bales held on December 31, 1930. Bales in public warehouses and compresses numbered 10,425,945 at the end of December, against 10,695,797 bales at the end of November, and 8,375,943 bales on December 31, 1930. Exports of cotton totaled 1,181,089 bales in December, compared with 1,070,643 bales sent abroad in November 1931 and 765,775 bales in December 1930. Imports last month totaled 12,705 bales, compared with 5,986 bales imported in November and 4,461 bales in December 1930. Consumption of cotton in the cotton growing states totaled 344,362 bales in December, compared with 321,515 bales used in December 1930. Last month's consumption in the cotton growing states amounted to 82.88 per cent of National consumption, compared with 79.29 per cent of National consumption used in the cotton growing states in December a year ago. Of the 344,362 bales consumed in the cotton growing states last month, Fifth reserve district states used 198,076 bales or 57.52 per cent.

## Tobacco Marketing

*North Carolina* tobacco markets sold 65,058,914 pounds of producers' tobacco in December 1931, compared with 73,449,151 pounds sold in December 1930. Total sales this season to January 1, 1932, amounted to 422,631,212 pounds, compared with sales totaling 490,595,793 pounds sold of the 1930 crop prior to January 1, 1931. Prices received in North Carolina last month averaged only \$6.74 per hundred pounds, a much lower figure than \$12.54 per hundred received for tobacco sold in December a year ago. Wilson led in sales in December with 8,668,944 pounds, and Winston-Salem ranked second with 8,501,864 pounds. In total sales this season, Greenville leads with 56,786,554 pounds, Wilson ranking second with 55,852,222 pounds and Rocky Mount third with 35,741,472 pounds. Asheville, the only Burley market in North Carolina, led in price in December with \$9.22 per hundred pounds, but

Mebane led the Bright tobacco markets with \$8.83 per hundred.

*Virginia* leaf markets sold 25,049,854 pounds of tobacco during December, at an average of \$6.38 per hundred, according to warehouse reports to the Commissioner of Agriculture. Total sales for the season to December 31 were 62,902,461 pounds at an average of \$7.42 per hundred pounds, compared with 76,851,100 pounds at an average of \$9.47 sold to December 31, 1930. Fire-cured sales last month amounted to 16,110,493 pounds at an average of \$6.18 per hundred. The average price for flue-cured tobacco to December 31 is \$7.62 per hundred pounds, the lowest since 1899, which averaged \$6.31 per hundred. Sales of fire-cured tobacco amounted to 5,122,656 pounds in December, at an average of \$4.67 per hundred, and the average price received for this type prior to December 31 was \$4.73 per hundred. Burley sales totaled 3,321,325 pounds last month, at an average of \$10.18 per hundred pounds. Sun-cured sales have been light this season, and in December totaled only 495,380 pounds. The average price of December sales was \$5.22. According to estimates of warehousemen, December sales of all types graded 15 per cent good, 34 per cent medium, and 51 per cent common, compared with December 1930 grades of 13 per cent good, 29 per cent medium, and 58 per cent common. Among the individual markets, Danville led in December sales with 8,566,866 pounds, South Boston ranking second with 3,347,080 pounds. Abingdon and Richmond, Burley markets, led in price last month at \$10.18 per hundred, while Danville led all other markets at \$7.11 per hundred.

## Crop Estimates

Crop yields in the Fifth Federal reserve district in 1931 were much larger than yields in 1930, taking total figures for the district, and compared very favorably with the ten-year average production. The three states of Maryland, Virginia and West Virginia, which suffered severely from the drought in 1930, accounted for most of the increase in yields last year, but the Carolinas also reported larger yields of all important crops except tobacco. Production of food and feed crops increased markedly in 1931.

Prices for agricultural products in 1931 declined further, reaching in most cases the lowest levels in many years. According to the December 16 report of the Bureau of Agricultural Economics of the U. S. Department of Agriculture, the farm value of all crops grown in 1931 in the Fifth district was 27 per cent less than the aggregate value of 1930 crops, and 46 per cent below the 1929 value. West Virginia was the only state in the district which showed higher crop values for 1931 than for 1930, and even in West Virginia last year's crops were 37 per cent below those of 1929 in value. Apples and sorghum syrup were the only crops in the Fifth district which were more valuable in 1931 than in 1930.

We include a table showing crop yields in the Fifth Federal reserve district for 1931 and 1930, and because 1930 was exceptionally dry and therefore does

not furnish a fair basis of comparison, production figures for 1929 are also shown. The 1931 figures are final official estimates by the Department of Agriculture as of December 1. The farm values included in

the table are estimates by the Department of Agriculture, and are based for the most part on December 1 prices.

Crops	Yrs.	Maryland	W. Virginia	Virginia	N. Carolina	S. Carolina
Corn (bus.)	1931	20,710,000	12,934,000	43,061,000	48,072,000	22,994,000
	1930	6,858,000	5,052,000	16,478,000	40,194,000	22,200,000
	1929	15,718,000	12,326,000	35,187,000	37,715,000	20,184,000
Cotton (bales)	1931	.....	.....	43,000	775,000	1,015,000
	1930	.....	.....	42,000	775,000	1,001,000
	1929	.....	.....	48,000	747,000	830,000
Tobacco (lbs.)	1931	31,540,000	5,328,000	106,276,000	468,520,000	70,070,000
	1930	16,625,000	3,906,000	112,530,000	585,990,000	98,600,000
	1929	24,750,000	5,513,000	119,794,000	487,968,000	87,084,000
Irish Potatoes (bus.)	1931	3,360,000	3,200,000	14,160,000	8,532,000	3,550,000
	1930	2,520,000	2,394,000	13,689,000	7,220,000	2,835,000
	1929	3,390,000	3,780,000	15,244,000	6,138,000	2,600,000
Sweet Potatoes (bus.)	1931	2,013,000	.....	4,750,000	6,560,000	3,180,000
	1930	630,000	.....	2,960,000	6,750,000	4,655,000
	1929	1,629,000	.....	5,076,000	6,720,000	5,029,000
Oats (bus.)	1931	2,010,000	3,552,000	4,838,000	4,531,000	9,450,000
	1930	1,470,000	2,660,000	2,630,000	3,534,000	7,912,000
	1929	1,316,000	3,374,000	2,642,000	3,192,000	8,485,000
Wheat (bus.)	1931	9,696,000	2,373,000	13,266,000	4,407,000	689,000
	1930	11,063,000	1,838,000	9,160,000	2,862,000	340,000
	1929	9,108,000	1,362,000	8,607,000	3,636,000	520,000
Hay (tons)	1931	469,000	650,000	993,000	677,000	178,000
	1930	309,000	317,000	424,000	532,000	144,000
	1929	484,000	739,000	988,000	522,000	144,000
Peanuts (lbs.)	1931	.....	.....	165,240,000	323,150,000	13,000,000
	1930	.....	.....	100,080,000	207,900,000	11,200,000
	1929	.....	.....	158,620,000	247,860,000	11,760,000
Apples (bus.)	1931	3,582,000	12,954,000	21,889,000	5,475,000	374,000
	1930	1,650,000	4,306,000	7,700,000	2,555,000	300,000
	1929	2,200,000	5,716,000	13,054,000	2,628,000	180,000
Apples, Commercial (bbis.)	1931	580,000	1,597,000	3,500,000	274,000	.....
	1930	330,000	680,000	1,450,000	100,000	.....
	1929	455,000	1,400,000	3,100,000	150,000	.....
Sorghum Syrup (gals.)	1931	.....	.....	210,000	2,117,000	486,000
	1930	.....	.....	80,000	1,320,000	350,000
	1929	.....	.....	122,000	1,050,000	260,000
Estimated Crop Values	1931	\$39,480,000	\$27,043,000	\$78,216,000	\$136,160,000	\$ 71,214,000
Dec. 1 prices	1930	41,072,000	25,569,000	84,582,000	213,171,000	118,657,000
	1929	62,590,000	43,138,000	145,323,000	257,685,000	140,744,000

### Construction

*Building permits* issued in thirty-two leading cities of the Fifth Federal reserve district in December 1931 numbered 1,826, a higher number than 1,791 permits issued in the same cities in December 1930, but estimated valuation figures for December 1931 totaled only \$3,039,037, a decrease of 28.2 per cent under \$4,235,329 valuation for permits issued in December 1930. Ten of the thirty-two reporting cities showed higher figures for December 1931 than for December 1930, Greensboro making the best record for the later month in proportion to population. The three largest cities, Baltimore, Washington and Richmond, reported relatively low figures last month. During the year 1931, permits issued in the thirty-two reporting cities totaled 34,484, compared with 35,091 permits issued in 1930

and 42,122 permits in 1929. Estimated valuation figures last year totaled \$80,739,801, compared with \$97,992,273 in 1930 and \$131,888,967 in 1929.

*Contracts awarded* in December for construction work in the Fifth district, including both rural and urban projects, totaled \$11,677,650, compared with \$19,644,097 awarded in November 1931 and \$28,139,023 in December 1930, according to figures collected by the F. W. Dodge Corporation. Of the awards in December 1931, \$3,741,530 was for residential work, compared with \$7,934,998 for this type of work in December 1930. Annual figures for 1931 on contracts awarded in the Fifth district total \$243,595,366, a decrease of 31 per cent in comparison with contracts totaling \$352,912,092 awarded in 1930.

**Building Permits Issued, Fifth District Cities,  
December 1931 and 1930**

CITIES	Permits Issued		Total Valuation	
	1931	1930	1931	1930
Baltimore, Md.	819	850	\$ 801,600	\$1,842,240
Cumberland, Md.	6	5	1,675	5,465
Frederick, Md.	11	6	3,040	1,580
Hagerstown, Md.	8	8	5,270	19,100
Salisbury, Md.	16	20	18,240	11,855
Danville, Va.	8	5	9,365	3,045
Lynchburg, Va.	24	27	30,490	131,910
Norfolk, Va.	72	87	63,765	109,148
Petersburg, Va.	2	6	3,200	10,505
Portsmouth, Va.	17	21	7,360	18,385
Richmond, Va.	68	77	64,883	125,991
Roanoke, Va.	18	25	19,287	41,654
Bluefield, W. Va.	4	7	3,450	14,350
Charleston, W. Va.	47	18	94,149	112,023
Clarksburg, W. Va.	9	8	2,622	6,550
Huntington, W. Va.	14	13	3,535	13,275
Asheville, N. C.	18	19	7,234	3,850
Charlotte, N. C.	27	42	28,511	65,419
Durham, N. C.	8	8	8,725	17,650
Greensboro, N. C.	32	26	642,314	21,320
High Point, N. C.	18	9	31,375	18,075
Raleigh, N. C.	14	19	21,555	65,580
Rocky Mount, N. C.	5	5	5,490	3,900
Salisbury, N. C.	2	2	4,375	2,525
Wilmington, N. C.	19	14	33,300	34,950
Winston-Salem, N. C.	32	52	22,684	40,595
Charleston, S. C.	32	36	32,028	39,435
Columbia, S. C.	33	26	118,570	23,210
Greenville, S. C.	13	21	14,340	29,400
Rock Hill, S. C.	7	6	8,765	2,805
Spartanburg, S. C.	7	22	2,055	13,414
Washington, D. C.	416	301	925,785	1,386,125
Totals	1,826	1,791	\$3,039,037	\$4,235,329

**Retail Trade, 34 Department Stores**

<i>Richmond Baltimore Washington Oth. Cities District</i>				
December 1931 sales, compared with sales in December 1930:				
—12.3	—10.7	—7.4	—12.3	—9.7
Total sales during 1931, compared with sales in 1930:				
—8.9	—7.8	—2.1	—13.5	—6.3
Dec. 31, 1931, stock, compared with stock on Dec. 31, 1930:				
—14.2	—13.1	—6.8	—16.1	—11.3
Dec. 31, 1931, stock, compared with stock on Nov. 30, 1931:				
—24.2	—20.2	—23.6	—23.1	—22.3
Number of times stock was turned in December 1931:				
.591	.562	.62	.397	.567
Number of times stock was turned during the year 1931:				
4.008	3.998	4.243	2.841	3.941
Percentage of Dec. 1, 1931, receivables collected in Dec.:				
31.3	25.2	31.5	27.4	28.1

In comparison with sales during the early fall months, department store sales in the Fifth Federal Reserve district showed the usual seasonal increase in December, but averaged 9.7 per cent less than sales in December 1930. In total sales for the year, reporting stores in the district showed a decline of 6.3 per cent in 1931 sales in comparison with total sales in 1930.

Stocks of goods on the shelves of the reporting stores declined 22.3 per cent during the month of December 1931, and at the end of the year were 11.3 per cent smaller, at selling prices, than stocks on hand at the end of 1930. Stocks were turned an average of .567 times during the month of December, and in the year 1931 stocks were turned an average of 3.941 times a higher figure than 3.62 times in the preceding year.

Collections in December averaged 28.1 per cent of outstanding receivables on December 1, 1931, a higher figure than 27.3 per cent for November 1931, but slightly lower than 28.7 per cent collected in December 1930.

**Wholesale Trade, 63 Firms**

22	9	6	14	12
<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
December 1931 sales, compared with sales in December 1930:				
—14.7	—14.1	+ 6.2	—13.3	— 8.8
December 1931 sales, compared with sales in November 1931:				
+ 4.1	—25.0	—38.7	—13.7	+ 1.9
Total sales during 1931, compared with sales in 1930:				
—17.1	—21.4	— 7.8	—22.2	— 8.8
Dec. 31, 1931 stocks, compared with Dec. 31, 1930 stocks:				
—22.6(8*)	—31.0(4*)	—20.0(5*)	—13.8(7*)	—
Dec. 31, 1931 stocks, compared with Nov. 30, 1931 stocks:				
—10.9(8*)	—12.1(4*)	— 7.2(5*)	— 1.9(7*)	—
Percentage of Dec. 1, 1931, receivables collected in December:				
60.3(14*)	36.9(6*)	48.2(6*)	27.7(11*)	49.3(8*)

\* Number of reporting firms.

Wholesale trade in the Fifth Federal Reserve district in December, as indicated by reports from sixty-three firms in five lines, was in smaller volume in every line except groceries and drugs than in November, and in every line except shoes than in December 1930. The decreases in December sales under those of November were largely seasonal, and part of the decline in comparison with December 1930 sales was due to lower wholesale prices this year. Total sales for the year 1931 were smaller in every line reported upon than sales in 1930.

All stocks at the end of December were smaller than at the end of the preceding month, a seasonal development, and stocks on December 31 were also materially smaller than stocks a year earlier.

Collections in December were better than in November in groceries and dry goods, unchanged in shoes, and slower in hardware and drugs. In comparison with collections in December 1930, those of December 1931 were better in shoes, but compared unfavorably in the other four lines.

(Compiled January 21, 1932)

## BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity declined from November to December by slightly more than the usual seasonal amount, while the volume of factory employment showed about the usual decrease. Wholesale prices declined further.

### Production and Employment

Volume of industrial output decreased somewhat more than is usual in December and the Board's seasonally adjusted index declined from 72 per cent of the 1923-1925 average in November to 71 per cent in December. Activity in the steel industry decreased from 30 to 24 per cent of capacity for the month, partly as a result of seasonal influences; in the first three weeks of January it showed a seasonal increase. Automobile output increased considerably in December from the extreme low level of the preceding month, and daily average output at shoe factories, which ordinarily declines at this season, showed little change. At textile mills production was curtailed by more than the usual seasonal amount.

Number employed at factories decreased seasonally from the middle of November to the middle of December. In the automobile and shoe industries there were large increases in employment, while in the clothing industries employment declined; in most lines, however, changes were of a seasonal character.

For the year 1931 as a whole the average volume of industrial production was about 16 per cent smaller than in 1930, reflecting large decreases in output of steel, automobiles, and building materials, offset in part by slight increases in production of textiles and shoes.

Value of building contracts awarded, as reported by the F. W. Dodge Corporation, declined considerably more than is usual from the third to the fourth quarter, and for the year as a whole was 32 per cent smaller than in 1930, reflecting reduced physical volume of construction, as well as lower building costs.

### Distribution

Distribution of commodities by rail declined by the usual seasonal amount in December, and department store sales increased by approximately the usual amount.

### Foreign Trade

Value of foreign trade continued at a low level in December and for the year as a whole exports showed a decline of 37 per cent from 1930 and imports a decline of 32 per cent, reflecting in part the reduction in prices.

### Wholesale Prices

Wholesale prices of commodities declined from 68 per cent of the 1926 average in November to 66 per cent in December, according to the Bureau of Labor Statistics, reflecting decreases in the prices of many domestic agricultural products, sugar, silk, iron and steel, and petroleum products. During the first half of January prices of hogs, lard, and butter declined further, while prices of cotton, silk, coffee, and copper increased.

### Bank Credit

Reserve bank credit, which had declined from the middle of October to the middle of December and had increased in the latter part of the month, declined again in the first three weeks in January.

The growth in the latter part of December reflected a somewhat more-than-seasonal increase in the demand for currency, partly offset by reductions in member bank reserve balances and in deposits of foreign central banks. In January the return flow of currency was considerably smaller than in other recent years, while member bank reserve balances continued to decline. Acceptance holdings of the reserve banks, which had reached a total of \$780,000,000 in October, have declined through maturing of bills held almost uninterruptedly since that time, and on January 20 totaled \$190,000,000. The banks' portfolio of United States Government securities showed some increase over the level of the early part of December, and discounts for member banks increased substantially.

Loans and investments of member banks in leading cities declined further during December and the first two weeks of January, reflecting reductions in loans on securities, as well as in other loans, and in investments.

In the middle of January buying rates for bankers' acceptances at the Federal reserve banks were reduced and open-market rates on 90-day bills declined first from 3 to 2 7/8 per cent and later to 2 3/4 per cent. Yields of high-grade bonds, after advancing for a period of about four months, declined after the turn of the year, reflecting a rise in bond prices.