

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

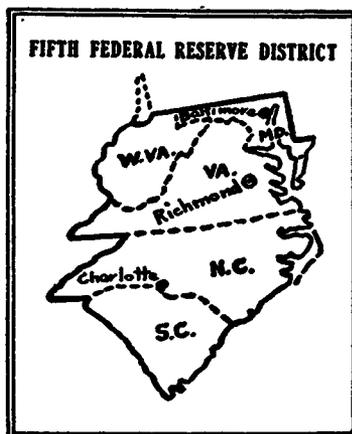


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RICHMOND, VIRGINIA

DECEMBER 31, 1932

NINETEEN THIRTY-TWO annual statistics are not available as this is written, but some general trends of business during the year can be pointed out. The depression continued progressively during the first two-thirds of the year, but about the beginning of September the descending curves on business charts began to level off, and in a few lines of trade and industry turned slightly upward. On the whole, these moderate gains were maintained until the end of the year, with the result that some annual statistics when compiled will show up better than was indicated in the first half of the year. After the first quarter of 1932, bank failures in the Fifth district declined sharply, but commercial failures continued in large numbers. Some progress was made in overcoming hoarding after bank failures were checked, and a considerable volume of funds was added to circulation during the closing months of the year from other sources than banks. Textile mills rather suddenly increased their operations during the late summer, when it appeared that this year's cotton crop would be much smaller than the yield of 1931, and, although the crop turned out considerably larger than early season estimates, the mills held to the scale of operations established in August and September. In textile sections, the increased activity of the mills and larger pay-rolls was reflected in improved business in many other lines, especially in retail trade. Employment did not improve during the year except in a few scattered industries, but on the contrary, the number of unemployed persons slowly increased. Building declined still further in the Fifth district in 1932, especially in city construction, but road and highway work continued at about the usual rate and in the closing weeks of the year plans were made for extensive road and bridge work as a relief measure. Agricultural yields turned out much worse than yields last year, and the price level for farm products failed



to advance in keeping with reduced production, thus further reducing the purchasing power of the rural population.

Examining specifically the developments in the Fifth reserve district between the first of November and the middle of December, most of them appear to be seasonal in character. Rediscounts for member banks at the Federal Reserve Bank of Richmond decreased moderately between November 15 and December 15, and member bank reserve balances increased. There was an increase in the volume of Federal reserve notes in actual circulation, a normal development at this season

when holiday trade increases the need for currency. Reporting member banks reduced both loans and investments between the middle of November and the middle of December, and their deposits also dropped slightly during the month. Debits to individual accounts figures in five weeks ended December 14 failed to show a normal seasonal increase in comparison with debits in the preceding five weeks, ended November 9, but on the contrary declined 2.5 per cent. Employment showed no improvement in November and early December; there was some seasonal rise in unemployment, chiefly as a result of inclement weather.... Coal production in the United States in November exceeded production in November 1931, the first month since the depression began in which production exceeded production of the preceding year. Textile mills in the Fifth reserve district consumed more cotton last month than they used in either October 1932 or November 1931. Spot cotton prices, which declined in November, resisted the influence of an unexpectedly large estimate of production released on December 8 and since that date advanced slightly over the price prevailing just prior to the report. Tobacco markets in North Carolina and Virginia sold much less tobacco in November than in the same month last year, the decrease being due in part to later opening of some markets this

year but chiefly to a much lower production in 1932 in both states. Average prices realized by growers last month were moderately higher than November 1932 prices, and the quality of tobacco sold was also slightly better. Tobacco manufacturing declined further in November except for snuff, which showed an increase in production over November last year. Construction work provided for in November building permits and contract awards was in very small volume. Retail trade in department stores in November was relatively better than trade in October, and wholesale trade was up to seasonal level in most lines in comparison with trade in recent months.

Reserve Bank Statement

ITEMS	000 omitted		
	Dec. 15 1932	Nov. 15 1932	Dec. 15 1931
Rediscounts held	\$ 15,935	\$ 18,310	\$ 36,081
Open market paper.....	1,969	1,945	11,528
Government securities	47,133	47,133	25,025
Other earning assets.....	0	0	700
Total earning assets.....	65,037	67,388	73,334
Circulation of Fed. res. notes..	102,653	100,889	99,046
Members' reserve deposits.....	55,082	49,006	55,381
Cash reserves	102,819	93,727	94,124
Reserve ratio	64.18	60.22	58.86

Rediscounts for member banks held by the Federal Reserve Bank of Richmond decreased seasonally by \$2,375,000 between November 15 and December 15, but there was a very small increase of \$24,000 in the portfolio of open market paper. No change occurred in the holdings of Government securities during the month under review, but the reduction in rediscounts held lowered the total earning assets of the Richmond bank by \$2,351,000. Between November 15 and December 15, the circulation of Federal reserve notes rose \$1,764,000, a seasonal increase due to needs for additional currency in connection with holiday buying. Member bank reserve deposits at the Federal Reserve Bank of Richmond rose by \$6,076,000 last month. The several changes in the statement enumerated, with others of less importance, raised the cash reserves of the Richmond bank by \$9,092,000 during the past month, and also raised the ratio of reserves to note and deposit liabilities combined by 3.96 points.

A comparison of the figures on the statement for December 15, 1932, with the figures for December 15, 1931, shows a decrease of \$8,297,000 in the bank's total earning assets this year. Rediscounts for member banks dropped \$20,146,000 during the year, the portfolio of open market paper declined \$9,559,000, and miscellaneous earning assets decreased \$700,000. On the other hand, holdings of Government securities rose by \$22,108,000 during the year. Federal reserve notes in circulation on December 15 this year totaled \$3,607,000 more than notes in circulation a year earlier, but member bank reserve deposits at the Federal Reserve Bank of Richmond declined by \$229,000 during the year, the latter change a mere daily fluctuation. These changes in the statement, with others, resulted in an increase of \$8,695,000 in the Richmond bank's

cash reserves, and a rise of 5.32 points in the ratio of cash reserves to note and deposit liabilities combined.

Member Bank Statement

ITEMS	000 omitted		
	Dec. 14 1932	Nov. 9 1932	Dec. 9 1931
Loans on stocks and bonds (including Governments)	\$115,090	\$118,178	\$144,415
All other loans.....	191,370	194,787	233,640
Total loans and discounts....	306,460	312,965	378,055
Investments in stocks & bonds	267,118	273,902	237,023
Reserve bal. with F. R. Bank..	34,136	35,757	35,483
Cash in vaults.....	13,361	13,631	15,438
Demand deposits	281,809	287,145	310,958
Time deposits	226,355	231,072	231,769
Borrowed from F. R. Bank.....	3,976	5,735	16,515

The accompanying table shows the principal items of condition of forty-nine regularly reporting member banks in twelve cities of 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 forty-nine reporting member banks were seasonal in character. Between November 9 and December 14, both this year, loans by these banks decreased \$6,505,000, about equally divided between security loans and all other loans. Total investments in bonds and securities also declined, by \$6,784,000, and aggregate reserve balances of the reporting institutions at the Federal Reserve Bank of Richmond decreased by \$1,621,000. Cash in vaults declined \$270,000 during the past month. Between November 9 and December 14, deposits in the reporting banks declined a total of \$10,053,000, demand deposits decreasing \$5,336,000 and time deposits dropping \$4,717,000. The several changes mentioned enabled the banks to reduce their borrowing at the reserve bank by \$1,759,000 during the past month. Thirteen of the forty-nine reporting banks were borrowing at the reserve bank on December 14, compared with sixteen banks which were borrowing on November 9.

Condition figures for December 14, 1932, were lower in all items except investments than corresponding figures for December 9, 1931. Loans in the forty-nine banks declined by \$71,595,000 during the year, loans on stocks and bonds dropping \$29,325,000 and all other loans decreasing \$42,270,000. On the contrary, investments in bonds and securities increased by \$30,095,000 between December 9 last year and December 14 this year. Aggregate reserve balances of the forty-nine reporting banks at the Federal Reserve Bank of Richmond declined by \$1,347,000 during the year under review, and cash in vaults dropped \$2,077,000. There was a decrease of \$34,563,000 in total deposits in the reporting banks in the period, demand deposits

declining by \$29,149,000 and time deposits falling \$5,414,000. A decrease in loans approximately double the drop in deposits provided the funds for the increase in investments previously mentioned, and also enabled the reporting banks to decrease their borrowings at the reserve bank by \$12,539,000 during the year. On December 14, 1932, only thirteen of the forty-nine banks were borrowing at the Federal Reserve Bank of Richmond, compared with twenty-eight borrowing institutions on December 9, 1931.

Time and Savings Deposits

Time deposits in forty-nine reporting member banks and aggregate deposits in twelve mutual savings banks in Baltimore totaled \$433,285,126 at the end of November 1932, a lower figure than either \$438,683,140 reported at the end of October this year or \$444,717,740 reported at the end of November last year. The percentage of decrease in time deposits in reporting member banks last month was about 2 per cent, while savings deposits in mutual savings banks declined only 3/10ths of 1 per cent.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, five weeks ended		
	Dec. 14, 1932	Nov. 9, 1932	Dec. 9, 1931
Asheville, N. C.....	\$ 9,124	\$ 8,578	\$ 12,671
Baltimore, Md.	287,582	302,226	357,873
Charleston, S. C.....	11,116	12,179	11,400
Charleston, W. Va....	31,937	30,450	40,896
Charlotte, N. C.....	37,654	39,084	43,641
Columbia, S. C.....	14,104	13,854	24,272
Cumberland, Md.	6,205	5,826	8,005
Danville, Va.	7,040	6,283	9,820
Durham, N. C.....	21,585	22,113	28,918
Greensboro, N. C.....	11,154	14,806	20,275
Greenville, S. C.....	11,685	13,540	16,666
Hagerstown, Md.	6,452	6,002	7,302
Huntington, W. Va....	11,758	10,819	16,757
Lynchburg, Va.	14,167	13,941	17,404
Newport News, Va....	8,174	7,033	11,836
Norfolk, Va.	42,324	37,981	52,340
Portsmouth, Va.	4,188	3,371	6,037
Raleigh, N. C.....	19,659	17,264	27,038
Richmond, Va.	124,380	128,263	140,181
Roanoke, Va.	20,475	21,498	30,345
Spartanburg, S. C.....	5,818	6,856	10,171
Washington, D. C....	203,709	209,092	250,095
Wilmington, N. C....	8,006	8,230	10,665
Winston-Salem, N. C.	24,645	27,404	32,641
Fifth District Totals	\$ 942,941	\$ 966,693	\$1,187,249

Debits to individual, firm and corporation accounts figures in the table reported for three equal periods of five weeks each by clearing house banks in twenty-four leading Fifth district cities, show an unseasonal decrease during the period ended December 14, in comparison with the five weeks ended November 9. Aggregate debits in the reporting cities totaled \$942,941,000 during the five weeks ended December 14, a decrease of \$23,752,000, or 2.5 per cent, under the total of \$966,693,000 reported for the preceding period this year. Among the twenty-four reporting cities, exactly

half increased and half decreased during the five weeks. Among the larger cities, Norfolk reported increased debits, but Baltimore, Richmond and Washington all failed to register seasonal increases.

In comparison with debits totaling \$1,187,249,000 reported for the five weeks ended December 9, 1931, the total for the corresponding five weeks this year showed a decrease of \$244,308,000, or 20.6 per cent. A part of the reduction is due to lower price levels in some lines this year, and the influence of the tax on checks also tended to lower 1932 debits figures, but a generally lower level of business activity probably accounted for most of the decline. Every one of the twenty-four cities reported lower debits figures for the 1932 period. The three largest cities declined as follows: Baltimore 19.6 per cent, Washington 18.5 per cent, and Richmond 11.3 per cent.

Commercial Failures

The month of November 1932 witnessed 147 insolvencies in the Fifth reserve district, with aggregate liabilities totaling \$4,250,000, compared with 139 insolvencies and liabilities totaling \$2,570,911 in November 1931, and only 119 failures and \$1,933,670 in liabilities in October 1932. The district therefore shows an increase of 5.8 per cent in the number of failures and a rise of 65.3 per cent in liabilities involved in November 1932 in comparison with November 1931. On the other hand, there were 2,073 failures in the United States in November, with liabilities totaling \$53,621,127, compared with 2,195 failures and \$60,659,612 in liabilities in November last year, decreases last month of 5.6 per cent in number of insolvencies and of 11.6 per cent in aggregate liabilities. In the United States, seven of the twelve reserve districts reported fewer failures in November 1932 than in November 1931, and six of the twelve districts reported lower aggregate liabilities.

Employment

Weather in late November and the first half of December was unfavorable for outside work, and there was some seasonal increase in unemployment. To counteract this increase, a number of localities are undertaking emergency work, partly by the use of funds borrowed from the Reconstruction Finance Corporation. City governments are making part time work for unemployed heads of families, having parks cleaned and planted, trees set out, streets and alleys cleaned more frequently, etc. Textile employees continue fairly well employed, and there has been some seasonal increase in coal mining, but otherwise all recent increases in work have been artificially stimulated as relief measures, and are as a rule being paid for either directly or indirectly from public funds. Calls for relief from charitable agencies and public welfare departments are heavier this winter than in any other winter since the depression set in, but this does not necessarily prove that more people are unemployed than last winter. Part of the increased distress is undoubtedly due to the length of the depression, many

families with means to care for themselves for awhile now having exhausted their surplus funds.

Coal Production

Bituminous coal mined in the United States in November this year totaled 30,634,000 net tons, a decrease from 32,677,000 tons mined in October 1932 but an increase over 30,110,000 tons dug in November 1931. Total output of bituminous coal in the United States during the present calendar year to December 1 amounts to 274,559,000 net tons, compared with 347,850,000 tons mined to the same date last year. Shipments of coal through Hampton Roads in November totaled approximately 1,421,000 tons, and total shipments from January 1 through November 30 totaled 14,830,000 tons.

The November 26 report of the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of October 1932. West Virginia led all states with 8,784,000 net tons, Pennsylvania ranking second with 7,680,000 tons and Kentucky third with 4,038,000 tons. West Virginia's production in October was 11.3 per cent below October 1931 figures, while the United States total output declined only 8.5 per cent in October this year.

Textiles

Fifth District cotton textile mills continued operations during November at recent levels, which amounts to more than full time on a day-light basis. There was some decline in forward orders, but not sufficient to cause curtailment in output for the present. Consumption of cotton in Fifth district mills slightly increased in comparison with October, and materially exceeded consumption in November 1931. In November this year, North Carolina mills used 124,126 bales of cotton, South Carolina mills used 110,077 bales, and Virginia mills used 12,572 bales, a district total of 246,775 bales, compared with 242,038 bales consumed in the district in October 1932 and 212,884 bales used in November 1931. The district increase of 2.0 per cent in cotton used in November in comparison with October was larger than the National increase of 3/10ths of 1 per cent, but the increase last month in the district over consumption in November 1931 amounting to 15.9 per cent was less than the National increase of 18.5 per cent. Consumption of cotton in the Richmond reserve district in November this year totaled 48.99 per cent of National consumption compared with 48.19 per cent in October 1932 and 50.06 per cent in November 1931.

Cotton Statistics

Spot cotton prices declined further after the middle of November, but in the first half of December regained some of the ground lost in the preceding month. In our November 30 *Review* we quoted the average price paid for middling cotton on ten Southern markets on November 18 as 6.15 cents per pound. The price declined during the next two weeks to an average of 5.62 cents on December 2. On December 9 the

price had advanced to 5.66 cents, and on December 16, the latest date for which figures are available, it was 5.80 cents. The advances noted on December 9 and 16 were unusual in view of the Department of Agriculture's final estimate of cotton production for this year, which increased the figure issued a month earlier by a little more than three-quarters of a million bales.

Production figures on this year's cotton crop, released by the Department of Agriculture on December 14, totaled 12,727,000 equivalent 500-pound bales, an increase of 780,000 bales over the estimate made on October 1, but 4,369,000 bales below 1931 production. Weather was favorable for cotton during most of the 1932 growing season, and the Department of Agriculture increased its estimate of production every month. Starting with an estimate of 11,306,000 bales on August 1, increases of 4,000 bales were made in September, 115,000 bales in October, 522,000 bales in November, and 780,000 bales in December, a total increase of 1,421,000 bales, or 12.6 per cent, between the August 1 and December 1 reports. The latest report stated that the large increase in the December estimate over earlier estimates was due in part to a larger per acre yield than was expected and in part to an unusually small abandonment of acreage this year. Along with the National figures, the production estimate for the Fifth district was raised above the November 1 figure, increases occurring in both Carolinas. North Carolina's probable production for 1932 was given in the latest estimate as 640,000 bales, a higher figure than 575,000 bales forecast a month earlier but less than 756,000 bales raised in 1931. South Carolina's forecast of 695,000 bales shows an increase over 650,000 bales predicted a month earlier, but is less than final ginnings of 1,005,000 bales last year. The Virginia yield for 1932 is 28,000 bales, compared with 28,000 bales expected on November 1 and 42,000 bales grown last year. Total production in the Fifth district is therefore expected to be about 440,000 bales less this year than in 1931.

Ginning figures to December 1, released by the Census Bureau on December 8, showed 11,631,361 bales ginned from this year's crop, compared with 15,018,403 bales of last year's crop ginned before December.

Cotton consumption in American mills in November totaled 503,722 bales, according to the report of the Census Bureau released on December 14. This figure shows an increase over 502,244 bales consumed during the month of October this year, and is approximately 18.5 per cent above 425,228 bales consumed in November 1931. Total consumption during the four months of the present cotton year amounted to 1,900,222 bales, compared with 1,775,616 bales consumed during the four months ended November 30, 1931. Cotton on hand at manufacturing establishments on November 30 this year totaled 1,456,913 bales, compared with 1,266,816 bales held on October 31 this year and 1,446,941 bales held on November 30 last year. Bales in public warehouses and compresses numbered 10,677,362 at the end of November, 9,826,875 at the end of October, and 10,704,371 on November 30, 1931. Exports of cotton totaled 1,012,411 bales

in November, compared with 1,008,023 bales sent abroad in October this year and 1,070,643 bales in November 1931. Total exports during the four months of the present cotton year—August 1-November 30, inclusive—totaled 3,206,253 bales, a higher figure than 2,854,045 bales shipped over seas during the corresponding four months last year. Spindles active at some time during November numbered 24,349,506, compared with 24,587,732 in October this year and 24,870,182 in November 1931.

Cotton growing states consumed 421,499 bales in November, compared with 355,347 bales used in November last year. Last month's consumption in the cotton growing states amounted to 83.68 per cent of National consumption, compared with 83.57 per cent of National consumption used in cotton growing states in November last year. Of the 421,499 bales of cotton consumed in the cotton growing states in November, the Fifth district mills used 246,775 bales, or 58.55 per cent, a lower figure than 59.91 per cent of Southern consumption attained by Fifth district mills in November last year.

Tobacco Marketing

North Carolina auction tobacco market sold 61,440,005 pounds of growers' tobacco in November 1932, at an average price of \$12.68 per hundred pounds, compared with 116,419,691 pounds sold in November 1931, at \$8.81 cents per hundred pounds. Total sales this season on North Carolina markets reached 244,577,776 pounds prior to December 1, compared with 358,269,502 pounds sold on the same markets prior to December 1931. Last month Winston-Salem led in sales with 10,653,914 pounds, Greenville ranking second with 7,943,852 pounds. Durham led all North Carolina markets in average price paid in November with \$15.20 per hundred pounds, Fuquay Springs ranking second with an average of \$14.58 per hundred. In season sales Greenville reports 33,251,274 pounds, Wilson ranking second with 31,483,924 pounds.

Virginia leaf tobacco sales in November amounted to 15,434,328 pounds, for a total of \$1,400,569, compared with 24,564,905 pounds sold for \$1,951,126 in November 1931, according to warehouse reports to the Commissioner of Agriculture. The average price for all types of tobacco sold in November was \$9.08 per hundred pounds, compared with \$7.94 last year and \$9.14 two years ago. Flue-cured sales amounted to 14,491,003 pounds, with an average of \$9.23 per hundred pounds, while for the same month last year sales of this type amounted to 22,951,514 pounds at an average price of \$8.16 per hundred. Flue-cured prices improved slightly during November and the average for the month was about 3 per cent above the October average. Fire-cured markets did not open until about the middle of November, and therefore sales for last month were much less than usual, the total for this type being 914,863 pounds at an average of \$6.64 per hundred pounds. In November last year, 1,512,939 pounds of fire-cured tobacco were sold for an average price of \$4.76 per hundred. Burley and sun-cured markets did not open until December. Warehousemen

estimate that the quality of tobacco sold in November graded 18 per cent good, 36 per cent medium, and 46 per cent common, compared with 16 per cent good, 38 per cent medium, and 46 per cent common for tobacco sold in November 1931.

Tobacco Manufacturing

Tobacco factories further reduced output in November, and continued operations at a level below that of 1931. Stamp taxes paid to the Federal Treasury on all tobacco products in November this year totaled \$29,186,635, compared with \$31,564,443 in October 1932 and \$30,208,135 in November 1931. In quantity of production, cigarettes manufactured dropped from 7,850,253,728 cigarettes in November 1931 to 7,614,246,565 cigarettes in November 1932, cigars dropped from 477,458,157 to 419,173,428, and manufactured tobacco for smoking and chewing dropped from 25,229,734 pounds to 25,148,846 pounds. On the other hand, snuff production rose from 2,705,103 pounds in November last year to 2,850,789 pounds in November this year.

Agricultural Notes

Harvests for 1932 are practically completed, but final production figures 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 reserve district for 1932 in comparison with figures for some earlier years.

On the whole, 1932 was disappointing to farmers, yields of many crops being low on account of hot, dry weather during the growing season, and prices continuing very low. Material reductions were made in acreages planted to cash crops, but previously accumulated surpluses, together with lessened demand as a result of the world-wide depression, prevented much advance in prices. Crops were made cheaply, much less fertilizer than in normal years being used, but returns in many cases failed to pay even the relatively low expense of production. Farmers raised large crops of food and feed crops this year, and are therefore prepared to live at home to a considerably greater degree than is the case when prices for cash crops are better.

Construction

Building inspectors in thirty-two Fifth district cities issued 1,894 permits in November this year, compared with 2,338 permits issued in November last year. Estimated valuation figures last month totaled only \$1,908,504, a decrease of 53.7 per cent in comparison with \$4,122,775 valuation for November 1931. Nine of the thirty-two cities reported higher valuation figures for the 1932 month, but the three largest cities reported low figures, Richmond actually falling below several much smaller cities.

Contracts awarded in November for construction work in the Fifth district, including both rural and urban projects, totaled \$9,809,965, compared with \$19,644,097 awarded in November 1931 and \$15,067,295 in November 1930, according to figures collected by the F. W. Dodge Corporation. Of the awards in No-

ember this year, \$2,263,735, or 23.1 per cent, was for residential work, compared with \$3,791,522, or 19.3 per cent, for this type of work in 1931.

Building Permits Issued, Fifth District Cities, November 1932 and 1931

CITIES	Permits Issued		Total Valuation	
	1932	1931	1932	1931
Baltimore, Md.	889	1,025	\$ 903,840	\$1,772,040
Cumberland, Md.	7	10	1,970	3,370
Frederick, Md.	6	11	510	5,726
Hagerstown, Md.	8	9	30,710	6,155
Salisbury, Md.	10	13	8,575	6,200
Danville, Va.	7	8	6,020	23,982
Lynchburg, Va.	39	28	45,212	25,302
Norfolk, Va.	117	119	72,115	117,225
Petersburg, Va.	5	5	2,100	31,253
Portsmouth, Va.	21	37	5,394	23,239
Richmond, Va.	59	103	40,185	115,485
Roanoke, Va.	16	43	10,660	57,672
Bluefield, W. Va.	7	2	5,120	2,595
Charleston, W. Va.	59	45	18,884	41,377
Clarksburg, W. Va.	13	18	12,655	8,888
Huntington, W. Va.	16	29	4,120	19,830
Asheville, N. C.	25	24	12,699	7,390
Charlotte, N. C.	15	36	11,965	115,513
Durham, N. C.	11	8	16,640	21,675
Greensboro, N. C.	29	37	25,729	79,415
High Point, N. C.	7	16	5,925	17,590
Raleigh, N. C.	13	18	17,310	240,624
Rocky Mount, N. C.	2	11	1,550	11,510
Salisbury, N. C.	2	4	1,050	6,600
Wilmington, N. C.	16	17	10,850	18,800
Winston-Salem, N. C.	38	48	27,360	21,353
Charleston, S. C.	33	33	42,855	18,789
Columbia, S. C.	39	46	26,631	73,102
Greenville, S. C.	21	15	7,745	18,665
Rock Hill, S. C.	10	10	9,890	8,475
Spartanburg, S. C.	11	14	1,650	5,425
Washington, D. C.	343	496	520,585	1,197,510
Totals	1,894	2,338	\$1,908,504	\$4,122,775

Retail Trade, 33 Department Stores

Richmond	Baltimore	Washington	Other Cities	District
November 1932 sales, compared with sales in November 1931:				
-14.3	-14.6	-15.1	-18.4	-15.1
Jan.-Nov. 1932 sales, compared with Jan.-Nov. 1931:				
-19.7	-19.6	-16.0	-24.1	-18.6
Nov. 30, 1932, stocks, compared with stocks on Nov. 30, 1931:				
-15.8	-14.0	-13.0	-24.2	-15.0
Nov. 30, 1932, stocks, compared with stocks on Oct. 31, 1932:				
+ 3.1	+ 2.1	+ 7.3	+ 1.9	+ 4.2
Number of times stock was turned in November 1932:				
.297	.316	.301	.221	.298
Number of times stock was turned since January 1, 1932:				
3.171	3.198	3.319	2.303	3.139
Percentage of Nov. 1, 1932, receivables collected in Nov.:				
29.5	22.1	27.7	26.9	25.2

Department store trade in November in the Fifth Federal reserve district was about up to seasonal level, but averaged 15.1 per cent less in dollars than sales in November 1931, according to reports from thirty-three leading stores in thirteen cities. Richmond stores as a whole reported smaller declines in sales last month than stores in other sections, with Baltimore in second place. Cumulative sales in the first eleven months of 1932 totaled 18.6 per cent less than sales in the corresponding period of 1931, Washington leading the

other cities. During the first three weeks in December, for which no actual figures are yet available, weather was highly unfavorable for retail trade, and preliminary reports indicate that the stores have suffered accordingly in their holiday business.

Stocks of goods on the shelves of the reporting stores showed a seasonal increase during November, but at the end of the month were 15.0 per cent less than stocks on hand on November 30, 1931, part of this increase being due to lower prices in many lines this year. The figures are reported in dollars, at retail selling prices. The reporting stores turned their stocks .298 times in November, and between January 1 and November 30 the average rate of turnover was 3.139 times, a lower figure than 3.335 times stock was turned in the corresponding eleven months in 1931.

Collections during November averaged 25.2 per cent of receivables outstanding on November 1, exactly the same figure reported in October 1932 but lower than 27.3 per cent of outstanding receivables collected in November 1931.

Wholesale Trade, 62 Firms

	22	9	6	13	12
	Groceries	Dry Goods	Shoes	Hardware	Drugs
November 1932 sales, compared with sales in November 1931:					
-12.4	- 4.9	- 9	- 2.5	-13.3	
November 1932 sales, compared with sales in October 1932:					
- 5.3	-15.4	-36.4	- 3.4	- 3.5	
Jan.-Nov. 1932 sales, compared with Jan.-Nov. 1931 sales:					
-16.5	-20.8	-11.2	-19.0	-18.2	
Nov. 30, 1932, stocks, compared with Nov. 30, 1931, stocks:					
-14.2(8*)	- 5.4(4*)	-37.1(5*)	-13.4(7*)		
Nov. 30, 1932, stocks, compared with Oct. 31, 1932, stocks:					
- 7.5(8*)	- 5.4(4*)	-15.5(5*)	- 1.6(7*)		
Percentage of Nov. 1, 1932, receivables collected in Nov.:					
56.9(13*)	35.5(6*)	40.1(6*)	32.1(11*)	43.3(8*)	

-Denotes decreased percentage. *Number of reporting firms.

Wholesale trade in five leading lines was in smaller volume in November than in either October this year or November last year, but the decrease under the preceding month was chiefly seasonal and the drop in comparison with the corresponding month of 1931 was less than in earlier months this year. In cumulative sales since January 1, all five lines show lower figures than for the like period of 1931, shoes decreasing least with 11.2 per cent, and dry goods most with 20.8 per cent.

Stocks carried by the reporting firms decreased seasonally in November, and on November 30, 1932, all firms were carrying smaller stocks than on November 30, 1931, shoes showing the greatest decline and dry goods the least.

The percentages of collections in November to accounts receivable on the first of the month were higher in groceries and hardware and lower in dry goods, shoes and drugs than the percentages for October 1932. In comparison with the collection percentages reported for November 1931, those reported for November this year were higher in groceries, dry goods and hardware, but were lower in shoes and drugs.

(Compiled December 21, 1932)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity declined in November by somewhat more than the usual seasonal amount. Changes in factory employment and payrolls, reported for the middle of the month, were largely seasonal in character. Prices in wholesale commodity markets were somewhat lower, on the average, in November than in October, and declined further during the first three weeks of December.

Production and Employment

Volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 66 per cent of the 1923-1925 average in October to 65 per cent in November, compared with a low level of 58 per cent in July. Output at woolen mills, silk mills, and shoe factories declined in November from the relatively high levels of the autumn, while cotton mills continued active. Lumber production declined by considerably more than the usual seasonal amount. Steel production decreased during November and the first three weeks of December, while automobile output increased considerably in connection with the introduction of new models.

The number employed at factories declined somewhat from October to November, reflecting in large part developments of a seasonal character. Working forces in the woolen, silk, shoe, and canning industries were reduced, while at car-building shops and at factories producing automobiles and agricultural implements there were increases in employment.

Construction contracts awarded up to December 15, as reported by the F. W. Dodge Corporation, indicate for the last three months of the year a decline from the third quarter of somewhat more than the usual seasonal amount, following a non-seasonal increase from the second to the third quarter.

Estimates of the Department of Agriculture, based on December 1 reports, indicate a cotton crop of 12,727,000 bales, about 800,000 bales larger than the estimate a month earlier, but 4,400,000 bales smaller than last year's unusually large crop. Wheat, tobacco, flaxseed, and other leading cash crops are also considerably smaller than a year ago, while feed crops are substantially larger. Acreage of winter wheat planted this fall was slightly smaller than a year ago, and condition of the crop on December 1 was unusually poor, according to the Department of Agriculture.

Distribution

Distribution of commodities by rail decreased seasonally from October to November, while the dollar volume of department store sales, which ordinarily expands at this season, showed a decline.

Wholesale Prices

During early November the general level of wholesale commodity prices advanced somewhat, reflecting chiefly increases in prices of domestic agricultural products; in the latter part of the month, however, prices of livestock, cotton, and grains declined considerably; and, during the first three weeks of December, further declines in livestock prices were reported. By the third week of December prices of textiles, copper, and silver, as well as of livestock, were substantially lower than in the middle of November and the general average of wholesale prices was at a level slightly below that prevailing before the advance that occurred last summer.

Bank Credit

During the four weeks ended December 14 there was an addition of \$85,000,000 to the country's stock of monetary gold. The funds derived from this source were utilized in meeting an increase in the demand for currency, which was smaller than usual at this season, in further reducing by \$23,000,000 the indebtedness of member banks to the reserve banks, and in increasing by \$25,000,000 the volume of member bank reserve balances. On December 15 there was a further increase of \$95,500,000 in the stock of monetary gold in connection with the current payment by Great Britain on the war debt. This amount of gold was earmarked in London for account of the Federal Reserve Bank of New York, and an equivalent credit was given by that bank to the United States Treasury. This transaction together with other fiscal operations on December 15 resulted in a temporary addition of \$100,000,000 to the reserves of member banks, which were subsequently reduced by Christmas currency demands, and an increase in Treasury deposits with the reserve banks.

Loans and investments of reporting member banks declined by more than \$100,000,000 between November 16 and December 14, reflecting reductions in the banks' holdings of United States Government securities, and in loans other than security loans. Loans on securities increased, both at New York City and at other reporting member banks.

Money rates in the open market declined further, rates on 90-day bankers' acceptances declining from $\frac{1}{2}$ of 1 per cent to $\frac{3}{8}$ of 1 per cent, and rates on prime commercial paper from a range of $1\frac{1}{2}$ - $1\frac{3}{4}$ per cent to a range of $1\frac{1}{4}$ - $1\frac{1}{2}$ per cent.