

# MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



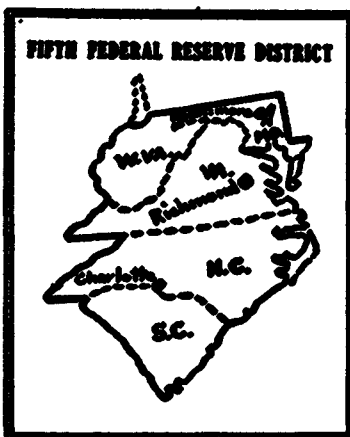
WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT  
FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

JANUARY 31, 1933

SUMMARY	1932	1931	1929
Debits to Individual Accounts (24 Cities).....	\$10,565,733,000	\$13,536,067,000	\$16,851,269,000
Number of Commercial Failures, 5th District.....	1,936	1,574	1,420
Liabilities Involved in Failures, 5th District.....	\$ 54,233,281	\$ 34,880,659	\$ 24,705,654
Cotton Consumption, 5th District Mills (Bales).....	2,403,441	2,507,332	3,039,884
Cotton Grown in Fifth District (Bales).....	1,363,000	1,803,000	1,625,000
Tobacco Grown in Fifth District (Pounds).....	402,301,000	671,197,000	725,109,000
Building Permits for All Work (32 Cities).....	27,781	34,484	42,122
Value of Permits for All Work (32 Cities).....	\$ 35,613,841	\$ 80,739,801	\$ 131,888,967
Value of Contracts Awarded, 5th District.....	\$ 157,483,234	\$ 243,595,366	\$ 385,963,047
Total Sales, 33 Department Stores, 5th District.....	\$ 87,287,074	\$ 107,831,811	\$ 117,636,010
Total Sales, 62 Wholesale Firms in 5 Lines.....	\$ 41,387,606	\$ 49,364,888	\$ 64,176,273
Bituminous Coal Production, U. S. (Tons).....	305,667,000	382,089,000	534,989,000

In the accompanying summary, a statistical picture of 1932 business in the Fifth Federal Reserve district is briefly set forth, in comparison with 1931 business, and, in addition, figures for 1929 are included, to afford opportunity for comparison of the 1932 results with those of the year before the depression began to be felt seriously. All of the figures for 1932 compare unfavorably with those for both 1931 and 1929. Debits to individual accounts figures, which reflect the volume of business passing through banks, totaled 21.9 per cent less than debits in 1931 and 37.3 per cent less than those of 1929. Commercial failures last year were 23 per cent more numerous than in the preceding year and 36.3 per cent above those of 1929, and aggregate liabilities involved in 1932 failures were 55.5 per cent and 119.5 per cent above those of 1931 and 1929, respectively. Cotton consumption in Fifth district mills in 1932 was 4.1 per cent below consumption in 1931 and 20.9 per cent below 1929, although in this activity there was marked improvement in the last third of 1932 and more cotton was used than in the last four months of the year before. Building



permits issued in leading Fifth district cities last year declined greatly in both number and estimated valuation, and in value amounted to only 27 per cent of the 1929 total. Contracts actually awarded last year for construction work, including rural as well as city projects, totaled less than two-thirds as much as 1931 contracts and only 41 per cent of those awarded in 1929. Retail and wholesale trade in 1932 was in materially reduced volume in comparison with both 1931 and 1929, but on the whole held up in the larger cities better than might have been expected in the face of widespread unemployment and reduced incomes. Un-

employment spread further in 1932, and so did wage and salary cuts by firms which were losing money, both of these developments reducing consumer purchasing power and effecting shrinkages in numerous types of business. Agriculture was highly unprofitable last year, yields being low on account of unfavorable weather and financial returns small because of continued low prices for farm products. In the face of surplus crops carried over from 1931, the reduction in yields last year were insufficient to raise prices materi-

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ally in any important line. Fortunately the farmers in the Fifth district made last year's crops very cheaply, which held down their losses, but at the end of the year many of them were not even able to pay taxes on their land or interest on their mortgages.

In December, business on the whole continued at about the same levels as in the fall months of 1932, but was in less than seasonal volume in retail trade because of very bad weather during the entire month. Department store sales last month were 21.8 per cent less than sales in December 1931, and wholesale trade was also in smaller volume in the 1932 month. No especially important developments occurred in banking activities between the middle of December and the middle of January, changes in condition statements of both the Federal Reserve Bank of Richmond and regularly reporting member banks being seasonal for the most part. Debits to individual accounts figures during four weeks ended January 11, 1933, showed a seasonal increase over debits in the four weeks ended December 14, 1932, but fell 19 per cent below totals for the corresponding four weeks ended January 13, 1932. Employment showed no improvement in December, and severe weather increased the hardships of persons out of work. Coal production in December exceeded production in December 1931. Fifth district textile mills consumed less cotton in December than in November, a seasonal decline due to Christmas holidays, but used more cotton than in December of the preceding year. Cotton and tobacco prices rose somewhat in December, and tobacco prices were materially higher than prices a year earlier, but so much less tobacco was sold last month that total money returns were less than those of December 1931. Construction work provided for in December building permits and contracts awarded was in very small volume.

### Reserve Bank Statement

ITEMS	000 omitted		
	Jan. 15 1933	Dec. 15 1932	Jan. 15 1932
Rediscounts held .....	\$ 16,660	\$ 15,935	\$ 44,736
Open market paper.....	1,783	1,969	9,650
Government securities .....	46,031	47,133	9,081
Other earning assets.....	0	0	700
Total earning assets.....	64,474	65,037	64,167
Circulation of Fed. Res. notes..	98,367	102,653	110,622
Members' reserve deposits.....	51,017	55,082	50,372
Cash reserves .....	96,191	102,819	107,343
Reserve ratio .....	61.80	64.18	64.09

Rediscounts for member banks held by the Federal Reserve Bank of Richmond rose by \$725,000 between December 15, 1932, and January 15, 1933, but the bank's portfolio of open market paper declined by \$186,000, and holdings of Government securities decreased by \$1,102,000 between the same dates, a net decline of \$563,000 in total earning assets during the month. Between the middle of December and the middle of January there was a seasonal decline in the circulation of Federal reserve notes amounting

to \$4,286,000, and member bank reserve deposits also declined, by \$4,065,000. The several changes mentioned, with others of less importance, lowered the cash reserves of the Federal Reserve Bank of Richmond by \$6,628,000 between December 15 and January 15, and also reduced the ratio of cash reserves to note and deposit liabilities combined by 2.38 points.

In comparison with condition figures on the Richmond reserve bank's statement at the middle of January last year, the figures on January 15 this year show some marked changes. Rediscounts for member banks dropped by \$28,076,000 between the two dates, but the volume of rediscounts a year ago was high because of bank failures or threatened failures, which caused a number of member banks to borrow heavily at the reserve bank in order to have funds on hand with which to meet emergencies. The circulation of Federal reserve notes also shows a marked drop during the year, amounting to \$12,255,000, the volume of notes outstanding a year ago having been exceptionally large for the same reason cited to explain last year's total of rediscounts. Total earning assets of the Federal Reserve Bank of Richmond changed very little during the year, rising by \$307,000, but the several items making up the total of earning assets changed materially. In addition to the decline in rediscounts, the portfolio of open market paper dropped by \$7,867,000 during the year, and miscellaneous assets declined \$700,000, but there was an increase of \$36,950,000 in the bank's holdings of Government securities. Member bank reserve deposits rose \$645,000 between January 15, 1932, and January 15, 1933, little more than a daily fluctuation. The changes in the statement during the year resulted in a decline of \$11,152,000 in the cash reserve of the Federal Reserve Bank of Richmond, and a drop of 2.39 points in the ratio of cash reserves to note and deposit liabilities combined.

### Member Bank Statement

ITEMS	000 omitted		
	Jan. 11 1933	Dec. 14 1932	Jan. 13 1932
Loans on stocks and bonds (including Governments) .....	\$112,518	\$115,090	\$144,624
All other loans.....	186,653	191,370	224,712
Total loans and discounts.....	299,171	306,460	369,336
Investments in stocks & bonds..	266,949	267,118	234,130
Reserve bal. with F. R. Bank....	35,334	34,136	33,154
Cash in vaults.....	12,548	13,361	15,838
Demand deposits .....	282,128	281,809	295,997
Time deposits .....	231,066	226,355	224,457
Borrowed from F. R. Bank.....	2,722	3,976	22,617

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 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 14 and January 11, total loans and discounts held by the forty-nine reporting banks declined by \$7,289,000, loans on securities dropping \$2,572,000, and all other loans, which are largely agricultural or commercial in character, decreasing \$4,717,000. A decrease in loans at the end of the year is seasonal. The reporting banks also decreased their investments in stocks and bonds by \$169,000 during the month, but increased their reserve balance at the reserve bank by \$1,198,000. Cash in vaults declined by \$813,000 between December 14 and January 11. Aggregate deposits in the forty-nine banks increased by \$5,030,000 last month, demand deposits rising by \$319,000 and time deposits increasing by \$4,711,000. The rise in deposits in contrast with a decline in loans is unusual, but is probably due to the return of funds from hoarding in considerable amount. Decreased loans and increased deposits enabled the reporting banks to reduce their borrowing at the reserve bank by \$1,254,000 between December 14 and January 11. On the latter date, ten of the forty-nine banks were borrowing at the Federal Reserve Bank of Richmond, compared with thirteen of the same banks which were borrowing a month earlier.

A comparison of the January 11, 1933, figures with those for January 13, 1932, shows increases in investments, reserve balance, and in time deposits during the year, but all other items declined. Total loans and discounts decreased by \$70,165,000 between the middle of January last year and this, loans on

stocks and bonds decreasing \$32,106,000 and all other loans falling \$38,059,000. Aggregate deposits declined \$7,260,000 during the year, demand deposits decreasing \$13,869,000 but time deposits rising \$6,609,000. The decrease in deposits was materially less than might have been expected to accompany a decline of \$70,000,000 in loans. Investments in stocks and bonds by the forty-nine reporting banks increased \$32,819,000 between the 1932 and 1933 dates, cash in vaults decreased by \$3,290,000, and borrowing at the reserve bank declined by \$19,895,000. On January 11, 1933, only ten of the forty-nine reporting banks were borrowing at the Federal Reserve Bank of Richmond, but on January 13, 1932, twenty-nine of the reporting banks were borrowing, due to a desire to strengthen their cash position at a time when bank failures were numerous.

### Time and Savings Deposits

Time deposits in forty-nine reporting member banks and aggregate deposits in twelve mutual savings banks in Baltimore totaled \$439,044,456 at the end of December 1932, a higher figure than either \$433,285,126 reported at the end of November 1932 or \$437,972,559 reported at the end of December 1931. Time and savings deposits in both member banks and mutual savings banks increased during December, and at the end of the year 1932 were higher in member banks than at the end of 1931, but aggregate deposits in mutual savings banks decreased during the past year.

### DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	Total Debits During the Four Weeks Ended			Annual Totals	
	Jan. 11, 1933	Dec. 14, 1932	Jan. 13, 1932	1932	1931
Asheville, N. C.....	\$ 7,384,000	\$ 6,997,000	\$ 10,816,000	\$ 98,923,000	\$ 139,608,000
Baltimore, Md.....	235,718,000	229,762,000	314,161,000	3,383,614,000	4,413,211,000
Charleston, S. C.....	10,098,000	8,691,000	21,138,000	129,037,000	208,428,000
Charleston, W. Va.....	36,457,000	26,206,000	41,261,000	357,911,000	456,759,000
Charlotte, N. C.....	30,607,000	29,544,000	38,642,000	407,444,000	500,477,000
Columbia, S. C.....	14,646,000	10,811,000	18,320,000	169,169,000	258,860,000
Cumberland, Md.....	4,775,000	4,719,000	6,625,000	68,352,000	95,058,000
Danville, Va.....	5,204,000	5,605,000	7,018,000	59,910,000	82,998,000
Durham, N. C.....	15,702,000	17,537,000	18,226,000	190,515,000	290,147,000
Greensboro, N. C.....	10,895,000	8,620,000	14,039,000	129,548,000	214,543,000
Greenville, S. C.....	10,268,000	8,990,000	13,655,000	124,095,000	181,083,000
Hagerstown, Md.....	4,996,000	5,102,000	6,161,000	69,533,000	96,033,000
Huntington, W. Va.....	11,421,000	9,476,000	13,572,000	129,986,000	191,327,000
Lynchburg, Va.....	12,308,000	11,574,000	16,151,000	151,724,000	199,056,000
Newport News, Va.....	6,895,000	6,706,000	9,797,000	87,094,000	128,476,000
Norfolk, Va.....	32,254,000	35,085,000	40,614,000	425,187,000	565,561,000
Portsmouth, Va.....	3,280,000	3,219,000	4,368,000	41,597,000	54,437,000
Raleigh, N. C.....	23,866,000	16,397,000	27,240,000	180,243,000	259,468,000
Richmond, Va.....	111,543,000	99,515,000	114,745,000	1,306,675,000	1,478,255,000
Roanoke, Va.....	17,908,000	16,540,000	24,387,000	232,036,000	311,114,000
Spartanburg, S. C.....	3,992,000	4,343,000	9,327,000	70,129,000	111,076,000
Washington, D. C.....	182,465,000	164,111,000	202,722,000	2,353,554,000	2,772,213,000
Wilmington, N. C.....	7,069,000	6,554,000	10,883,000	91,845,000	134,651,000
Winston-Salem, N. C.....	23,485,000	19,142,000	32,523,000	307,612,000	393,228,000
<b>District Totals</b> .....	<b>\$ 823,236,000</b>	<b>\$ 755,246,000</b>	<b>\$ 1,016,391,000</b>	<b>\$10,565,733,000</b>	<b>\$13,536,067,000</b>

The accompanying table 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 four 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 1932 and 1931.

Debits figures for four weeks ended January 11,

1933, showed a seasonal increase amounting to \$67,990,000, or 9.0 per cent, over aggregate debits in the preceding four weeks, ended December 14, 1932, the increase being due in part to holiday trade but principally to the large volume of annual payments falling due on January 1. Of the twenty-four reporting cities, nineteen reported higher figures for the more recent period, while five cities failed to show the seasonal increase. The declines in Danville and Durham were due in part to holiday suspension of tobacco marketing. All of the larger cities except Norfolk showed higher figures in the period ended January 11.

In comparison with debits aggregating \$1,016,391,000 reported for the four weeks ended January 13, 1932, this year's figures for the corresponding period show a decline of \$193,155,000, or 19.0 per cent. Every one of the twenty-four cities reported lower figures for the current period. The decreases in this year's figures were due in part to a generally reduced volume of business, in part to lower prices in many lines, and in part to the effects of the check tax law.

Total debits in the twenty-four reporting cities for 1932 showed a decrease of \$2,970,334,000, or 21.9 per cent, in comparison with total debits in 1931. The decrease was district wide, every one of the reporting cities showing lower figures for the later year. Richmond, with a decline of 11.6 per cent, made the best record for 1932 in comparison with 1931, while Washington ranked second with a decline of 15.1 per cent and Charlotte third with a decline of 18.6 per cent. The district total of debits in the twenty-four reporting cities in 1932 was the lowest for any year since the Federal Reserve Bank of Richmond began tabulating the figures in 1922, and was 37.3 per cent below the total of debits in the highest year on record, 1929.

### Commercial Failures

Business failures in the Fifth reserve district in December 1932 numbered 148, in comparison with 147 reported for November 1932 and 140 reported for December 1931. Liabilities involved in last month's insolvencies totaled only \$2,741,688, a lower figure than either \$4,250,000 in November or \$4,301,830 in December of the preceding year. As a rule, business failures tend to rise in December because of the pressure of year-end settlements, and therefore on the whole the record for December 1932 was favorable. The National record for December was also better than the record for December 1931, a total of 2,469 insolvencies last month comparing with 2,758 in the earlier month, and liabilities last month totaling \$64,188,643 comparing with \$73,212,950 in December 1931.

The year 1932 witnessed 1,936 failures in the Fifth reserve district, with liabilities totaling \$54,233,281. These figures show increases of 23 per cent and 55.5 per cent, respectively, over 1,574 failures and liabilities totaling \$34,880,659 in 1931. The number of insolvencies last year was larger than in any other year since the World War, and last year's aggregate liabilities were greater than in any earlier year except 1924.

### Employment

Conditions in employment did not improve generally during December and early January, although in some cities additional work was provided by projects begun chiefly with this end in view. During the year 1932, unemployment slowly increased, and calls for assistance became even more numerous as idle workers exhausted surplus funds. Toward the end of the year a number of cities and other political units undertook to provide part time work for unemployed persons, especially for workers with families, and this helped to relieve distress to a certain extent, but the year closed with a very large number of people out of work and dependent upon public or private assistance to prevent actual suffering. Wage reductions spread in 1932, which reduced the purchasing power of employed people and thereby lowered still further the volume of sales in all retail and wholesale lines.

### Coal Production

Bituminous coal production in the United States in December 1932 exceeded production in November, and also exceeded the production of December 1931. Last month 31,110,000 net tons of bituminous coal were mined, compared with 30,632,000 tons mined in November and 30,579,000 tons brought to the surface in December 1931. Total production for the calendar year 1932 was approximately 305,667,000 net tons, compared with 382,089,000 tons mined in 1931, and 467,526,000 tons in 1930. Shipments of coal through Hampton Roads in December totaled approximately 1,690,435 tons, and total shipments from January 1 through December 31 totaled 16,585,217 tons. Shipments through Hampton Roads ports totaled 20,445,000 tons in 1931.

The December 23, 1932, report of the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of November. West Virginia led all States with 7,669,000 net tons, Pennsylvania ranking second with an output of 7,225,000 tons.

### Textiles

Operations of textile mills in the Fifth reserve district showed a seasonal recession in December in comparison with November, but continued at a higher rate than in December 1931. Cotton consumed in the district in December totaled 219,212 bales, of which 100,751 bales were used by North Carolina mills, 107,260 bales were used by South Carolina mills, and 11,201 bales were used by Virginia mills. North Carolina mills used less cotton last month than in December 1931, but both South Carolina and Virginia mills increased their consumption. In November 1932 the mills in the Carolinas and Virginia consumed 246,775 bales, and in December 1931 they used 198,076 bales. Total consumption in the Fifth district in 1932 amounted to 2,403,441 bales, a decrease of 4.1 per cent in comparison with 2,507,332 bales used in 1931, all of the decrease occurring during the five months of April, May, June, July and August. Consumption of cotton

in the Richmond reserve district in December 1932 totaled 49.81 per cent of National consumption, compared with 48.99 per cent in November 1932 and 47.68 per cent in December 1931.

### Cotton Statistics

*Spot cotton prices* showed an upward tendency between the middle of December and the middle of January, but the rise was slight. In our *Review* last month we quoted the average price for  $\frac{7}{8}$  inch staple, middling grade cotton, on ten Southern markets as 5.80 cents per pound on December 16. The average price declined to 5.72 cents on December 23, but rose again to 5.83 cents on December 30. On both January 6 and 13 the average price on the ten markets was 6.03 cents per pound. A year ago, January 15, 1932, the average price was 6.25 cents.

*Cotton consumption* in American mills in December 1932 totaled 440,062 bales, according to the report of the Bureau of the Census made public on January 14. This figure shows a seasonal decrease from 503,722 bales consumed during the month of November, but is 5.9 per cent more than 415,401 bales consumed in December 1931. Total consumption during the five months of the present cotton year amounted to 2,340,284 bales, compared with 2,191,017 bales consumed during the five months ended December 31, 1931. Cotton on hand at manufacturing establishments on December 31, 1932, totaled 1,530,110 bales, compared with 1,456,913 bales held on November 30, 1932, and 1,630,719 bales held on December 31, 1931. Bales in public warehouses and compresses numbered 10,349,808 at the end of December, against 10,677,362 bales at the end of November, and 10,414,412 bales on December 31, 1931. Exports of cotton totaled 1,039,795 bales in December, compared with 1,012,411 bales sent abroad in November 1932 and 1,183,121 bales in December 1931, and exports in the five months of the present cotton year—August 1-December 31, inclusive—totaled 4,246,048 bales against 4,037,166 bales shipped over seas in the corresponding five months ended December 31, 1931. Imports last month totaled 10,742 bales, compared with 12,705 bales imported in December 1931. Consumption of cotton in the cotton growing states totaled 371,079 bales in December, compared with 344,206 bales used in December 1931. Last month's consumption in the cotton growing states amounted to 84.32 per cent of National consumption, compared with 82.86 per cent of National consumption used in the cotton growing states in December a year ago. Of the 371,079 bales consumed in the cotton growing states last month, Fifth reserve district states used 219,212 bales, or 59.07 per cent. Spindles active at some time during December 1932 numbered 23,775,136, compared with 24,349,506 in November 1932 and 24,688,094 in December 1931.

### Tobacco Marketing

*North Carolina* tobacco markets sold 23,704,466 pounds of producers' tobacco in December 1932, compared with 65,058,914 pounds sold in December 1931. Total sales this season to January 1, 1932, amounted to

268,403,318 pounds, compared with sales totaling 422,631,212 pounds sold of the 1931 crop prior to January 1, 1932. Prices received in North Carolina last month averaged \$11.02 per hundred pounds, a much higher figure than \$6.74 per hundred received for tobacco sold in December a year ago. Winston-Salem led in sales in December with 4,592,994 pounds, and Durham ranked second with 2,508,786 pounds. In total sales this season, Greenville leads with 35,152,106 pounds, Wilson ranking second with 33,889,834 pounds and Winston-Salem third with 26,947,901 pounds. Asheville, the only burley market in North Carolina, led in price in December with \$14.56 per hundred pounds, but Rocky Mount led the bright tobacco markets with \$13.39 per hundred.

*Virginia* tobacco warehouses sold 13,406,192 pounds of tobacco for growers during December for an average price of \$9.60 per hundred pounds. In December 1931 warehouses sold 24,999,910 pounds at an average of \$6.38 per hundred pounds. Total sales for the season to December 31 amounted to 36,646,980 pounds at an average of \$9.27, compared with 59,720,859 pounds at an average of \$7.79 sold during the same period in 1931. Prices for flue-cured tobacco averaged slightly lower than in November, but were higher than in December 1931 and 1930. Total sales for this type amounted to 7,970,852 pounds at an average of \$8.50 per hundred pounds, while in December 1931, 16,052,549 pounds were sold at an average of \$6.18 per hundred pounds. Prices for fire-cured tobacco advanced considerably during December and the average for the month was nearly 80 per cent above the average for the same month a year ago. Total sales of fire-cured tobacco amounted to 2,298,042 pounds in December, at an average price of \$8.18 per hundred pounds, compared with 5,130,656 pounds at an average of \$4.64 per hundred pounds in December 1931. Burley prices were nearly 40 per cent above prices for December 1931. Total sales amounted to 2,890,080 pounds at an average of \$14.08 per hundred, compared with 3,321,325 pounds at an average of \$10.18 per hundred. Sun-cured tobacco sales were very light in December and the average price was only slightly higher than a year ago. Total sales amounted to 247,218 pounds, at an average of \$5.95 per hundred pounds, compared with 495,380 pounds at an average of \$5.22 per hundred pounds for December 1931. According to estimates of warehousemen, December sales of all types graded 19 per cent good, 36 per cent medium, and 45 per cent common, compared with December 1931 grades of 15 per cent good, 34 per cent medium, and 51 per cent common. Among the individual markets, Danville led in December sales with 4,671,974 pounds, Abingdon ranking second with 2,890,080 pounds. Abingdon, a burley market, led in price last month at \$14.00 per hundred, while Danville led all other markets at \$9.58.

### Crop Estimates

Official crop estimates by the Department of Agriculture show reduced production of all important crops except sweet potatoes in the Fifth Federal reserve district in 1932 in comparison with 1931, the reductions

being due in part to smaller acreage and in part to unfavorable weather. The district experienced drought conditions at midsummer, some sections in Maryland and Virginia suffering nearly as much as in the record drought of 1930, and the Carolinas suffering more. Prices realized by farmers were higher for some crops in 1932 than in 1931, but in no case was the advance in price sufficient to balance lower production, with the result that cash receipts by farmers in the Fifth district were much lower last year than in the preceding year.

We include a table showing crop yields in the Fifth

Federal reserve district for the past three years. 1930 witnessed the worst drought on record in Maryland, Virginia and West Virginia, while the Carolinas were only slightly affected. In 1931 excellent yields of practically all crops were made, and 1932 struck a rough average between the two earlier years. Smaller acreages planted to cash crops, especially cotton and tobacco, accounted in large part for the material reductions in 1932 yields, although weather conditions were also less favorable during the past season. Estimated value figures on 1932 crops have not been issued officially by the Department of Agriculture.

Crops	Yrs.	Maryland	W. Virginia	Virginia	N. Carolina	S. Carolina
Corn (bus.)	1932	16,440,000	11,150,000	26,388,000	34,830,000	17,885,000
	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
Cotton (bales)	1932	-----	-----	28,000	640,000	695,000
	1931	-----	-----	42,000	756,000	1,005,000
	1930	-----	-----	42,000	775,000	1,001,000
Tobacco (lbs.)	1932	22,750,000	2,760,000	56,715,000	280,840,000	39,236,000
	1931	29,605,000	5,180,000	97,920,000	468,520,000	69,972,000
	1930	18,725,000	3,906,000	112,530,000	585,990,000	98,600,000
Irish Potatoes (bus.)	1932	2,945,000	3,608,000	9,682,000	6,596,000	1,462,000
	1931	3,360,000	3,200,000	14,278,000	8,532,000	3,500,000
	1930	2,520,000	2,394,000	13,689,000	7,220,000	2,835,000
Sweet Potatoes (bus.)	1932	920,000	-----	3,610,000	7,990,000	6,072,000
	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
Oats (bus.)	1932	1,425,000	3,036,000	3,237,000	3,690,000	7,974,000
	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
Wheat (bus.)	1932	4,940,000	1,276,000	6,253,000	3,572,000	760,000
	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
Hay (tons)	1932	470,000	558,000	772,000	565,000	210,000
	1931	469,000	651,000	1,002,000	695,000	178,000
	1930	309,000	316,000	988,000	552,000	144,000
Peanuts (lbs.)	1932	-----	-----	140,000,000	254,740,000	14,720,000
	1931	-----	-----	164,160,000	305,900,000	13,000,000
	1930	-----	-----	100,080,000	196,200,000	11,200,000
Apples (bus.)	1932	1,368,000	4,917,000	7,830,000	1,825,000	164,000
	1931	3,458,000	12,954,000	21,117,000	5,475,000	320,000
	1930	1,533,000	3,812,000	7,700,000	2,555,000	265,000
Apples, Commercial (bbls.)	1932	252,000	833,000	1,740,000	119,000	-----
	1931	650,000	1,700,000	3,500,000	274,000	-----
	1930	330,000	680,000	1,450,000	100,000	-----
Sorghum Syrup (gals.)	1932	-----	-----	200,000	1,680,000	540,000
	1931	-----	-----	210,000	2,117,000	486,000
	1930	-----	-----	80,000	1,320,000	350,000

## Construction

*Building permits issued* for work within the corporate limits of thirty-two Fifth district cities numbered 1,343 in December 1932, with estimated valuation figures of only \$1,433,251, compared with 1,826 permits issued in December 1931, for a valuation total of \$3,039,037. Last month was one of the poorest on record since the restrictions of the war years, the number of permits decreasing 26.5 per cent and valuation figures falling 52.8 per cent in comparison with the

December 1931 figures. Ten of the thirty-two cities reported higher valuation figures for December than for the corresponding month of the preceding year, but all of these increases except the one in Columbia were due to very small 1931 figures rather than to large amounts of work planned last month. All of the three largest cities, Baltimore, Washington and Richmond, reported very low valuation figures for December 1932. During the year 1932, permits issued in the thirty-two reporting cities totaled 27,781, compared with 34,484 permits issued in 1931 and 35,091 permits in 1930.

**Building Permits Issued, Fifth District Cities, December 1932 and 1931.**

CITIES	Permits Issued		Total Valuation	
	1932	1931	1932	1931
Baltimore, Md. ....	586	819	\$ 482,520	\$ 801,600
Cumberland, Md. ....	0	6	0	1,675
Frederick, Md. ....	5	11	3,500	3,040
Hagerstown, Md. ....	8	8	12,875	5,270
Salisbury, Md. ....	5	16	3,625	18,240
Danville, Va. ....	5	8	320	9,365
Lynchburg, Va. ....	22	24	18,271	30,490
Norfolk, Va. ....	81	72	60,870	63,765
Petersburg, Va. ....	2	2	175	3,200
Portsmouth, Va. ....	8	17	3,065	7,360
Richmond, Va. ....	42	68	48,964	64,883
Roanoke, Va. ....	9	18	6,764	19,287
Bluefield, W. Va. ....	4	4	5,050	3,450
Charleston, W. Va. ....	76	47	25,261	94,149
Clarksburg, W. Va. ....	11	9	2,100	2,622
Huntington, W. Va. ....	10	14	7,310	3,535
Asheville, N. C. ....	17	18	19,376	7,234
Charlotte, N. C. ....	15	27	63,846	28,511
Durham, N. C. ....	14	8	22,895	8,725
Greensboro, N. C. ....	15	32	5,591	642,314
High Point, N. C. ....	5	18	4,850	31,375
Raleigh, N. C. ....	11	14	9,515	21,555
Rocky Mount, N. C. ....	2	5	85	5,490
Salisbury, N. C. ....	0	2	0	4,375
Wilmington, N. C. ....	10	19	13,600	33,300
Winston-Salem, N. C. ....	25	32	11,415	22,684
Charleston, S. C. ....	28	32	9,230	32,028
Columbia, S. C. ....	41	33	142,768	118,570
Greenville, S. C. ....	14	13	17,150	14,340
Rock Hill, S. C. ....	9	7	11,825	8,765
Spartanburg, S. C. ....	9	7	1,620	2,055
Washington, D. C. ....	254	416	418,815	925,785
<b>Totals</b> .....	<b>1,343</b>	<b>1,826</b>	<b>\$1,433,251</b>	<b>\$3,039,037</b>

Estimated valuation figures last year totaled only \$35,-613,841, compared with \$80,739,801 in 1931 and \$97,-992,273 in 1930.

Contracts awarded in December for construction work in the Fifth district, including both rural and urban projects, totaled \$12,584,650, compared with \$9,809,965 awarded in November 1932 and \$11,677,650 in December 1931, according to figures collected by the F. W. Dodge Corporation. Of the awards in December 1932, \$1,673,280, or 13.3 per cent, was for residential work, compared with \$3,741,530, or 32.0 per cent, for this type of work in December 1931. Annual figures for 1932 on contracts awarded in the Fifth district total \$157,483,234, a decrease of 35.4 per cent in comparison with contracts totaling \$243,595,366 awarded in 1931.

**Retail Trade, 33 Department Stores**

Retail trade in December 1932 in the Fifth reserve district did not measure up to seasonal level, chiefly

	Richmond	Baltimore	Washington	Other Cities	District
December 1932 sales, compared with sales in December 1931:	-20.5	-22.9	-20.5	-24.7	-21.8
Total sales during 1932, compared with sales in 1931:	-19.8	-20.0	-16.7	-24.2	-19.1
Dec. 31, 1932, stocks, compared with stocks on Dec. 31, 1931:	-13.4	-13.1	-13.1	-20.5	-14.0
Dec. 31, 1932, stocks, compared with stocks on Nov. 30, 1932:	-22.1	-20.0	-23.7	-20.8	-21.8
Number of times stocks were turned in December 1932:	.553	.5	.567	.394	.52
Number of times stocks were turned during the year 1932:	3.758	3.732	3.926	2.706	3.692
Percentage of December 1, 1932, receivables collected in Dec.:	29.8	22.3	28.0	26.0	25.3

due to very unfavorable weather from the first of the month through Christmas. As a result, sales in thirty-three representative department stores declined 21.8 per cent in comparison with sales in December 1931, the most unfavorable comparison made by any month since last August. In total sales for the year 1932, reporting stores in the district showed an average decline of 19.1 per cent in comparison with total sales in 1931.

Stocks of goods on the shelves of the reporting stores, at retail selling prices, declined 21.8 per cent during the month of December 1932, and at the end of the year were 14.0 per cent smaller than stocks on hand at the end of 1931. Stocks were turned an average of .52 times during the month of December, and in the year 1932 stocks were turned an average of 3.692 times, a lower figure than 3.941 times in the preceding year.

Collections in December averaged 25.3 per cent of outstanding receivables on December 1, 1932, a higher figure than 25.2 per cent for November 1932, but materially lower than 28.1 per cent collected in December 1931.

**Wholesale Trade, 62 Firms**

	22 Groceries	9 Dry Goods	6 Shoes	13 Hardware	12 Drugs
December 1932 sales, compared with sales in December 1931:	-10.9	-19.2	+ 2.8	- 8.7	-10.2
December 1932 sales, compared with sales in November 1932:	+ 1.0	-36.3	-49.0	-17.6	+ 5.4
Total sales in 1932, compared with sales in 1931:	-16.2	-20.7	-10.9	-18.2	-17.5
Dec. 31, 1932, stocks, compared with stocks on Dec. 31, 1931:	-19.0(8*)	- 7.9(4*)	- 6.8(4*)	-15.4(7*)	.....
Dec. 31, 1932, stocks, compared with stocks on Nov. 30, 1932:	-16.8(8*)	- 9(4*)	-11.7(4*)	- 2.7(7*)	.....
Percentage of Dec. 1, 1932, receivables collected in December:	59.3(13*)	38.3(6*)	40.1(6*)	32.2(11*)	46.3(8*)

\* Number of reporting firms.

(Compiled January 21, 1933)

**BUSINESS CONDITIONS IN THE UNITED STATES**

(Compiled by the Federal Reserve Board)

Volume of industrial production declined in December by slightly less than the usual seasonal amount, while factory employment and payrolls showed a decrease somewhat larger than is usual at this season. The general level of wholesale commodity prices, after declining in December, showed relatively little change in the first half of January.

**Production and Employment**

In December the Board's seasonally adjusted index of industrial output showed an increase from 65 per cent of the 1923-1925 average to 66 per cent, the level prevailing in September and October. There was a substantial increase in output of automobiles in connection with the introduction of new models, and lumber production showed a less-than-seasonal decline. In the textile industries there were decreases in output in accordance with the usual seasonal tendency. Activity at steel mills showed a substantial decline in December, followed by a seasonal increase in the first three weeks of January.

Volume of employment in manufacturing industries decreased from the middle of November to the middle of December by somewhat more than the usual seasonal amount. Working forces were reduced in the clothing, leather, and building material industries, while at automobile factories there was a substantial increase in employment.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined by more than the usual seasonal amount in the fourth quarter, following a non-seasonal increase in the third quarter. Contracts awarded in the first half of January showed an increase, as measured by daily average figures, reflecting the award of large contracts in connection with construction of a bridge at New Orleans.

**Distribution**

Freight traffic decreased in December by an amount somewhat smaller than is usual at this season. Sales by department stores increased by somewhat less than the usual seasonal amount and were smaller than a year ago by 23 per cent, reflecting in part a decline in prices.

**Foreign Trade**

Value of exports in December was smaller than in December 1931 by about one-fourth. For the year as a whole the decline was about one-third, reflecting

decreases ranging, in the first eleven months, from 8 per cent for crude materials to 45 per cent for finished manufactures. Value of imports into this country during 1932 was smaller than in 1931 by 37 per cent.

**Wholesale Prices**

Wholesale prices of many leading commodities, including non-agricultural as well as agricultural products, declined from November to December, and the monthly index of the Bureau of Labor Statistics showed a decrease from 63.9 per cent of the 1926 average to 62.6 per cent, as compared with 68.6 per cent a year ago. In the first half of January, wheat prices advanced from the low levels reached at the end of December and cotton prices also increased somewhat, while prices of silk, rubber, and gasoline declined considerably.

**Bank Credit**

In the four weeks from December 21 to January 18, the stock of monetary gold increased by \$80,000,000 and there was a seasonal decline of \$130,000,000 in the volume of money in circulation—a considerably smaller decline than usual, reflecting a smaller than usual increase for the holiday trade in December and some withdrawal of funds accompanying bank suspensions in the middle of January. The reserve funds arising from these two sources were absorbed in part by a reduction of member bank borrowings at the Federal reserve banks and through a decline of \$73,000,000 between January 4 and January 18 in the reserve banks' holdings of United States Government securities. Member bank reserve balances, however, increased further during the four-week period by about \$100,000,000, to a level \$575,000,000 higher than a year ago. Excess reserves of member banks, which have been in substantial volume for several months, also increased during the period.

Volume of member bank credit continued to decline during December and the first part of January. From the middle of December to January 11, total loans and investments of reporting member banks in leading cities declined by \$165,000,000, to a level about \$350,000,000 above the low point of last summer. The decline was entirely in the banks' loans, while investments showed relatively little change.

Money rates in the open market continued at low levels.