

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



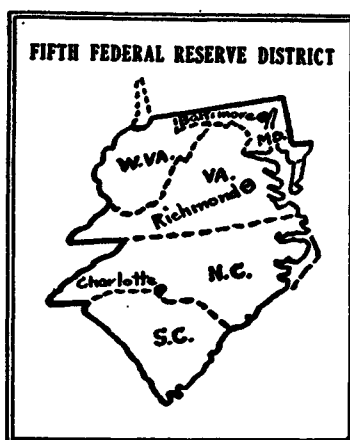
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FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

DECEMBER 31, 1933

STATISTICS for 1933 are not yet available, but the general trend of business during the year can be pointed out. The first three months of 1933 witnessed renewed recession of marked character, especially in the banking field. The reopening of banks on a new basis, following the banking holiday, restored confidence to a measurable degree, and this and other developments led to improved conditions. In early summer business began to pick up noticeably, and fall trade was better than for several years. There was some slowing down in the rate of recovery in October and November, but this was due chiefly to too rapid expansion between June and October. That consumer purchasing was greatly increased during the second half of 1933 is indicated by improved retail and wholesale trade, better collections, decreased commercial failures, a marked rise in sales of both new and used automobiles, and higher prices for satisfactory agricultural yields. In the Fifth reserve district, developments during the year were especially helpful in the lower half of the district. The Carolinas suffered worse in the early days of the depression than Maryland, Virginia and West Virginia, but higher cotton prices this year and both larger production and higher tobacco prices so changed the picture that at the end of 1933 business is better in the Carolinas than in the upper tier of states.

Examining specifically the developments in the Fifth district between the middle 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 declined further, and member bank reserve deposits also dropped moderately. There was an increase in the circulation of Federal reserve notes, a normal development at this season when holiday trade increases the need for currency. Member banks reduced their loans slightly between the middle of November and the middle of December, but



their investments, chiefly in Government securities, rose by about the same amount as the reduction in loans. There was a moderate decline in time deposits during the past month, a decline which usually occurs at this time of year, but demand deposits rose. Debits to individual accounts figures in five weeks ended December 13 failed to show a normal seasonal increase in comparison with debits in the preceding five weeks, ended November 8, but exceeded debits in the corresponding five weeks last year. Employment registered further gains during the month, chiefly in made work designed to take care of people unable to obtain jobs in regular lines of trade. Coal production increased over that of October, but was slightly lower than production in November last year. Business failures in the Fifth district were fewer in number and lower in aggregate liabilities than in any other November since 1920. Textile mills further restricted operations during November, but this was largely a result of over production earlier in the fall. Spot cotton prices held their own between the middle of November and the middle of December, at a level several cents above the prevailing price a year ago. Tobacco markets in the Carolinas and Virginia handled much more tobacco, and at higher prices, in November 1933 than in November 1932. Construction work by private interests continues to lag behind all other branches of industry, but this lack is partly made up by public works and works undertaken with public funds. Retail trade in November exceeded the volume of trade in November 1932 by a wide margin in the lower half of the Fifth district, but was not quite up to the 1932 level in Maryland and the District of Columbia. Wholesale trade, while seasonally below the level of October, was materially above the volume of trade of November last year. Preliminary reports on the holiday trade indicate that the volume of sales in retail stores during December has been the best in a number of years.

Reserve Bank Statement

ITEMS	000 omitted		
	Dec. 15 1933	Nov. 15 1933	Dec. 15 1932
Rediscounts held	\$ 5,587	\$ 6,818	\$ 15,935
Open market paper	5,469	492	1,969
Government securities	78,563	78,563	47,133
Total earning assets	89,619	85,873	65,037
Circulation of Fed. Res. notes..	159,434	149,697	102,653
Cir. of Fed. Res. bank notes.....	4,559	4,534	0
Members' reserve deposits.....	77,062	80,536	55,082
Cash reserves	165,378	166,601	105,635
Reserve ratio	68.27	69.55	65.94

In the accompanying table, principal items from the statement of condition of the Federal Reserve Bank of Richmond are shown for three dates, December 15 and November 15, 1933, and December 15, 1932, thus affording opportunity for study of the changes during the past month and the past year. It should be understood that the figures are not necessarily the highest or lowest which occurred during the periods under review, but reflect the condition of the Bank on the dates mentioned.

Rediscounts for member banks continued to decline last month, decreasing by \$1,231,000, and at the middle of December the total of rediscounts at the Richmond bank lacked \$10,348,000 of equaling the relatively small volume of borrowing a year earlier. On the other hand, the Bank increased its portfolio of open market paper last month by \$4,977,000, and on December 15 this item was \$3,500,000 higher than on December 15, 1932. Holdings of Government securities remained unchanged between November 15 and December 15, but on the latter date showed a rise of \$31,430,000 during the past year. As a result of the changes in individual asset items, total earning assets showed a net increase of \$3,746,000 during the past month and a rise of \$24,582,000 during the past year. Federal reserve notes in actual circulation rose between November 15 and December 15 by \$9,737,000, a seasonal increase due to needs for additional currency in connection with holiday buying and marketing of crops, especially tobacco and cotton. The increase in note circulation was larger last month than in most years at this time of the year. On December 15, the total of notes in circulation exceeded the total for December 15, 1932, by \$56,781,000. During the past two or three months the Federal Reserve Bank of Richmond has put into circulation approximately \$4,500,000 of Federal reserve bank notes, supplementing the regular issue of Federal reserve notes. Member bank reserve deposits, which are much higher than actual requirements, declined by \$3,474,000 during the past month, but at the middle of December totaled \$21,980,000 more than reserves at the same time last year. The several changes in the statement mentioned, with others of less importance, reduced the cash reserves of the Richmond reserve bank by \$1,223,000 between November 15 and December 15, and lowered the ratio of cash reserves

to note and deposit liabilities combined by 1.28 points. Reserves on December 15, 1933, were higher by \$59,743,000 than reserves on December 15, 1932, and the ratio also rose 2.33 points during the year.

Member Bank Statement

ITEMS	000 omitted		
	Dec. 13 1933	Nov. 15 1933	Dec. 14 1932
Loans on stocks and bonds (including Governments)	\$ 58,706	\$ 59,835	\$ 61,572
All other loans	113,952	118,065	118,703
Total loans and discounts	172,658	177,900	180,275
Investments in securities	163,931	161,227	133,087
Reserve bal. with F. R. Bank....	32,033	29,777	18,789
Cash in vaults	11,424	9,832	8,881
Demand deposits	194,720	191,624	163,790
Time deposits	126,872	129,026	132,958
Borrowed from F. R. Bank.....	0	246	432

Twenty-eight member banks in ten leading cities of the Fifth Federal reserve district make weekly reports of condition to the Federal Reserve Bank of Richmond, and the accompanying table shows principal items for three dates, December 13 and November 15, 1933, and December 14, 1932.

Between November 15 and December 13, both this year, changes in the statement were relatively small. Total loans and discounts declined by \$5,242,000, loans on stocks and bonds dropping \$1,129,000 and all other loans decreasing \$4,113,000. On the other hand, the reporting banks increased their investments in securities by \$2,704,000 and raised their reserve balance at the reserve bank by \$2,256,000 between the middle of November and the middle of December. Cash in vaults rose by \$1,592,000 during the month. Demand deposits rose \$3,096,000, in spite of a reduction in loans which tends to carry with it a corresponding reduction in deposits. Time deposits declined by \$2,154,000 between November 15 and December 13, a usual development at this time of year when withdrawals from savings accounts are made for payment of taxes and holiday purchases. On December 13, none of the twenty-eight reporting banks were rediscounting at the reserve bank, compared with two of the number which were borrowing a total of \$246,000 a month earlier.

During the year between December 14, 1932, and December 13, 1933, some of the items in the statement of condition changed materially. Total loans dropped during the year only \$7,617,000, of which \$2,866,000 was in loans on stocks and bonds and \$4,751,000 was in all other loans, but investments in securities rose by \$30,844,00 and reserve balance at the Federal reserve bank rose by \$13,244,000. Cash in vaults increased by \$2,543,000 in the year. Demand deposits rose by \$30,930,00 between the middle of December last year and this, but time deposits decreased by \$6,086,000 during the year. Rediscounts by the twenty-eight banks at the reserve bank dropped from \$432,000 on December 14, 1932, to nothing on December 13, 1933. Last year five of the reporting institutions were rediscounting at the middle of December.

Time and Savings Deposits

Time deposits in twenty-eight reporting member banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$311,706,039 at the end of November 1933, a lower figure than either \$314,431,540 reported at the end of October this year or \$339,652,335 reported at the end of November last year. The percentage of decrease in time deposits in reporting member banks last month was 1.7 per cent, while savings deposits in mutual savings banks declined only 3/10ths of 1 per cent, but in comparison with last year's figures the reporting member banks made the better showing, their time deposits declining only 4.6 per cent while mutual savings bank deposits dropped 10.6 per cent.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, five weeks ended		
	Dec. 13, 1933	Nov. 8, 1933	Dec. 14, 1932
Asheville, N. C.....	\$ 9,303	\$ 9,837	\$ 9,124
Baltimore, Md.	246,388	254,178	287,582
Charleston, S. C.....	11,470	12,937	11,116
Charleston, W. Va.....	41,085	36,292	31,937
Charlotte, N. C.....	41,875	49,286	37,654
Columbia, S. C.....	17,035	19,487	14,104
Cumberland, Md.	6,451	6,577	6,205
Danville, Va.	13,917	9,003	7,040
Durham, N. C.....	43,077	37,980	21,585
Greensboro, N. C.....	8,831	8,577	11,154
Greenville, S. C.....	14,704	16,259	11,685
Hagerstown, Md.	5,675	6,835	6,452
Huntington, W. Va.....	11,123	11,173	11,758
Lynchburg, Va.	15,648	15,817	14,167
Newport News, Va.....	8,938	7,249	8,174
Norfolk, Va.	44,249	43,018	42,324
Portsmouth, Va.	4,143	3,550	4,188
Raleigh, N. C.....	20,599	19,549	19,659
Richmond, Va.	137,004	138,522	124,380
Roanoke, Va.	21,346	21,317	20,476
Washington, D. C.....	185,043	188,746	203,709
Wilmington, N. C.....	7,952	8,944	8,006
Winston-Salem, N. C.	31,945	33,115	24,645
Fifth District Totals	\$947,801	\$958,248	\$937,123

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-three leading Fifth district cities show an unseasonal decrease during the period ended December 13, in comparison with the figures for five weeks ended November 8. Aggregate debits in the reporting cities totaled \$947,801,000 during the five weeks ended December 13, a decrease of \$10,447,000, or 1.1 per cent, under the total of \$958,248,000 reported for the preceding period this year. Among the twenty-three reporting cities, nine reported higher figures for the later period while fourteen reported lower figures. The December 13 period contained the Thanksgiving holiday, and part of the district also had a holiday on Armistice Day, these holidays probably accounting for the declines in a number of cities.

In comparison with debits reported for five weeks

ended December 14, 1932, those reported for the corresponding period this year show an increase of \$10,678,000, or 1.1 per cent, sixteen of the twenty-three cities showing higher figures for the 1933 period. If Baltimore and Washington were eliminated from the list of reporting cities, the other twenty-one centers would show an average rise in debits for the 1933 period of nearly 16 per cent. The low figures in Baltimore and Washington are due to a large volume of frozen deposits in closed banks.

Business Failures

"The continued betterment in business conditions in the United States is again reflected in the latest month's record of commercial failures," says *Dun & Bradstreet Monthly Review* for December. There were only 1,237 failures in the United States in November 1933, with aggregate liabilities totaling \$25,353,375, compared with 2,073 insolvencies and liabilities aggregating \$53,621,127 in November 1932, decreases of 40 per cent in number and 53 per cent in liabilities. The number of failures last month was the lowest for any November since 1920, and last month's liabilities were the lowest for any November since 1919. In the Fifth Federal reserve district, November 1933 insolvencies numbered only 64, and liabilities totaled only \$1,495,124, compared with 147 failures and liabilities amounting to \$4,250,000 reported for November 1932, decreases of 56 per cent in number of failures and 65 per cent in liabilities for the 1933 month. The district record was better than the National record in both total liabilities involved and in the number of bankruptcies. The number of failures in the Fifth district in November this year was the lowest for any November since 1920, and aggregate liabilities also were the lowest for any November during the same thirteen years. Every one of the twelve Federal reserve districts reported fewer failures and lower liabilities for November this year than for November 1932.

Employment

Due in large part to governmental projects designed primarily to give work to persons unable to obtain it in the ordinary course of trade or industry, employment conditions are materially better than they were a year ago. There are still many people without employment, but the various public undertakings have given either part or full time employment to thousands of workers in recent weeks. Industrial plants as a rule are using more workers than they were a year ago, and distribution channels are also employing more help since they began operating under NRA rules and codes. On the other hand, private construction work, which in normal times forms one of the chief users of labor, continues at a very low level. Calls for relief from charitable agencies and public welfare departments are about as heavy this winter as they have been since the depression set in, but this does not prove that as many persons are unemployed. Part of the increased need for help in due to higher price levels for many necessities this year, but most of it is doubtless due to exhaus-

tion of surplus funds on which many unemployed persons lived for a long time before having to seek assistance.

Coal Production

Bituminous coal mined in the United States in November this year totaled 30,582,000 net tons, an increase over 29,656,000 tons mined in October 1933 but a decrease from 30,632,000 tons dug in November 1932. Total output of bituminous coal in the United States during the present calendar year to December 9 amounted to 306,917,000 net tons, compared with 282,374,000 tons mined to the same date last year. Shipments of coal through Hampton Roads in November totaled approximately 1,378,000 tons, and total shipments from January 1 through November 30, totaled 15,714,000 tons.

The November 25 report of the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of October 1933. West Virginia led all states with 8,868,000 net tons, Pennsylvania ranking second with 5,064,000 tons and Illinois third with 3,658,000 tons. West Virginia's production in October was slightly above October 1932 figures, in spite of a decline in total production in the United States amounting to 9 per cent. In October 1933, the Fifth district states of West Virginia, Virginia and Maryland produced 32.9 per cent of bituminous coal dug in the Nation, compared with 29.9 per cent mined in the same three states in October 1932.

Textiles

Fifth district cotton textile mills continued to curtail operations during November, and for the second successive month output of textile products fell below the level of the same month of the preceding year. This curtailment was due in part to seasonal influences and partly to the fact that jobbers and retailers stocked heavily during the late summer and there is now a natural decline in orders until surplus stocks have been moved. In November this year, North Carolina mills used 108,295 bales of cotton, South Carolina mills used 96,394 bales, and Virginia mills used 12,772 bales, a district total of only 217,461 bales, compared with 232,396 bales consumed in the district in October 1933 and 246,775 bales used in November 1932. The district decrease of 6.4 per cent in cotton used in November in comparison with October was larger than the National decrease of 5.7 per cent, and the decrease last month in the district under consumption in November 1932 amounting to 11.9 per cent was materially greater than the National decrease of 5.4 per cent. Consumption of cotton in the Richmond reserve district in November this year totaled 45.75 per cent of National consumption, compared with 46.12 per cent in October 1933 and 49.12 per cent in November 1932.

Cotton Statistics

Spot cotton prices changed very little between the middle of November and the middle of December, but

the trend was upward. On November 17 the average price for middling grade cotton on ten Southern spot markets was 9.85 cents per pound, and on December 15, the latest available date, the average was 9.90 cents per pound.

Production figures on this year's cotton crop, released by the Department of Agriculture on December 8, totaled 13,177,000 equivalent 500-pound bales, an increase of 77,000 bales over the estimate made on October 1, and 175,000 bales above 1932 production. Weather was exceptionally favorable for cotton during the growing and picking seasons, and the Department of Agriculture increased its estimate of probable production every month. Starting with an estimate of 12,314,000 bales on August 1, increases of 100,000 bales were made for September, 471,000 bales for October, 215,000 bales for November, and 77,000 bales for December, a total increase of 863,000 bales, or 7 per cent, between the August 1 and December 1 reports. The total production figure for the Fifth reserve district was raised in the December estimate, an increase in South Carolina more than off-setting decreases in North Carolina and Virginia. South Carolina's probable production for 1933 was given in the latest estimate as 742,000 bales, a higher figure than 725,000 bales forecast a month earlier and also above the final ginnings of 716,000 bales in 1932. North Carolina's forecast of 690,000 bales shows a decline from the October 1 estimate of 695,000 bales, but exceeds 1932 production of 660,000 bales. The Virginia yield for 1933 is 38,000 bales, compared with 39,000 bales expected on November 1 and 34,000 bales grown last year. Total production in the Fifth district is therefore to be about 60,000 bales more this year than in 1932.

Ginning figures to December 1, released by the Census Bureau on December 8, showed 12,108,292 bales ginned from this year's crop, compared with 11,635,089 bales of last year's crop ginned before December. The average weight of each bale ginned this year is somewhat heavier than in most years, and therefore final ginning figures for the year are not expected to reach the equivalent 500-pound bale estimate of production.

Cotton Consumption in American mills in November totaled 475,368 bales, according to the report of the Census Bureau released on December 14. This figure shows a decrease under 503,873 bales consumed during the month of October this year, and is approximately 5 per cent less than 502,434 bales consumed in November 1932. Total consumption during the four months of the present cotton year amounted to 2,067,297 bales, compared with 1,901,566 bales consumed during the four months ended November 30, 1932. Cotton on hand at manufacturing establishments on November 30 this year totaled 1,573,744 bales, compared with 1,361,190 bales held on October 31 this year and 1,454,305 bales held on November 30 last year. Bales in public warehouses and compresses numbered 10,411,491 at the end of November, 9,474,342 at the end of October, and 10,693,717 on November 30, 1932. Exports of cotton totaled 915,304 bales in November, compared with 1,046,524 bales sent abroad in October

this year and 1,012,411 bales in November 1932. Total exports during the four months of the present cotton year—August 1–November 30, inclusive—totaled 3,359,999 bales, a higher figure than 3,206,253 bales shipped over seas during the corresponding four months last year. Spindles active at some time during November numbered 25,423,348, compared with 25,875,142 in October this year and 24,368,478 in November 1932.

Cotton growing states consumed 379,272 bales in November, compared with 420,263 bales used in November last year. Last month's consumption in the cotton growing states amounted to 79.78 per cent of National consumption, compared with 83.65 per cent of National consumption used in cotton growing states in November last year. Of the 379,272 bales of cotton consumed in the cotton growing states in November, the Fifth district mills used 217,461 bales, or 57.34 per cent, a lower figure than 58.72 per cent of Southern consumption attained by Fifth district mills in November last year.

Tobacco Marketing

South Carolina tobacco markets closed for the season during November, after selling 81,676,897 pounds for growers at an average price of \$12.59 per hundred pounds. In 1932, South Carolina markets sold only 36,251,281 pounds, and the average price was only \$11.41 per hundred. This year's sales brought the farmers \$10,283,122, compared with only \$4,136,273 received for their 1932 tobacco.

North Carolina markets sold 145,869,318 pounds of growers' tobacco in November 1933, at an average price of \$19.57 per hundred pounds, compared with 61,440,005 pounds sold in November 1932, at \$12.68 per hundred pounds. Total sales this season on North Carolina markets reached 415,435,445 pounds prior to December 1, compared with 244,698,852 pounds sold on the same markets prior to December 1932. Last month Greenville led in sales with 19,426,008 pounds, Wilson ranking second with 19,395,898 pounds. Durham led all North Carolina markets in average price paid in November with \$21.43 per hundred pounds, Wilson ranking second with an average of \$21.06 per hundred. In season sales Greenville reports 55,103,788 pounds, Wilson ranking second with 54,876,446 pounds. North Carolina tobacco sold before December this year brought the growers \$63,769,334, while last year sales prior to December totaled only \$30,097,965.

Virginia leaf tobacco sales in November amounted to 31,763,827 pounds, for a total of \$5,807,262, compared with 15,405,866 pounds sold for \$1,408,468 in November 1932, according to warehouse reports to the Commissioner of Agriculture. The average price for tobacco sold in November was \$18.28 per hundred pounds, compared with \$9.14 last year, but the 1932 price was for all types while all sales this year were of flue-cured tobacco. Flue-cured types sold for an average of \$9.23 in November 1932. Warehousemen estimate that the quality of tobacco sold in November graded 42 per cent good, 35 per cent medium, and 23 per cent common, compared with 18 per cent good, 36 per cent medium, and 46 per cent common for tobacco

sold in November 1932. Season sales prior to December in Virginia totaled 42,975,419 pounds of tobacco, for a total of \$7,400,364, compared with 23,240,788 pounds sold before December 1932, for only \$2,107,941. Fire-cured and sun-cured markets were not open in November, and when fire-cured markets opened in December the prices paid the growers were so low that a holiday in marketing was declared by the Governor and the markets closed until some plans for raising prices can be developed.

Agricultural Notes

Harvesting of agricultural products of the 1933 crop is practically complete, but statistics on production are not yet available. In the next issue of this *Review* a table will be printed, containing production figures for the leading crops of the Fifth reserve district for 1933 in comparison with figures for some earlier years.

Farmers in the Fifth district realized larger profits from their 1933 crops than they received for the crops of any other recent year. The weather was exceptionally favorable during most of the growing and harvesting season, although storms damaged some crops in Virginia, Maryland and West Virginia, and insects inflicted serious hurt to fruit, especially apples. Yields of the big staple crops, corn, hay, cotton and tobacco, turned out well, and prices also were better than in other recent years. The acreage abandonment by cotton farmers proved their salvation, the splendid per acre yield secured from the reduced acreage bringing many millions of dollars more than the 1932 crop brought. Tobacco production in the district far exceeded the yield for 1932, and prices for flue-cured tobacco were sufficiently improved to give the farmers more than double the amount they received for the previous year's tobacco. In addition to large yields of money crops, nearly all farmers harvested good supplies of feed, and stored away large stocks of food stuffs for the coming winter.

Construction

Building inspectors in thirty-one Fifth district cities issued 1,757 permits in November this year, compared with 1,878 permits issued in November last year. Estimated valuation figures last month totaled only \$1,564,651, a decrease of 17.5 per cent below the low total of \$1,897,654 reported for November 1932. Fifteen of the thirty-one cities reported higher valuation figures for the 1933 month, but Baltimore reported a large decline. All of the larger cities sent in relatively small figures, but Washington, Richmond, Charlotte and Huntington exceeded their November 1932 totals.

Contracts awarded in November for construction work in the Fifth district including both rural and urban projects, totaled \$14,565,990, compared with \$9,809,965 awarded in November 1932 and \$19,644,097 in November 1931, according to figures collected by the F. W. Dodge Corporation. Of the awards in November this year, \$3,124,885, or 21.5 per cent, was for residential work, compared with \$2,263,735, or 23.1 per cent, for this type of work in 1932.

Building Permits Issued in November 1933 and 1932

CITIES	Permits Issued		Total Valuation	
	1933	1932	1933	1932
Baltimore, Md.	744	889	\$ 524,400	\$ 903,840
Cumberland, Md.	4	7	6,050	1,970
Frederick, Md.	6	6	957	510
Hagerstown, Md.	14	8	5,045	30,710
Salisbury, Md.	19	10	13,000	8,575
Danville, Va.	13	7	1,630	6,020
Lynchburg, Va.	29	39	26,235	45,212
Norfolk, Va.	76	117	32,777	72,115
Petersburg, Va.	2	5	460	2,100
Portsmouth, Va.	19	21	5,485	5,394
Richmond, Va.	78	59	80,420	40,185
Roanoke, Va.	21	16	9,109	10,660
Bluefield, W. Va.	8	7	10,085	5,120
Charleston, W. Va.	62	59	18,017	18,884
Clarksburg, W. Va.	13	13	53,545	12,655
Huntington, W. Va.	9	16	42,665	4,120
Asheville, N. C.	9	25	765	12,699
Charlotte, N. C.	21	15	15,122	11,965
Durham, N. C.	12	11	30,750	16,640
Greensboro, N. C.	41	29	38,324	25,729
High Point, N. C.	8	7	9,150	5,925
Raleigh, N. C.	7	13	1,575	17,310
Rocky Mount, N. C.	6	2	1,195	1,550
Salisbury, N. C.	5	2	4,561	1,050
Winston-Salem, N. C.	52	38	19,164	27,360
Charleston, S. C.	24	33	8,075	42,855
Columbia, S. C.	22	39	3,655	26,631
Greenville, S. C.	21	21	7,535	7,745
Rock Hill, S. C.	8	10	3,730	9,890
Spartanburg, S. C.	17	11	2,935	1,650
Washington, D. C.	387	343	588,235	520,585
Totals	1,757	1,878	\$1,564,651	\$1,897,654

Retail Trade, 31 Department Stores

<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
November 1933 sales, compared with sales in November 1932:				
+10.0	- 1.6	- .8	+ 6.6	+ .6
January-November 1933 sales, compared with Jan.-Nov. 1932:				
- 1.7	- 5.7	- 9.2	- 4.6	- 6.6
Nov. 30, 1933, stocks, compared with stocks on Nov. 30, 1932:				
+11.4	+19.3	+14.8	- 4.1	+14.3
Nov. 30, 1933, stocks, compared with stocks on Oct. 31, 1933:				
+ 5.8	- 1.7	- 1.8	+ 3.2	- .7
Number of times stock was turned in November 1933:				
.307	.256	.249	.244	.257
Number of times stock was turned since January 1, 1933:				
3.44	3.047	3.033	2.603	3.034
Percentage of Nov. 1, 1933, receivables collected in November:				
29.6	22.4	26.9	28.1	25.2

Wholesale Trade, 59 Firms

21	7	6	13	12
<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
November 1933 sales, compared with sales in November 1932:				
+20.3	+31.2	+ 5.3	+41.3	+ 7.2
November 1933 sales, compared with sales in October 1933:				
- 2.1	- 9.0	-38.3	- 5.9	+ .5
Jan.-Nov. 1933 sales, compared with Jan.-Nov. 1932 sales:				
+ 6.7	+33.2	+23.3	+28.5	- 6.8
Nov. 30, 1933, stocks, compared with Nov. 30, 1932, stocks:				
+13.6(8*)	+32.6(3*)	+31.0(5*)	+ 9.8(7*)
Nov. 30, 1933, stocks, compared with Oct. 31, 1933, stocks:				
- .6(8*)	-13.9(3*)	0.0	- 1.3(7*)
Percentage of Nov. 1, 1933, receivables collected in November:				
70.7(12*)	42.6(4*)	64.1(6*)	42.5(11*)	50.7(8*)

* Number of reporting firms.

(Compiled December 21, 1933)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Total volume of industrial production, after declining further during October, showed little change during November and the first half of December. The amount of construction undertaken continued to increase, reflecting an expansion of public works.

Production and Employment

Output of basic commodities, as measured by the Federal Reserve Board's seasonally adjusted index, was 73 for November, on the basis of the 1923-1925 average as 100, compared with 77 for October. This total for the month reflects the maintenance during November, with allowance for usual seasonal changes, of the level reached at the end of October after a continuous decline during the preceding three months. Activity at steel mills, after declining from 44 per cent of capacity in the early part of October to 25 per cent in the early part of November, subsequently increased to a rate of 34 per cent in the third week of December. Output of automobiles, which was curtailed sharply in November in preparation for new models, also increased somewhat in the early part of December. Consumption of cotton by domestic mills was in somewhat smaller volume in November than in the preceding month and activity at woolen mills decreased. At shoe factories production showed a decline larger than is usual at this season.

Volume of factory employment and payrolls declined from the middle of October to the middle of November by somewhat more than the usual seasonal amount. The Board's seasonally adjusted index of factory employment for November was 72, as compared with 74 in October and 57 at the low point in March.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a further substantial increase in November. This increase, at a season when construction contracts usually decline, reflects a growth in the volume of public works.

Distribution

Shipments of commodities by rail decreased in November as compared with October by an amount somewhat smaller than is usual at this season. Sales of

merchandise at department stores declined, contrary to seasonal tendency, while sales by variety stores showed little change.

Wholesale Prices

Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 70.9 per cent of the 1926 average in the first week of November to 71.7 per cent in the third week and then declined to 70.9 per cent in the week ending December 9. These movements reflected chiefly changes in the prices of farm products and foods. Prices of hogs declined considerably after the middle of November, owing partly to seasonal factors.

Foreign Exchange

The value of the dollar in the foreign exchange market advanced from a low point of 59 per cent of its gold parity on November 16 to about 64 per cent for the period from November 27 to December 20.

Bank Credit

Between November 15 and December 20 there was the usual seasonal increase, about \$195,000,000, in the demand for currency by the public. This currency demand was met largely through the purchase of \$100,000,000 of acceptances by the Federal reserve banks and the issuance of additional bank notes by the National banks. Reserve balances of member banks showed little change for the period and continued to be at a level of about \$800,000,000 above legal requirements.

Total loans and investments of reporting member banks in leading cities declined by \$160,000,000 between November 15 and December 13, reflecting chiefly sales of acceptances to the reserve banks and a reduction in holdings of investments other than United States Government securities. Loans on securities, chiefly to brokers in New York City, increased by \$40,000,000, while all other loans, which include holdings of acceptances, declined by \$125,000,000.

Short-term money rates advanced slightly during the period.