

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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

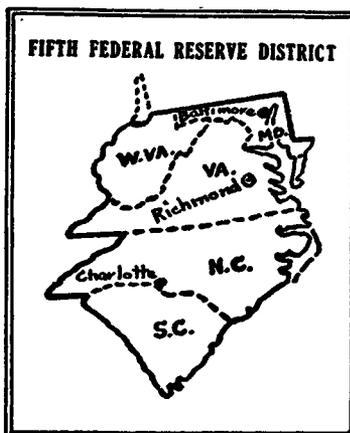
RICHMOND, VIRGINIA

JANUARY 31, 1934

ANNUAL SUMMARY

	1933	1932	1929
Debits to Individual Accounts (23 Cities).....	\$ 9,163,539,000	\$10,495,604,000	\$16,673,842,000
Number of Commercial Failures, 5th District.....	1,515	1,936	1,420
Liabilities Involved in Failures, 5th District.....	\$ 34,380,335	\$ 54,233,281	\$ 24,705,654
Cotton Consumption, 5th District Mills (Bales).....	2,914,087	2,403,441	3,039,884
Cotton Grown in Fifth District (Bales).....	1,470,000	1,410,000	1,625,000
Tobacco Grown in Fifth District (Pounds).....	717,765,000	417,130,000	725,109,000
Building Permits for All Work (31 Cities).....	21,360	27,781	42,122
Value of Permits for All Work (31 Cities).....	\$ 20,728,673	\$ 35,613,841	\$ 131,888,967
Value of Contracts Awarded, 5th District.....	\$ 102,465,338	\$ 157,483,234	\$ 385,963,047
Total Sales, 31 Department Stores, 5th District.....	\$ 82,605,561	\$ 86,602,758	\$ 117,111,916
Total Sales, 59 Wholesale Firms in 5 Lines.....	\$ 46,842,579	\$ 41,089,711	\$ 63,287,820
Bituminous Coal Production, U. S. (Tons).....	327,940,000	309,710,000	534,989,000

THE accompanying table contrasts some of the annual statistics for 1933 with those for 1932, and 1929 figures are included to allow for comparison with the year immediately preceding the depression. For the first time since 1929, several of the figures for last year show improvement over those for the preceding year. Cotton consumption in the Fifth reserve district rose by 21 per cent in 1933 in comparison with 1932, textile mills having been especially active during the summer months. Wholesale trade in five lines showed an increase in total sales amounting to 14 per cent over last year, four of the five lines reporting increases. Dry goods sales rose 32.6 per cent in 1933, shoes rose 20.8 per cent, and hardware gained 31.1 per cent. Coal production last year exceeded production in 1932 by 6 per cent, increased industrial activity in many lines requiring larger supplies of fuel. In both number of failures and in liabilities involved, the Fifth district insolvency record for 1933 showed marked improvement over the record for the preceding year. In agriculture, 1933 was a much better year than 1932 in every way. Favorable weather during most of



the year produced larger yields per acre in most crops, and higher prices brought the farmers many millions of dollars more than they received in 1932. Many of the indices for 1933 which failed to reach 1932 levels made better comparisons than figures alone indicate. Debits to individual accounts figures, which reflect the volume of business passing through banks, lacked 13 per cent of equaling 1932 figures, but this was due in large part to the bank holiday last March and to the large sums which were frozen in closed banks after that date. Debits last year in nearly all cities in which no important banks closed came relatively near

the 1932 figures, and in eight cities debits last year were higher than in the earlier year. Total department store sales for 1933 failed by 4.6 per cent to equal 1932 sales, but sales in the last half of the year exceeded sales in the second half of 1932 by nearly 5 per cent. The indices which showed the worst comparisons between 1933 and 1932 were those covering the construction industry. Building permits declined 23 per cent in number and 42 per cent in valuation in 1933 in comparison with the low figures reported in

1932, and contracts actually awarded last year fell approximately 35 per cent below those for 1932.

In December, business continued to show improvement in nearly all lines over the corresponding month of 1932. Department store sales in thirty-one stores averaged 7.4 per cent above sales in December 1932, and wholesale trade in four of five reporting lines also was better than trade a year earlier. Most of the changes between December 15 and January 15 in the statements of the Federal Reserve Bank of Richmond and regularly reporting member banks were seasonal, but a material increase in deposits in member banks was an interesting development. Debits to individual accounts figures in four weeks ended January 10, 1934, showed a seasonal increase over debits in the four preceding weeks, although the gain was somewhat smaller than in most years. Employment changed little during December. Coal production last month showed an unseasonable decline from November figures, and there was a considerably larger decrease in cotton consumption by Fifth district mills than is usual between November and December. Cotton and tobacco prices both rose during December, and very much more tobacco was sold than a year earlier. Construction work provided for in both permits and contracts awarded was in very small volume, although the contract award figure for December was the highest for any month in 1933.

Reserve Bank Statement

ITEMS	000 omitted		
	Jan. 15 1934	Dec. 15 1933	Jan. 15 1933
Rediscounts held	\$ 4,075	\$ 5,587	\$ 16,660
Open market paper.....	3,800	5,469	1,783
Government securities	78,563	78,563	46,031
Total earning assets.....	86,438	89,619	64,474
Circulation of Fed. Res. notes....	151,560	159,434	98,367
Cir. of Fed. Res. bank notes.....	4,518	4,559	0
Members' reserve deposits.....	90,607	77,062	51,017
Cash reserves	176,355	165,378	100,145
Reserve ratio	69.96	68.27	64.34

Rediscounts at the Federal Reserve Bank of Richmond declined further between the middle of December and the middle of January, dropping by \$1,512,000, and the reserve bank's portfolio of open market paper also decreased by \$1,669,000, these changes resulting in a decline of \$3,181,000 in total earning assets during the month. There was no change in the holdings of Government securities, which make up most of the bank's earning assets at this time. Federal reserve notes in actual circulation showed a seasonal drop between December 15 and January 15, decreasing by \$7,874,000. Federal reserve notes always return from circulation in considerable volume as soon as holiday shopping is done and the marketing season for agricultural products passes its crest. Circulation of Federal reserve bank notes, of which a small amount is outstanding, declined by \$41,000 last month. Member banks continued to build up excess reserves at the Federal Reserve Bank of Richmond between December 15 and January 15, this item on the statement rising by

\$13,545,000. The several changes mentioned in the statement, with others of less importance, increased the cash reserves of the Richmond reserve bank by \$10,977,000, and also raised the ratio of reserves to note and deposit liabilities combined by 1.69 points.

A comparison of the figures in the statement of condition for January 15 this year with corresponding figures a year ago shows that marked changes occurred during the year 1933. Rediscounts for member banks declined by \$12,585,000 during the year, or approximately 76 per cent of rediscounts held on January 15, 1933. On the other hand, the reserve bank increased its portfolio of open market paper by \$2,017,000 during the year, and holdings of Government securities rose by \$32,532,000. These changes resulted in a net rise of \$21,964,000 in earning assets during the year under review. Circulation of Federal reserve notes rose more than 50 per cent between January 15, 1933, and January 15, 1934, increasing by \$53,193,000, and in addition Federal reserve bank notes totaling \$4,518,000 were in circulation at the middle of January this year, but none were outstanding a year earlier. Member bank reserve deposits rose by \$39,590,000 during the year, and on January 15 this year were far above legal requirements. Cash reserves of the Federal Reserve Bank of Richmond rose by \$76,210,000 between January 15 last year and this, and the ratio of reserves to note and deposit liabilities combined rose by 5.62 points.

Member Bank Statement

ITEMS	000 omitted		
	Jan. 10 1934	Dec. 13 1933	Jan. 11 1933
Loans on stocks & bonds (including Governments)	\$ 59,030	\$ 58,706	\$ 60,650
All other loans.....	109,293	113,952	115,114
Total loans & discounts.....	168,323	172,658	175,764
Investments in securities.....	168,212	163,931	132,182
Reserve bal. with F. R. Bank....	34,047	32,033	19,238
Cash in vaults.....	11,081	11,424	8,077
Demand deposits	195,011	194,720	159,153
Time deposits	129,514	126,872	133,846
Borrowed from F. R. Bank.....	0	0	365

The accompanying table shows the principal items of condition of twenty-eight 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 13 and January 10, total loans and discounts held by the twenty-eight reporting banks declined by \$4,335,000, loans on securities rising \$324,000 and all other loans, which are largely agricultural or commercial in character, decreasing \$4,659,000. A decrease in loans at the end of the year is seasonal. The reporting banks increased their investments in stocks and bonds by \$4,281,000 during the month, chiefly by the purchase of Govern-

ment securities for temporary investment, and increased their reserve balance at the reserve bank by \$2,014,000. Cash in vaults declined by \$343,000 between December 13 and January 10. Aggregate deposits in the twenty-eight banks increased by \$2,933,000 last month, demand deposits rising by \$291,000 and time deposits increasing by \$2,642,000. It is unusual for deposits to rise while loans decline, but the insurance of deposits after January 1 probably accounts for at least part of the increase. None of the reporting banks were borrowing at the reserve bank on either January 10, 1934, or December 13, 1933.

A comparison of the January 10, 1934, figures with those for January 11, 1933, shows increases in investments, reserve balance and in demand deposits during the year, but all other items declined. Total loans and discounts decreased by \$7,441,000 between the middle of January last year and this, loans on stocks and bonds decreasing \$1,620,000 and all other loans falling \$5,821,000. Aggregate deposits rose \$31,526,000 during the year, demand deposits increasing \$35,858,000 but time deposits falling \$4,332,000. The partial restoration of confidence in banks after the banking holiday last March brought a considerable volume of funds out

of hoarding since that time, and the insurance of deposits after January 1, 1934, further tended to bring money into the banks. Investments in stocks and bonds by the twenty-eight reporting institutions increased by \$36,030,000 between the 1933 and 1934 dates, cash in vaults rose by \$3,004,000, and borrowing at the reserve bank declined to nothing. On January 10, 1934, none of the twenty-eight reporting banks were borrowing at the Federal Reserve Bank of Richmond, while on January 11, 1933, two of the reporting banks were borrowing a total of \$365,000.

Time and Savings Deposits

Time deposits in twenty-eight reporting member banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$315,035,743 at the end of December 1933, a higher figure than \$311,706,039 reported at the end of November 1933, but materially less than \$341,624,000 reported at the end of December 1932. Time and savings deposits in both member banks and mutual savings banks increased during December, but at the end of the year were lower in both member and savings banks than a year earlier.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	Total Debits During the Four Weeks Ended			Annual Totals	
	Jan. 10, 1934	Dec. 13, 1933	Jan. 11, 1933	1933	1932
Asheville, N. C.....	\$ 8,054,000	\$ 7,337,000	\$ 7,384,000	\$ 95,917,000	\$ 98,923,000
Baltimore, Md.	208,475,000	194,283,000	235,718,000	2,558,838,000	3,383,614,000
Charleston, S. C.....	10,707,000	9,212,000	10,098,000	114,121,000	129,037,000
Charleston, W. Va.....	37,248,000	33,329,000	36,457,000	364,820,000	357,911,000
Charlotte, N. C.....	35,633,000	32,573,000	30,607,000	427,865,000	407,444,000
Columbia, S. C.....	14,786,000	12,619,000	14,646,000	169,169,000	143,883,000
Cumberland, Md.	5,254,000	4,989,000	4,775,000	62,901,000	68,352,000
Danville, Va.	8,104,000	11,276,000	5,204,000	70,204,000	59,910,000
Durham, N. C.....	24,090,000	34,573,000	15,702,000	267,860,000	190,515,000
Greensboro, N. C.....	7,070,000	7,047,000	10,895,000	68,149,000	129,548,000
Greenville, S. C.....	11,380,000	11,582,000	10,268,000	133,835,000	124,095,000
Hagerstown, Md.	4,914,000	4,398,000	4,996,000	57,006,000	69,533,000
Huntington, W. Va.....	10,867,000	8,876,000	11,421,000	115,370,000	129,986,000
Lynchburg, Va.	13,222,000	12,340,000	12,308,000	149,411,000	151,724,000
Newport News, Va.....	6,659,000	7,316,000	6,895,000	73,912,000	87,094,000
Norfolk, Va.	37,883,000	36,356,000	32,254,000	399,850,000	425,187,000
Portsmouth, Va.	3,001,000	3,470,000	3,280,000	37,651,000	41,597,000
Raleigh, N. C.....	23,507,000	16,370,000	23,866,000	183,925,000	180,243,000
Richmond, Va.	106,697,000	109,551,000	111,543,000	1,270,484,000	1,306,675,000
Roanoke, Va.	19,285,000	17,437,000	17,908,000	213,197,000	232,036,000
Washington, D. C.....	147,393,000	146,427,000	182,465,000	1,956,138,000	2,353,554,000
Wilmington, N. C.....	6,957,000	6,425,000	7,069,000	74,720,000	91,845,000
Winston-Salem, N. C.....	29,115,000	25,431,000	23,485,000	323,482,000	307,612,000
District Totals	\$780,301,000	\$753,217,000	\$819,244,000	\$9,163,539,000	\$10,495,604,000

The accompanying table shows debits to individual, firm and corporation accounts in the clearing house banks in twenty-three 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 1933 and 1932.

Debits figures for four weeks ended January 10, 1934, showed a somewhat smaller than seasonal increase

amounting to \$27,084,000, or 3.6 per cent, over aggregate debits in the preceding four weeks, ended December 13, 1933, 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-three reporting cities, seventeen reported higher figures for the more recent period, while six cities failed to show the seasonal increase. The declines in Danville and Durham occur nearly every year, and were due in part to holiday suspension of tobacco marketing. All

of the larger cities except Richmond showed higher figures in the period ended January 10.

In comparison with debits aggregating \$819,244,000 reported for the four weeks ended January 11, 1933, this year's figures for the corresponding period show a decline of \$38,943,000, or 4.8 per cent. However, this figure does not reflect conditions in the district as a whole, since thirteen of the twenty-three cities reported higher figures for the 1934 period. The district decrease is due in large measure to lower debits in cities in which important banks were not able to reopen after the banking holiday last March. In Baltimore, Washington, Richmond and Greensboro relatively large sums are tied up in closed or restricted banks, and are not available for ordinary trade use.

Total debits in the twenty-three reporting cities for 1933 showed a decrease of \$1,332,065,000, or 12.7 per cent, in comparison with total debits in 1932. In view of the facts that all banks were closed approximately ten days in the spring of 1933, and that a considerable number of banks were not licensed to resume business after that time, the comparison is not nearly as unfavorable as the figures alone would indicate. Eight of the twenty-three reporting cities reported higher figures for 1933 than for 1932, Charleston, W. Va., Charlotte, Columbia, Danville, Durham, Greenville, Raleigh and Winston-Salem, all of them except Charleston reflecting in large part improved conditions in cotton prices and textiles, and in the tobacco industry. Aggregate debits in the Fifth district last year were the lowest for any year since the Federal Reserve Bank of Richmond began compiling debits figures in 1922, and totaled 45 per cent less than aggregate debits in the record year 1929.

Commercial Failures

The business failure record in December in both the Fifth reserve district and the United States continued to compare quite favorably with the record for the corresponding month of the preceding year, according to figures gathered by Dun & Bradstreet, Inc. Failures in the Fifth district in December 1933 numbered 76, in comparison with 64 reported for November 1933 and 148 reported for December 1932. Liabilities involved in last month's insolvencies totaled only \$1,544,968, a slightly higher figure than \$1,495,124 in November but less than \$2,741,688 in December of the preceding year. As a rule, business failures tend to rise in December because of the pressure of year-end settlements, but the rise this year was very slight. The National record for December also showed much improvement over December 1932, a total of 1,132 failures last month comparing with 2,469 insolvencies in December 1932, and aggregate liabilities last month totaling only \$27,200,432 in comparison with liabilities totaling \$64,188,643 in December a year ago.

The year 1933 witnessed a very marked improvement in insolvencies in comparison with 1932. There were only 1,206 bankruptcies in the Fifth reserve district in 1933, compared with 1,936 failures in 1932. Not since 1923 have as few failures occurred in the district in one year. Liabilities totaling \$30,049,977

last year are the lowest since 1929, and contrast favorably with \$54,233,281 reported for 1932. For the United States as a whole, there were 20,307 failures in 1933, with liabilities aggregating \$502,830,584, compared with 31,822 failures for \$928,312,517 in 1932.

Employment

Except for further expansion in work designed by governmental agencies to give employment to needy persons, little change occurred in employment during the past month. It is extremely difficult to get data on unemployment, since there are indications that many persons are now seeking work who do not ordinarily labor away from home. This is especially true in rural communities, in which many farm workers who have little to do on farms in winter are supplementing their cash incomes by working on road and other public projects. In spite of the large sums being spent in wages on made work, calls on charitable and public relief agencies continue to be quite heavy. During 1933 a number of industries increased the quota of workers in their plants, but on the whole most of the improvement in employment conditions during the year were due to expansion of public works programs in some form.

Coal Production

Bituminous coal production in the United States in December 1933 fell below production in November, and also failed to equal production in December 1932. Last month 29,600,000 net tons of bituminous coal were mined, compared with 30,582,000 tons mined in November and 31,522,000 tons brought to the surface in December 1932. Total production for the calendar year 1933 exceeded production in 1932, however, approximately 327,940,000 tons dug comparing with 309,710,000 tons mined in the earlier year. Shipments of coal through Hampton Roads in December totaled approximately 1,543,927 tons, and total shipments from January 1 through December totaled 17,281,732 tons. Shipments through Hampton Roads ports totaled 16,585,217 tons in 1932.

The December 22, 1933, 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 7,900,000 tons, Pennsylvania ranking second with an output of 7,660,000 tons.

Textiles

Operations of textile mills in the Fifth reserve district not only showed a seasonal recession in December in comparison with November, but also fell behind the rate of operations of December 1932. Cotton consumed in the district in December totaled only 158,124 bales, of which 79,396 bales were used in North Carolina mills, 70,745 bales were used in South Carolina mills, and 7,983 bales were used in Virginia mills, all states reporting lower figures last month than for

December 1932. In November 1933 the mills in the Carolinas and Virginia consumed 217,461 bales, and in December 1932 they used 219,212 bales. Total consumption in the Fifth district in 1933 showed a material increase over 1932 consumption, however, 2,914,087 bales used in 1933 being 21.2 per cent more than 2,403,441 bales used in 1932. All of the increase occurred in the first eight months of 1933, May, June, July and August showing especially heavy gains in comparison with the corresponding months of the preceding year. Consumption of cotton in the Richmond reserve district in December 1933 totaled 45.39 per cent of National consumption, compared with 45.75 per cent in November 1933 and 49.77 per cent in December 1932.

Cotton Statistics

Spot cotton prices showed an upward tendency between the middle of December and the middle of January. In our *Review* last month we quoted the average price for 7/8 inch staple, middling grade cotton, on ten Southern markets as 9.90 cents per pound on December 15. The average price declined to 9.70 cents on December 22, but rose again to 10.08 cents on December 28, and continued upward to 10.37 cents on January 5 and to 10.71 cents on January 12, the latest date for which official quotations are available. A year ago, January 13, 1932, the average price on the ten markets was 6.03 cents.

Cotton consumption in American mills in December 1933 totaled 348,393 bales, according to the report of the Bureau of the Census made public on January 13. This figure shows more than a seasonal decrease from 475,368 bales consumed during the month of November, and is 20.9 per cent less than 440,439 bales used in December 1932. Total consumption during the five months of the present cotton year amounted to 2,415,690 bales, compared with 2,342,005 bales consumed during the five months ended December 31, 1932. Cotton on hand at manufacturing establishments on December 31, 1933, totaled 1,641,742 bales, compared with 1,573,744 bales held on November 30, 1933, and 1,530,040 bales held on December 31, 1932. Bales in public warehouses and compresses numbered 10,313,461 at the end of December, against 10,411,491 bales at the end of November, and 10,349,811 bales on December 31, 1932. Exports of cotton totaled 820,099 bales in December, compared with 915,304 bales sent abroad in November 1933 and 1,039,795 bales in December 1932, and exports in the five months of the present cotton year—August 1-December 31, inclusive—totalled 4,180,098 bales against 4,246,048 bales shipped over seas in the corresponding five months ended December 31, 1932. Imports last month totaled 14,013 bales, compared with 10,742 bales imported in December 1932. Consumption of cotton in the cotton growing states totaled 282,941 bales in December, compared with 371,318 bales used in December 1932. Last month's consumption in the cotton growing states amounted to 81.21 per cent of National consumption, compared with 84.31 per cent of National consumption used in the cotton growing states in December a year ago. Of the

282,941 bales consumed in the cotton growing states last month, Fifth district states used 158,124 bales, or 55.89 per cent, compared with 59.04 per cent of Southern consumption attained by Fifth district mills in December 1932. Spindles active at some time during December 1933 numbered 24,840,870, compared with 25,423,348 in November 1933 and 23,799,742 in December 1932.

Tobacco Marketing

North Carolina tobacco markets sold 55,684,528 pounds of growers' tobacco in December 1933, compared with 23,723,024 pounds sold in December 1932. Total sales this season to January 1, 1934, amounted to 472,223,317 pounds, at an average price of \$16.11 per hundred pounds, compared with sales totaling 268,421,876 pounds for \$12.21 per hundred sold of the 1932 crop prior to January 1, 1933. Prices received in North Carolina last month averaged \$17.25 per hundred pounds, a much higher figure than \$11.02 per hundred received for tobacco sold in December a year ago. Winston-Salem led in sales in December with 8,361,950 pounds, and Wilson ranked second with 7,555,317 pounds. In total sales this season, Greenville leads with 62,648,544 pounds, Wilson ranking second with 62,431,763 pounds and Kinston third with 42,870,837 pounds. Durham led in price in December with an average of \$19.26 per hundred pounds.

Virginia producers' sales of leaf tobacco during December amounted to 19,499,633 pounds, for an average of \$15.60 per hundred, compared with 13,406,192 pounds sold for an average of \$9.60 per hundred in December 1932. Total sales for the season to December 31 were 62,662,182 pounds, approximately the same as the total sales for the entire season last year. Sales of flue-cured tobacco amounted to 16,239,894 pounds at an average price of \$16.79 per hundred pounds, which is the highest December average since 1929. In December 1932, total sales of flue-cured tobacco amounted to 7,970,852 pounds, at an average of \$8.50 per hundred. Fire-cured markets were open only a few days, consequently sales were much smaller than usual, the total for the month being 1,150,790 pounds compared with 2,298,042 pounds for December 1932. The average price of \$6.86 per hundred for fire-cured tobacco in December 1933 compared with \$8.18 in December 1932 and \$4.64 two years ago. Burley sales during December were also smaller than usual as the markets closed after a few days. The total amount sold was 1,837,282 pounds and the average price was \$11.91 per hundred, compared with December 1932 sales of 2,890,080 pounds and an average price of \$14.08. Sun-cured sales of 271,667 pounds were slightly larger than sales in December 1932 when 247,218 pounds were sold. The average price was \$6.78 per hundred pounds last month, compared with \$5.98 a year ago and \$5.22 two years ago. Warehousemen estimated that 37 per cent of the tobacco sold in December graded good, 40 per cent medium, and 23 per cent common, indicating a much better quality of tobacco than December 1932 sales which graded 19 per cent good, 36 per cent medium, and 45 per cent common.

CROP ESTIMATES

Crops	Yrs.	Maryland	W. Va.	Virginia	N. Carolina	S. Carolina	District	Farm Value
Corn (bus.)	1933	14,000,000	13,920,000	36,918,000	44,252,000	22,808,000	131,898,000	\$ 79,725,000
	1932	16,440,000	11,150,000	26,928,000	34,830,000	17,885,000	107,233,000	44,170,000
	1931	20,710,000	12,934,000	43,061,000	48,072,000	22,994,000	147,771,000	65,606,000
Cotton (bales)	1933	-----	-----	38,000	690,000	742,000	1,470,000	\$ 71,257,000
	1932	-----	-----	34,000	660,000	716,000	1,410,000	42,954,000
	1931	-----	-----	46,000	752,000	1,005,000	1,803,000	54,057,000
Tobacco (lbs.)	1933	17,710,000	4,958,000	90,725,000	518,522,000	85,850,000	717,765,000	\$110,353,000
	1932	26,272,000	2,312,000	55,616,000	293,694,000	39,236,000	417,130,000	49,717,000
	1931	28,077,000	5,180,000	102,435,000	479,395,000	69,972,000	685,059,000	59,735,000
Irish Potatoes (bus.)	1933	2,700,000	2,331,000	8,649,000	7,315,000	1,744,000	22,739,000	\$ 22,812,000
	1932	2,852,000	3,485,000	9,682,000	6,596,000	1,445,000	24,060,000	14,429,000
	1931	3,360,000	3,200,000	14,278,000	8,532,000	3,500,000	32,870,000	19,830,000
Sweet Potatoes (bus.)	1933	840,000	-----	3,885,000	7,905,000	4,648,000	17,278,000	\$ 9,736,000
	1932	888,000	-----	3,610,000	7,990,000	6,072,000	18,560,000	7,019,000
	1931	2,013,000	-----	4,750,000	6,560,000	3,180,000	16,503,000	8,343,000
Oats (bus.)	1933	1,100,000	2,356,000	3,360,000	3,977,000	7,215,000	18,008,000	\$ 10,170,000
	1932	1,425,000	3,036,000	3,237,000	4,366,000	7,974,000	20,038,000	6,751,000
	1931	2,010,000	3,552,000	4,838,000	4,531,000	9,450,000	24,381,000	9,100,000
Wheat (bus.)	1933	6,320,000	1,798,000	7,425,000	3,714,000	592,000	19,849,000	\$ 17,818,000
	1932	4,940,000	1,276,000	6,253,000	3,572,000	760,000	16,801,000	9,630,000
	1931	9,696,000	2,373,000	13,266,000	4,407,000	689,000	30,431,000	17,929,000
Hay (tons)	1933	529,000	690,000	992,000	553,000	195,000	2,959,000	\$ 34,883,000
	1932	468,000	558,000	757,000	541,000	210,000	2,534,000	26,092,000
	1931	467,000	651,000	1,039,000	667,000	178,000	3,002,000	36,933,000
Peanuts (lbs.)	1933	-----	-----	111,150,000	197,600,000	9,520,000	318,270,000	\$ 8,373,000
	1932	-----	-----	154,080,000	276,420,000	10,240,000	440,740,000	6,298,000
	1931	-----	-----	176,320,000	308,560,000	9,100,000	493,980,000	10,672,000
Apples (bus.)	1933	1,312,000	4,200,000	10,900,000	5,254,000	279,000	21,945,000	\$ 14,407,000
	1932	1,368,000	4,191,000	7,830,000	1,825,000	164,000	15,378,000	8,548,000
	1931	3,458,000	12,954,000	21,117,000	5,328,000	320,000	43,177,000	18,371,000
Apples, Commercial (bbls.)	1933	219,000	700,000	1,800,000	337,000	-----	3,056,000	\$ 6,400,000
	1932	252,000	833,000	1,963,000	119,000	-----	3,167,000	5,769,000
	1931	650,000	1,700,000	3,500,000	280,000	-----	6,130,000	8,028,000
Sorghum Syrup (gals.)	1933	-----	-----	315,000	1,800,000	416,000	2,531,000	\$ 1,403,000
	1932	-----	-----	200,000	1,680,000	540,000	2,420,000	1,159,000
	1931	-----	-----	210,000	2,117,000	486,000	2,813,000	1,496,000

Crop Estimates

The year 1933 was an excellent one for farmers, both production and prices being much better than in 1932 for nearly all crops. The accompanying table of production figures for principal crops covering three years shows the figures by states in detail. *Corn* production in the Fifth district in 1933 exceeded 1932 production by 23 per cent, and the farm value of the crop was 80 per cent higher. The *cotton* crop increased 4 per cent, and was worth 66 per cent more. *Tobacco* production rose 72 per cent, and the value of the tobacco grown rose 122 per cent. *Wheat* yield was 18 per cent higher in 1933, and the value was 85 per cent above the 1932 value. *Hay* yielded 17 per cent more last year, and the value of the crop rose 34 per cent. *Apples* increased in yield by 43 per cent and the aggregate value of apples rose by 69 per cent. *Sorghum syrup* increased 5 per cent in yield and 21 per cent in value. Even the crops which declined in quantity production showed increases in aggregate values for 1933. *Irish potatoes* yielded less last year, but the value of the crop rose by 58 per cent, and *sweet potatoes*, which

also declined in production, rose in value by 39 per cent. The smaller *oat* crop in 1933 was worth 51 per cent more than the 1932 crop. *Peanuts* rose by 33 per cent in value. *Commercial apples*, which declined in total production because of unfavorable weather and insect damage, rose in farm value by 11 per cent. The chief money crops in the Fifth district were also more valuable in 1933 than in 1931, corn, cotton, tobacco, Irish potatoes, sweet potatoes and oats showing higher values for 1933, while wheat, hay, peanuts, apples, commercial apples and sorghum syrup showed lower values for the later year.

Construction

Building permits issued for work within the corporate limits of thirty-one Fifth district cities numbered 1,064 in December 1933, with estimated valuation figures of only \$1,106,697, compared with 1,333 permits issued in December 1932, for a valuation total of \$1,465,550. Last month the number of permits decreased 20.2 per cent and valuation figures fell 24.5 per cent in comparison with the low figures reported for

Building Permits Issued in December 1933 and 1932

CITIES	Permits Issued		Total Valuation	
	1933	1932	1933	1932
Baltimore, Md.	416	586	\$ 342,120	\$ 482,520
Cumberland, Md.	2	0	400	0
Frederick, Md.	6	5	2,455	3,500
Hagerstown, Md.	7	8	28,800	12,875
Salisbury, Md.	7	5	10,525	3,625
Danville, Va.	6	5	1,200	320
Lynchburg, Va.	22	22	58,925	18,271
Norfolk, Va.	92	81	41,345	60,870
Petersburg, Va.	2	2	900	175
Portsmouth, Va.	13	8	4,475	3,065
Richmond, Va.	38	42	43,576	48,964
Roanoke, Va.	12	9	25,438	6,764
Bluefield, W. Va.	2	4	108	5,050
Charleston, W. Va.	40	76	49,055	25,261
Clarksburg, W. Va.	9	11	980	2,100
Huntington, W. Va.	5	10	2,000	7,310
Asheville, N. C.	15	17	19,020	19,376
Charlotte, N. C.	13	15	20,555	63,846
Durham, N. C.	15	14	27,950	22,895
Greensboro, N. C.	21	15	24,027	5,591
High Point, N. C.	6	5	23,414	4,850
Raleigh, N. C.	7	11	12,700	9,515
Rocky Mount, N. C.	5	2	11,590	85
Salisbury, N. C.	2	0	2,025	0
Winston-Salem, N. C.	20	25	5,050	11,415
Charleston, S. C.	26	28	10,566	9,230
Columbia, S. C.	18	41	3,358	142,768
Greenville, S. C.	17	14	4,060	17,150
Rock Hill, S. C.	7	9	5,275	11,825
Spartanburg, S. C.	9	9	1,975	1,620
Washington, D. C.	204	254	322,830	418,815
Totals	1,064	1,333	\$1,106,697	\$1,465,550

December 1932. Seventeen of the thirty-one cities reported higher valuation figures for December than for the corresponding month of the preceding year, but most of these increases were due to very small 1932 figures rather than to large amounts of work planned last month. All three of the largest cities, Baltimore, Washington and Richmond, reported even lower figures for December 1933 than for December 1932. During the entire year 1933, permits issued in the thirty-one reporting cities totaled 21,360, compared with 27,781 permits issued in 1932 and 34,484 permits in 1931. Estimated valuation figures last year totaled only \$20,728,673, compared with \$35,613,841 in 1932 and \$80,739,801 in 1931.

Contracts awarded in December for construction work in the Fifth district, including both rural and urban projects, totaled \$15,453,761, compared with \$14,565,990 awarded in November 1933 and \$12,584,650 in December 1932, according to figures collected by the F. W. Dodge Corporation. Of the awards in December 1933, \$2,064,426, or 13.4 per cent, was for residential work, compared with \$1,673,280, or 13.3 per cent, for this type of work in December 1932. Annual figures for 1933 on contracts awarded in the Fifth district total \$102,465,338, a decrease of 34.9 per cent in comparison with contracts totaling \$157,483,234 awarded in 1932.

Retail Trade, 31 Department Stores

	Richmond	Baltimore	Washington	Other Cities	District
December 1933 sales, compared with sales in December 1932:	+16.3	+ 6.8	+ 4.0	+15.1	+ 7.4
Total sales during 1933, compared with sales in 1932:	+ .9	- 4.0	- 7.3	- 1.9	- 4.6
Dec. 31, 1933, stocks, compared with stocks on Dec. 31, 1932:	+ 8.6	+15.5	+12.4	- 8.1	+11.1
Dec. 31, 1933, stocks, compared with stocks on Nov. 30, 1933:	-22.5	-22.5	-25.1	-24.2	-23.7
Number of times stocks were turned in December 1933:	.594	.454	.518	.481	.495
Number of times stocks were turned during the year 1933:	4.13	3.577	3.631	3.13	3.606
Percentage of December 1, 1933, receivables collected in Dec.:	29.6	23.1	27.5	28.0	25.7

Wholesale Trade, 59 Firms

	21 Groceries	7 Dry Goods	6 Shoes	13 Hardware	12 Drugs
December 1933 sales, compared with sales in December 1932:	+ 4.8	+23.2	-28.8	+60.3	+ 6.3
December 1933 sales, compared with sales in November 1933:	-13.1	-41.3	-55.6	+ .1	+ 3.3
Total sales in 1933, compared with sales in 1932:	+ 7.2	+32.6	+20.8	+31.1	- 5.8
Dec. 31, 1933, stocks, compared with stocks on Dec. 31, 1932:	+14.5(8*)	+53.3(3*)	+97.9(4*)	+17.7(7*)
Dec. 31, 1933, stocks, compared with stocks on Nov. 30, 1933:	-17.8(8*)	+ 6.7(3*)	+12.5(4*)	- .6(7*)
Percentage of Dec. 1, 1933, receivables collected in December:	76.4(12*)	46.1(4*)	69.2(6*)	44.6(11*)	55.9(8*)

* Number of reporting firms.

(Compiled January 20, 1934)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity, as measured by the Federal Reserve Board's seasonally adjusted index, showed an increase in December, following upon four months of decline. Factory employment declined somewhat, while employment by public agencies showed a considerable increase.

Production and Employment

The Board's index of industrial production, which is adjusted to allow for seasonal variation, advanced from 73 per cent of the 1923-1925 average in November to 74 per cent in December. For the fourth quarter of 1933 as a whole the volume of industrial output was 13 per cent larger than for the corresponding period of 1932. Activity in the steel industry, contrary to seasonal tendency, increased considerably in December and there was also an increase in the output of automobiles. Shoe production declined by an amount smaller than is usual in December. At textile mills, activity declined further by considerably more than the usual seasonal amount to about the low level of last spring.

The number of employees at factories declined between the middle of November and the middle of December by somewhat more than the usual seasonal amount, reflecting chiefly reduction in working forces at cotton, woolen and silk mills and at clothing factories. At automobile factories there was a substantial increase in employment.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased further in December and the first half of January. There was a large increase in contracts awarded for public works and private construction also increased. In the fourth quarter of 1933 as a whole construction contracts in 37 States totaled \$500,000,000 as compared with \$300,000,000 in the last quarter of 1932.

Distribution

Freight car loadings, particularly of miscellaneous freight, declined in December as compared with No-

vember by less than the usual seasonal amount. Dollar value of sales by department stores showed an increase slightly larger than is usual for December.

Dollar Exchange

The foreign exchange value of the dollar which had fluctuated around 64 per cent of parity from the end of November to January 13, declined to 62 per cent on January 17, and subsequently advanced to a range from 62 to 63 per cent.

Prices

Wholesale commodity prices, which had shown a slight decline between the middle of November and the third week of December, advanced in the following month, reflecting chiefly increases in the prices of farm products and foods. Cotton and grains showed marked increases and livestock prices also advanced somewhat.

Bank Credit

At the reserve banks the seasonal return of currency from circulation after the holiday demand amounted to about \$250,000,000 from the high point on December 22 to January 17. A large part of the funds arising from this inflow of currency to the reserve banks was added to the reserve balances of member banks, with the consequence that these balances increased by January 17 to \$900,000,000 in excess of legal requirements.

The return flow of currency from circulation and the reduction of balances held by commercial banks for the United States Government were reflected in an increase of demand deposits at reporting member banks. Loans of the banks declined between December 13 and January 17, while holdings of United States Government and other securities increased.

Short-term money rates in the open market, which had shown a slight advance in December, declined in January to the previous level.