

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

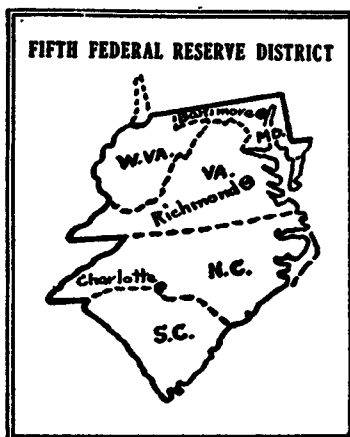


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RICHMOND, VIRGINIA

NOVEMBER 30, 1934

IN comparison with other months of the past four years, October and early November showed a volume of trade in the Fifth Federal reserve district fully up to seasonal level, and basic conditions on the whole appear more favorable for Fall and Winter business than they have been since the depression set in. In banking circles, rediscounts for member banks at the Federal Reserve Bank of Richmond declined further between the middle of October and the middle of November, but the Bank increased its direct loans to industry, and there was the usual increase for this season in the circulation of Federal reserve notes.



Reporting member banks in the larger cities increased their loans during the past month, and their deposits rose more than is accounted for by the increase in loans. Debits to individual accounts figures in five weeks ended November 14 showed a seasonal decline in comparison with debits in the five preceding weeks, but exceeded debits in the five weeks ended November 15, 1933, by 13.4 per cent. The record of commercial failures in the Nation and in the Fifth district was relatively bad in October, increasing more than the seasonal average over the number of failures in September, but the record was still materially better than that of October last year. Employment changed little during the past month, and continues the weakest link in the business chain. Coal production in October showed a normal advance over September output, and also exceeded production in October 1933. Textile mills in the Fifth district, after voluntarily restricting operations in July and August and experiencing the strike in September, resumed operations on approximately a full time basis in October, and consumed more cotton than in October a year ago. Building operations, as reflected in permits issued by inspectors in leading cities, showed a material increase over permits issued in recent months and in the corresponding period last year, probably due to the Government's housing

improvement campaign. Retail trade as reflected in department store sales exceeded the volume of trade in October last year by 20 per cent, and collections of outstanding accounts during the past month were the highest for any month in a number of years. Wholesale trade in October was better in four of five reporting lines than in October last year, shoes being the only line to fall below the 1933 level. Collections in wholesale lines were also better in October than in any recent month. Cotton growers with prices more than sufficiently higher to compensate for decreased production this year are in better position to buy consumers' goods, and tobacco growers are realizing more money for their 1934 crop than for any other crop in a number of years. Farmers throughout the Fifth district raised relatively large crops of food and feed crops, and all money crops yielded well. Weather for harvesting was unusually favorable, and preparations for Fall planting of grain are well advanced throughout the district.

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Reserve Bank Statement

ITEMS	000 omitted		
	Nov. 15 1934	Oct. 15 1934	Nov. 15 1933
Rediscounts held	\$ 110	\$ 417	\$ 6,818
Open market paper.....	209	216	492
Industrial advances	1,289	481	0
Foreign loans on gold.....	599	0	0
Government securities	103,563	103,563	78,563
Total earning assets.....	105,770	104,677	85,873
Circulation of Fed. Res. notes..	173,141	170,126	149,697
Members' reserve deposits.....	128,110	126,991	80,536
Cash reserves	203,001	205,050	166,601
Reserve ratio	66.31	66.98	69.55

Between October 15 and November 15, both this year, rediscounts for member banks at the Federal Reserve Bank of Richmond declined by \$307,000, and the portfolio of open market paper dropped by \$7,000.

There was no change in the Bank's holdings of Government securities during the month, but industrial advances rose by \$808,000, and the Bank participated in foreign loans on gold to the extent of \$599,000. These changes resulted in a net gain in total earning assets amounting to \$1,093,000. The past month witnessed a seasonal increase of \$3,015,000 in the circulation of Federal Reserve notes. Member bank reserve deposits rose further last month, by \$1,119,000. The several changes in the statement lowered the cash reserves of the Federal Reserve Bank of Richmond by \$2,049,000 between October 15 and November 15, and reduced the ratio of cash reserves to note and deposit liabilities combined by 67/100th of a point.

During the year between November 15, 1933, and November 15, 1934, rediscounts at the Federal Reserve Bank of Richmond declined by \$6,708,000, and holdings of open market paper declined by \$283,000. On the other hand, the Bank increased its ownership of Government securities by \$25,000,000, and on the 1934 date was lending \$1,289,000 direct to industry. In addition, on November 15 this year the Bank was participating in a System foreign loan on gold, our share of the loan being \$599,000. The net change in total earning assets during the year was an increase of \$19,897,000. Federal reserve notes in actual circulation rose by \$23,444,000 between November 15 last year and this, partly due to generally increased business and partly to the need for more money to handle crop marketing at the higher prices prevailing this year for the leading crops, cotton and tobacco. Member bank reserve deposits increased by \$47,574,000 during the past year. Cash reserves of the Federal Reserve Bank of Richmond rose by \$36,400,000 between November 15, 1933, and November 15, 1934, but because of the marked increases in note circulation and reserve deposits, the ratio of cash reserves to note and deposit liabilities combined declined by 3.24 points during the year.

Statement of 28 Member Banks

ITEMS	000 omitted		
	Nov. 14 1934	Oct. 10 1934	Nov. 15 1933
Loans on stocks and bonds (including Governments)	\$ 60,190	\$ 57,081	\$ 59,835
All other loans.....	108,370	105,160	118,065
Total loans and discounts.....	168,560	162,241	177,900
Investments in securities.....	190,614	189,101	161,227
Reserve bal. with F. R. Bank....	57,642	55,080	29,777
Cash in vaults.....	12,187	12,232	9,832
Demand deposits	240,038	230,408	191,624
Time deposits	133,499	133,495	129,026
Borrowed from F. R. Bank.....	0	0	246

The accompanying table shows totals of the principal items of condition reported by twenty-eight member banks in ten leading cities of the Fifth Federal reserve district as of three dates, November 14 and October 10, this year, and November 15 last year, thus affording opportunity for comparison of the latest available figures with those a month and a year earlier. It should be understood that the figures in the table

are not necessarily the highest or lowest figures that occurred during the periods under review.

The twenty-eight reporting member banks increased their loans by \$6,319,000 between October 10 and November 14, both this year, a seasonal rise occurring in "all other loans" amounting to \$3,210,000 and loans on securities rising by \$3,109,000. In banks in the larger centers, borrowing by merchants to discount bills for fall merchandise at this season usually exceeds liquidation of indebtedness by farmers as a result of marketing of agricultural products. Investments in securities, chiefly Government obligations, rose by \$1,513,000 during the past month. The reporting banks further increased their reserve balance at the reserve bank between October 10 and November 14, but the rise of \$2,562,000 was little more than a daily fluctuation due to clearing operations. Cash in vaults declined by \$45,000 last month. Aggregate deposits rose during the period under review by \$9,630,000, of which all but \$4,000 was in demand deposits. Time deposits were somewhat reduced and demand deposits correspondingly increased during the month by a transfer of Christmas Savings funds from time to demand deposits on November 1. None of the twenty-eight reporting banks were borrowing at the Federal Reserve Bank of Richmond on either November 14 or October 10.

During the year between November 15, 1933, and November 14, 1934, total loans in the reporting member banks decreased \$9,340,000, all of which was in "all other loans." Investments in securities rose by \$29,387,000 during the year, and aggregate reserve balance with the reserve bank increased by \$27,865,000, the reserve balances on both dates being much larger than actual requirements. Cash in vaults rose by \$2,355,000 during the past year. Aggregate deposits in the twenty-eight banks rose by \$52,887,000 between the middle of November last year and this year, a gain in demand deposits amounting to \$48,414,000 accounting for most of the increase. On November 15, 1933, two of the twenty-eight banks were borrowing a total of \$246,000 at the reserve bank, but none of them were rediscounting on November 14, 1934.

Time and Savings Deposits

Time deposits in twenty-eight reporting member banks and aggregate deposits in eleven mutual savings bank in Baltimore totaled \$329,235,051 at the end of October 1934, a higher figure than either \$327,052,500 reported at the end of September this year or \$314,431,540 at the end of October last year. Deposits in both member and mutual savings banks showed increases for the past month and past year.

Debits to Individual Accounts

The debits to individual, firm and corporation accounts figures shown in the accompanying table for three equal periods of five weeks include all checks drawn against depositors' accounts in the banks of twenty-three leading trade centers of the Fifth Federal reserve district.

CITIES	000 omitted		
	Total debits, five weeks ended		
	Nov. 14, 1934	Oct. 10, 1934	Nov. 15, 1933
Asheville, N. C.....	\$ 10,874	\$ 10,851	\$ 9,727
Baltimore, Md.	299,030	312,565	253,660
Charleston, S. C.....	13,570	15,858	12,384
Charleston, W. Va....	46,205	45,843	38,377
Charlotte, N. C.....	56,897	51,144	49,136
Columbia, S. C.....	22,593	21,888	19,724
Cumberland, Md.	6,894	7,351	6,692
Danville, Va.	18,510	10,513	10,378
Durham, N. C.....	48,932	55,196	38,118
Greensboro, N. C.....	13,629	12,495	8,160
Greenville, S. C.....	16,968	14,853	16,335
Hagerstown, Md.	7,734	7,721	6,378
Huntington, W. Va....	13,047	13,100	11,348
Lynchburg, Va.	14,856	15,379	16,138
Newport News, Va....	7,732	8,142	7,297
Norfolk, Va.	48,280	59,036	42,006
Portsmouth, Va.	3,838	3,704	3,623
Raleigh, N. C.....	29,558	25,306	20,365
Richmond, Va.	166,506	183,471	138,119
Roanoke, Va.	21,594	21,506	21,722
Washington, D. C.....	196,352	199,641	189,643
Wilmington, N. C.....	9,959	10,090	8,662
Winston-Salem, N. C.	37,418	36,251	33,656
District Totals.....	\$1,110,976	\$1,141,904	\$ 961,648

A comparison of the total of \$1,110,976,000 in debits reported for the five weeks ended November 14, 1934, with the total reported for the preceding five weeks, ended October 10 this year, shows a decrease of \$30,928,000, or 2.8 per cent. A decline during the more recent period is seasonal, due to heavy payments of dividends and interest on October 1, but the decrease this year was less than occurs in most years. Twelve of the twenty-three cities reported higher figures for the more recent period, six of the increases being due at least in part to improvement in the textile industry.

In comparison with figures reported for five weeks last year, ended November 15, 1933, corresponding figures for the five weeks ended November 14, 1934, show a total increase of \$149,328,000, or 13.4 per cent, a somewhat smaller increase than was reported in other recent months in comparison with corresponding periods last year. All of the reporting cities showed higher figures for the 1934 period except Lynchburg and Roanoke, the decline in the latter city being less than 1 per cent.

Commercial Failures

After declining almost steadily each month this year, business failures in the United States took a sharp upturn in October, and exceeded September insolvencies by 38 per cent, a much larger than normal seasonal rise. However, failures in October this year continued below the number reported for the corresponding month of the preceding year. October 1934 bankruptcies totaled 1,091, compared with 790 in September this year and 1,206 in October 1933. Liabilities totaling \$19,968,448 last month also exceeded \$16,440,147 reported for September 1934, but were much

below \$30,581,970 for October 1933. In the Fifth reserve district, insolvencies in October numbered 48, with aggregate liabilities totaling \$778,492, compared with 27 failures and liabilities totaling \$431,992 in September 1934, and 74 failures for \$851,565 in October last year. *Dun & Bradstreet Monthly Review* for November says that failures in October were relatively heaviest in Eastern States, especially New England, with a secondary bad spot on the Pacific Coast. The Richmond district made the worst record for October in the South, in comparison with the record for September, while the Atlanta district made the best comparison. In comparison with October 1933 failures, the Richmond district was among the three leaders in improvement, along with Chicago and Cleveland. Three reserve districts, New York, Kansas City and San Francisco, reported more insolvencies in October 1934 than in October 1933.

Employment

Employment conditions show no material change since the October 31 issue of the Review was written. A seasonal tendency toward increased unemployment at this season has been partly overcome by the Government's drive for housing improvement, but on the other hand a number of PWA projects have been completed recently, thereby laying off additional workers. Increased coal production in October added to payrolls of miners, and the textile mills of the Fifth district appear to have recovered fully from the strike.

Coal Production

Bituminous coal production in the United States totaled 32,504,000 net tons in October 1934, a seasonal increase over 27,670,000 tons mined in September this year, and also above October 1933 production of 29,656,000 tons. Total production of soft coal during the calendar year to November 10 amounted to 306,108,000 net tons, compared with 279,107,000 tons mined during the corresponding period last year. Shipments of coal through Hampton Roads ports in 1934 prior to November 10 totaled 15,392,882 tons compared with 14,852,536 tons shipped through the same ports to the corresponding date in 1933.

In its October 27 report, the Bureau of Mines, Department of Commerce, gave bituminous coal production figures for the month of September. The report credited West Virginia with 7,420,000 net tons, while Pennsylvania, the second ranking state, dug 6,520,000 tons. In its November 3 report, the Bureau of Mines stated that stocks of bituminous coal rose seasonally during the third quarter of 1934, but on October 1 stocks in the hands of industrial consumers were estimated to be sufficient to last 42 days, compared with a 46 day supply on hand a year ago.

Textiles

After the settlement of the textile strike in late September, mills resumed operations promptly and in October ran at about the same rate as in October last

year. Forward orders have been scarce, but on the whole the mills have obtained sufficient business to keep them operating approximately full time under code rules. Fifth district mills consumed 235,752 bales of cotton in October, an increase of 69 per cent over 139,319 bales used in September when the strike retarded operations three weeks, and 1.4 per cent above 232,396 bales consumed in October 1933. Last month North Carolina mills used 120,125 bales, South Carolina mills used 102,066 bales, and Virginia mills 13,561 bales, the figures for South Carolina and Virginia exceeding those for October last year. Consumption of cotton in the Fifth district in October amounted to 45.31 per cent of National consumption, a lower figure than either 47.07 per cent of National consumption used in the district in September this year or 46.11 per cent used in October 1933.

Cotton Statistics

Spot cotton prices, as represented by the average paid on ten Southern markets on Friday of each week, declined slightly during the second half of October, but recovered part of the loss in the first half of November. Middling grade upland cotton averaged 12.57 cents per pound on October 12, but declined thereafter each week to 12.25 cents per pound on November 2. On November 9 the average on the ten markets was 12.45 cents, and on November 16, the latest date for which official quotations are available, the price was 12.48 cents.

Condition figures on the 1934 cotton crop, based on the November 1 condition of the crop, were issued by the Department of Agriculture on November 8. This report raised the estimate of production in the United States to 9,634,000 bales, in comparison with the estimate of 9,443,000 bales on October 1, 1934, and 13,047,000 bales ginned in 1933. Most of the increase from last month took place in States along the Mississippi River, particularly Arkansas, Missouri and Mississippi. Increases are also shown for Texas and Georgia. Oklahoma showed a decline last month. Conditions during October were much more favorable than usual and picking and ginning progressed rapidly in all States with practically no losses of open cotton in the fields. In the Fifth district, South Carolina's prospective yield of 695,000 bales is the same as the October estimate, and compares with 735,000 bales ginned in 1933. The North Carolina forecast of 650,000 bales on November 1 was 4,000 bales larger than a month earlier, and compares with last year's yield of 684,000 bales. The Virginia crop declined 1,000 bales during October, and prospects on November 1 for a yield of 35,000 bales shows a decrease from 37,000 bales ginned from the 1933 crop. Total production in the Fifth district is forecast at 1,380,000 bales, an increase of 3,000 bales during October but 76,000 bales less than last year's production. The per acre yields in the three Fifth district cotton States this year are materially higher than the figures last year, while the National average per acre yield is less this year.

Ginning figures to November 1, released by the Cen-

sus Bureau on November 8, showed 7,920,231 bales ginned from this year's crop, compared with 10,355,031 bales of last year's crop ginned before November. Weather conditions during October were excellent for cotton picking, and little cotton remained in the fields by the end of the month.

Cotton consumption in the United States in October showed a marked increase over the month of September, and was also above consumption in October last year. The increase in October consumption in comparison with that of September was of course due in large part to the settlement of the strike which kept a majority of cotton mills closed about three weeks in the earlier month. The number of bales used totaled 520,310 in October 1934, compared with 295,960 bales used in September this year and 504,055 bales in October 1933. Total consumption this cotton year—August 1 through October 31—amounted to 1,237,219 bales, against 1,592,439 bales consumed in the corresponding three months of last season. Manufacturing establishments held 1,139,721 bales on October 31, compared with 1,056,744 bales held on September 30 and 1,363,343 bales on October 31, 1933. Public warehouses and compresses held 9,381,428 bales in storage at the end of October this year, compared with 7,616,140 bales so held a month earlier and 9,474,446 bales on October 31 last year. October exports totaled 615,593 bales, compared with 479,861 bales exported in September and 1,044,824 bales sent abroad in October 1933. Total exports during the three months of the present cotton year—August 1—October 31, inclusive—totaled 1,363,016 bales, a lower figure than 2,444,695 bales shipped over seas during the corresponding three months last year. Spindles active at some time during October numbered 25,095,480, compared with 22,112,888 in September this year and 25,883,836 in October 1933.

Cotton growing states consumed 410,543 bales of cotton in October, compared with 243,004 bales in September and 405,175 bales in October 1933. Last month's consumption in the cotton growing states amounted to 78.9 per cent of National consumption, compared with 82.1 per cent in September this year and 80.4 per cent in October 1933. Of the 410,543 bales of cotton consumed in the cotton growing states in October, the Fifth district mills used 235,752 bales, or 57.4 per cent, the same percentage of Southern consumption attained by Fifth district mills in October last year.

Tobacco Marketing

South Carolina auction tobacco markets sold 1,547,299 pounds of growers' tobacco in October this year, for an average price of \$19.24 per hundred pounds. Total sales this year through October amounted to 52,952,175 pounds, and the average price was \$21.60 per hundred. Last year sales for the entire season totaled 81,676,897 pounds, but the average price was only \$12.59 per hundred. The November 1 estimate of tobacco production in South Carolina this year was 57,720,000 pounds, compared with 88,580,000 pounds

grown in the State in 1933 and a five-year average of 83,820,000 pounds. Production figures for the State and sales figures in warehouses do not agree, some tobacco being grown in one State and sold in another because of nearness of markets across State lines.

North Carolina markets sold 116,328,169 pounds of producers' tobacco in October 1934, at an average price of \$33.70 per hundred pounds. These figures compare with 172,608,443 pounds sold for an average of \$14.99 per hundred in October 1933. Total sales this season to November 1 of 325,052,381 pounds show an increase over 270,328,189 pounds sold in 1933 before November, but final production for 1934 estimated at 420,570,000 pounds is 22 per cent less than the yield of 537,979,000 pounds in 1933. Winston-Salem led the *North Carolina* markets in October sales with 16,836,901 pounds, but three warehouses at Farmville led in price with an average of \$35.90 per hundred pounds. Greenville ranked second in October sales with 15,491,384 pounds.

Virginia leaf tobacco markets sold 33,146,067 pounds for growers in October, at an average price of \$32.67 per hundred pounds. Last year the October sales amounted to 10,764,048 pounds at an average of \$14.29 per hundred. October sales consisted entirely of flue-cured types, no fire-cured or sun-cured markets being open during the month. Danville led all markets with total sales of 17,001,542 pounds, South Boston ranking second with 6,936,756 pounds. South Boston paid the highest average price in October, \$33.75 per hundred pounds. The quality of tobacco sold in *Virginia* in October last year, grading 45 per cent good, 33 per cent medium, and only 22 per cent common. Last year October sales averaged 37 per cent good, 40 per cent medium, and 23 per cent common. This year's tobacco crop in *Virginia* is estimated at 87,397,000 pounds, compared with the crop of 97,046,000 pounds harvested in 1933. Warehousemen estimated that 58 per cent of the flue-cured tobacco had been sold by November 1, which is the highest percentage on record sold to that date.

Tobacco Manufacturing

On November 21, the Commissioner of Internal Revenue issued a report on taxes collected in October 1934 on manufactured tobacco products. October production of cigarettes in the United States numbered 10,718,132,697, compared with 9,176,407,703 cigarettes manufactured in October 1933. Smoking and chewing tobacco production increased from 26,759,203 pounds in October last year to 27,463,735 pounds in October this year. Cigars manufactured rose from 408,451,691 in October 1933 to 494,456,319 in October 1934. Snuff production decreased from 3,787,145 pounds to 3,042,730 pounds during the year. In the month of October 1934, taxes on cigarettes totaled \$32,156,394, compared with \$27,532,043 collected in the corresponding month last year. Taxes on smoking and chewing tobacco increased during the same period from \$4,817,361 to \$4,944,395, and cigar taxes rose from \$1,127,627 to

\$1,291,634. October was the first month in the past five or six in which taxes on smoking and chewing tobacco and on cigars exceeded taxes in the corresponding month of the preceding year. Combined taxes to the Federal Treasury on all forms of tobacco manufacturing totaled \$38,940,114 in October 1934 and \$34,158,717 in October 1933, an increase this year of 14 per cent.

Agricultural Notes

Fall weather was favorable for crop harvesting, and in the Fifth reserve district per acre yields were good in the main. Prospective per acre yields this year, expressed as percentages of the ten-year average (1921-1930), were as follows in Fifth district states: *South Carolina* 122.4, *North Carolina* 113.1, *Virginia* 106.6, *Maryland* 104.7, and *West Virginia* 84.9. Prices for leading money crops were also above those a year earlier.

Maryland farm work made rapid progress during the dry weather of October and the handicap of a wet September was largely overcome. Wheat sowing averaged a little later than usual, but early sown wheat is up to a good stand and has a thrifty appearance. Corn production estimated at 16,480,000 bushels compares with 16,240,000 bushels last year and a five-year average of 15,187,000 bushels. The *Maryland* tobacco crop of 24,480,000 pounds compares with 20,400,000 pounds in 1933 and a five-year average of 23,638,000 pounds. Irish potatoes are expected to yield 3,069,000 bushels in 1934, against 2,700,000 bushels in 1933 and a 1927-1931 average of 3,646,000 bushels. Sweet potatoes totaling 700,000 bushels this year compare with 840,000 bushels last year and 1,493,000 bushels the five-year average. Commercial apple production is forecast at 615,000 bushels, compared with 657,000 bushels in 1933 and an average of 1,355,000 bushels in 1927-1931.

Virginia weather conditions were unusually favorable in October, and preliminary yield reports show that production of many crops will be larger than expected a month ago. The composite yield per acre of all crops is estimated to be 6.6 per cent above the ten-year average. Dry, clear weather during October enabled farmers to save their crops in excellent condition. There was some complaint that late sown grains were not coming up well, but early sown grains had made an excellent start in the first part of November. Corn husking made rapid progress during October and by the first of November a large part of the crop had been housed. Total production of corn is estimated to be 35,402,000 bushels, compared with 36,918,000 bushels harvested last year and the five-year average of 33,611,000 bushels. Peanut digging made rapid progress during October, and weather conditions were quite favorable for curing, so picking was well under way by the first of November. Early yield reports indicate an average number of bags per acre, but the weight per bag is lighter than usual, as generally happens during a wet growing season. Total production is estimated to be 146,000,000 pounds, which is slightly less

than the October forecast of 149,650,000 pounds. The 1933 crop was 111,150,000 pounds and the five-year average 139,489,000 pounds. The harvest of apples had been practically completed by the first of November and owing to the excellent size and quality the crop was larger than had been expected. The total production is estimated to be 9,275,000 bushels, compared with 10,900,000 bushels last year and the five-year average of 12,914,000 bushels. Commercial production is a much larger percentage of the total crop than usual because of a better set in commercial orchards and because of excellent quality permitting a larger percentage of the crop to be packed. Commercial production is estimated at 2,187,000 barrels, compared with 1,750,000 barrels last year and the five-year average of 2,680,000 barrels. The yield of late potatoes was very irregular, some growers reporting fairly good crops while others reported very poor. Some late crops were damaged by frost. Total production this year, including the early crop, is 13,803,000 bushels, compared with 8,649,000 bushels in 1933 and 15,989,000 bushels the average for the three years 1927-1931. Sweet potatoes yielded less than had been expected as wet weather during August and September had caused a heavy growth of vines. The commercial growers report one of the smallest yields in recent years and the farm crop has also made a poor yield. Total production is estimated to be 4,080,000 bushels, compared with the 1933 crop of 3,885,000 bushels.

West Virginia weather was too dry in October and checked the crop improvement which resulted from late August and September rains, but most crops were matured or harvested before the dry spell set in. In the northern section of the State there is reported some shortage of water and pasturage. The estimated production of corn this year is 11,990,000 bushels, compared with 13,920,000 bushels in 1933 and a five-year average production of 11,290,000 bushels. Corn husking was well advanced on November 1. The Irish potato yield of 2,736,000 bushels exceeds last year's short crop of 2,331,000 bushels, but is much below the three-year average yield of 3,522,000 bushels. The West Virginia tobacco improved last month, and on November 1 a production of 3,250,000 pounds was forecast. This year's per acre yield of 650 pounds exceeds 645 pounds in 1933, but the 1933 acreage was larger than this year's and the yield was 4,322,000 pounds. Many apple orchards failed this year, but the commercial crop of 2,475,000 bushels exceeds last year's yield of 2,100,000 bushels.

North Carolina crops turned out well this year on the whole, and yields are above the five-year average except for cotton and tobacco, in which acreage reduction kept down total production. Corn was estimated at 48,048,000 bushels on November 1, compared with a five-year average of 40,713,000 bushels. The 1934 yield of peanuts is 250,950,000 pounds, in contrast with average production of 231,181,000 pounds. The Irish potato crop yielded 10,324,000 bushels, while the five-year average yield was 7,573,000 bushels, and this year's production of sweet potatoes totaling 8,715,000 bushels contrasted with 6,794,000 bushels the five-year

average. North Carolina's total apple crop this year is forecast to be 3,525,000 bushels, while the five-year average crop is 3,386,000 bushels.

South Carolina, in point of yield per acre, is exceeded only by Alabama in comparison with a ten-year average production. On the other hand, preliminary estimates indicate that the total volume of all crops combined will be about 5 per cent less than either 1933 outturn or average yearly production for 1927-1931, the smaller volume being due to curtailment of cotton and tobacco acreages and to only fair returns from grain crops. The 1934 corn crop, estimated at 21,324,000 bushels, is 7 per cent below last year's yield of 22,808,000 bushels and 1 per cent above the average production in 1927-1931 of 21,215,000 bushels. The peanut crop of 10,240,000 pounds exceeds both the 1933 yield of 9,520,000 pounds and the three-year average of 8,055,000 pounds. South Carolina's Irish potato crop of 2,625,000 bushels materially exceeded last year's yield of 1,744,000 bushels, but fell short of the three-year average crop of 2,944,000 bushels. This year's sweet potato crop of 4,674,000 bushels is larger than the 1933 yield of 4,648,000 bushels or the 1927-1931 average of 4,247,000 bushels. Production of sorghum syrup totaled 424,000 gallons this year, 416,000 gallons in 1933, and 376,000 gallons as the average in 1927-1931.

Construction

Building Permits Issued in October 1934 and 1933

CITIES	Permits Issued		Total Valuation	
	1934	1933	1934	1933
Baltimore, Md.	826	779	\$1,998,600	\$ 854,286
Cumberland, Md.	6	6	52,774	19,775
Frederick, Md.	18	13	19,979	5,466
Hagerstown, Md.	17	12	11,823	2,245
Salisbury, Md.	19	14	11,270	16,625
Danville, Va.	15	24	15,405	6,704
Lynchburg, Va.	45	21	26,791	37,150
Norfolk, Va.	149	96	83,480	44,876
Petersburg, Va.	8	0	4,125	0
Portsmouth, Va.	31	24	15,110	12,690
Richmond, Va.	106	85	88,908	100,808
Roanoke, Va.	33	31	24,723	15,544
Bluefield, W. Va.	17	3	14,525	1,620
Charleston, W. Va.	46	88	20,332	25,464
Clarksburg, W. Va.	50	14	51,230	2,700
Asheville, N. C.	41	20	9,203	10,037
Charlotte, N. C.	55	25	106,439	21,860
Durham, N. C.	28	11	58,675	39,850
Greensboro, N. C.	68	52	49,132	74,927
High Point, N. C.	15	14	19,523	4,785
Raleigh, N. C.	14	9	14,240	3,040
Rocky Mount, N. C.	8	4	5,580	1,975
Salisbury, N. C.	3	8	11,550	5,790
Winston-Salem, N. C.	90	58	32,043	32,790
Charleston, S. C.	55	38	16,812	8,440
Columbia, S. C.	41	36	63,703	9,917
Greenville, S. C.	37	35	35,095	13,215
Rock Hill, S. C.	19	25	15,085	15,025
Spartanburg, S. C.	48	13	13,909	7,720
Washington, D. C.	565	522	982,860	550,415
District Totals.....	2,473	2,080	\$3,872,924	\$1,945,739

Building permits issued by inspectors in thirty Fifth

district cities in October 1934 totaled 2,473, with estimated valuation amounting to \$3,872,924, compared with 2,080 permits valued at \$1,945,739 issued in October 1933, increases of approximately 19 per cent in number and 99 per cent in total valuation in the 1934 month. Twenty-three of the thirty cities reported larger valuation figures last month in comparison with October 1933 figures, the best record made for many months. Among the largest cities, higher 1934 figures were reported by Baltimore, Charlotte, Norfolk and

Washington, but Charleston, W. Va., and Richmond fell below their October 1933 figures.

Contracts actually awarded in October for construction work in the Fifth district, including both urban and rural projects, totaled \$10,936,722, compared with \$10,752,712 in October 1933 and \$13,464,279 in October 1932, according to figures collected by the F. W. Dodge Corporation. Of the awards in October this year, \$2,837,212, or 25.9 per cent, was for residential work, compared with \$2,173,187, or 20.2 per cent, for this type of work in October 1933.

Retail Trade, 31 Department Stores

	<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
October 1934 sales, compared with sales in October 1933:	+17.9	+13.0	+28.6	+18.9	+20.3
Total sales Jan.-Oct. 1934, compared with Jan.-Oct. 1933:	+19.8	+13.1	+19.6	+23.4	+17.4
Oct. 31, 1934, stocks, compared with stocks on Oct. 31, 1933:	+ 6.8	-12.5	-14.3	+ 1.4	-10.2
Oct. 31, 1934, stocks, compared with stocks on Sept. 30, 1934:	+ 5.8	+ 4.0	+ 8.8	+ 7.6	+ 6.4
Number of times stock was turned in October 1934:	.37	.363	.416	.334	.381
Number of times stock was turned since January 1, 1934:	3.194	2.848	3.208	2.79	3.02
Percentage of Oct. 1, 1934, receivables collected in October:	31.9	30.3	29.1	30.3	30.0

Note: Sales and stock changes are percentages.

Wholesale Trade, 58 Firms

	21 <i>Groceries</i>	7 <i>Dry Goods</i>	6 <i>Shoes</i>	13 <i>Hardware</i>	11 <i>Drugs</i>
October 1934 sales, compared with sales in October 1933:	+19.8	+ 6.4	- 4.5	+28.6	+19.7
October 1934 sales, compared with sales in September 1934:	+ 5.2	-10.1	-11.7	+19.8	+11.9
Jan.-Oct. 1934 sales, compared with sales in Jan.-Oct. 1933:	+18.7	+27.4	+ 4.8	+30.0	+19.0
Oct. 31, 1934 stocks, compared with Oct. 31, 1933 stocks:	+12.2(8*)	- 5.9(3*)	-28.4(4*)	+ 7.4(7*)
Oct. 31, 1934, stocks, compared with Sept. 30, 1934 stocks:	+ 7.5(8*)	-20.1(3*)	-26.2(4*)	- 2.5(7*)
Percentage of Oct. 1, 1934, receivables collected in Oct.:	89.1(12*)	47.4(4*)	82.3(5*)	50.5(11*)	61.9(7*)

*Number of reporting firms. All figures in the table are percentages.

(Compiled November 21, 1934)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Volume of industrial production and factory employment, which usually shows little change at this season, increased in October, reflecting chiefly the resumption of activity at textile mills. Wholesale commodity prices, after declining in September and October, advanced in the first half of November.

Industrial Production and Employment

Activity at industrial establishments, as measured by the Board's seasonally adjusted index, showed an increase from 71 per cent of the 1923-1925 average in September to 73 per cent in October. Among the industries producing durable manufactures, output at steel mills increased from 23 per cent of capacity for the month of September to 25 per cent for October, while output of automobiles and lumber declined. In November activity at steel mills continued to increase and in the week ending November 24 was at about 28 per cent of capacity. Automobile production has declined further in connection with the preparation of new models. The production of non-durable manufactures in the aggregate showed a considerable growth in October, reflecting sharp increases at cotton, woolen, and silk mills, offset in part by a decline in activity at meatpacking establishments. The increase in output at textile mills after the strike in September brought output to a higher level than in August. Among the minerals, daily output of crude petroleum declined in October and that of anthracite increased by an amount smaller than is usual at this season.

Factory employment and payrolls in the country as a whole increased considerably between the middle of September and the middle of October. Sharp increases were reported at mills producing textile fabrics, while in the automobile, shoe, and canning industries there were declines of a seasonal nature.

The value of construction contracts awarded was somewhat larger in October than in any other recent month. There was an increase in residential work as well as in publicly-financed projects.

Agriculture

Department of Agriculture estimates, based on November 1 conditions, indicate a cotton crop of 9,634,000 bales, 26 per cent smaller than the 1933 crop, and a corn crop of 1,372,000,000 bushels, 41 per cent smaller than last season and 45 per cent smaller than the 1927-1931 average. The tobacco crop is also considerably smaller than usual, while the white potato crop is slightly above the five-year average.

Distribution

The number of freight cars loaded per working day decreased from September to October. Department store sales showed a seasonal increase and were at about the same level, on a seasonally adjusted basis, as in most other months since March. Rural sales of general merchandise, as reported by the Department of Commerce, increased by less than the usual seasonal amount following an unusually large increase in September.

Commodity Prices

Wholesale commodity prices, as measured by the Bureau of Labor Statistics' weekly index, declined from 77.8 per cent of the 1926 average in the week ending September 8 to 76.0 per cent in the week ending November 3 and then rose in the following two weeks to 76.7 per cent. The decline was largely in prices of farm products and foods but there were also some decreases in the prices of textiles and building materials. Increases in the first half of November were largely in the prices of farm products. The price of scrap steel also advanced, while lead and zinc declined.

Bank Credit

Excess reserves of member banks were about \$1,910,000,000 on November 21, showing an increase of \$150,000,000 in the preceding five weeks. The increase in reserves held was \$200,000,000, of which \$50,000,000 covered a growth in required reserves. Additions to reserves resulted mainly from gold imports and further issues of silver certificates.

Loans and investments of reporting member banks in leading cities declined somewhat in the four weeks ending November 14, following an increase in the previous month. Substantial declines were shown in loans on securities and in holdings of securities other than those of the United States Government. Other loans, which had increased considerably in previous months, also showed some decline, while holdings of direct obligations of the United States Government and of securities fully guaranteed by the Government increased considerably. Customers' deposits continued to increase, while Government deposits declined.

There was a further decline in open-market rates on bankers' acceptances at the end of October to an offering rate of $\frac{1}{8}$ per cent. Yields on short-term Government securities and other short-term open-market money rates showed little change.