

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



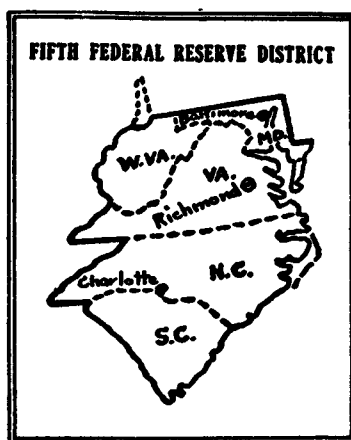
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FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

DECEMBER 31, 1934

BUSINESS statistics for 1933 are not yet complete, but in the Fifth reserve district the year which is closing witnessed improved trade in every line for which data are available in comparison with trade in 1933. In contrast with the earlier year, banks had no trouble this year, and the public demonstrated confidence in them by notably increasing deposits, partly due of course to the law whereby deposits are insured to a certain point. In spite of continued unemployment on a very extensive scale, retail trade during 1934 was much better than in 1933, wholesale trade followed retail trade upward, commercial failures were at a very low level, collections were distinctly improved, sales of both new and used automobiles exceeded those of the preceding year, and farmers received more money for their crops than in any recent year. Tobacco growing sections benefitted by improved conditions more than others, but cotton and other farmers also shared in the high returns from agriculture.

Most of the developments in Fifth district business between the middle of November and the middle of December were seasonal in character. In banking, rediscounts at the Federal Reserve Bank of Richmond, increased very slightly, after a steady decline over many months. The Bank also increased industrial advances and commitments, extended under Section 13-B of the Federal Reserve Act. Federal reserve notes increased seasonally during the past month, but less than occurs in most years. Reporting member banks showed little net change in outstanding loans between the middle of November and the middle of December, but deposits showed a moderate decline, partly due to withdrawals for tax paying and holiday buying. Debits to individual accounts figures in four weeks ended December 12 showed a seasonal increase in comparison with debits in the preceding four weeks, ended November 14, and exceeded by 19 per cent debits in the corresponding four weeks last year. Employment continued unsatis-



factory last month, but in the cities there seemed to be somewhat less than a seasonal increase in unemployment. Coal production in November, figured on a daily production basis, exceeded production in either October 1934 or November 1933. Business failures in the Fifth district were fewer in number and lower in liabilities in November 1934 than in either October this year or November last year. Textile mills continued operations at practically full time during November, and cotton consumption exceeded that of November last year, when mills restricted output in order to counteract over production earlier in 1933. Auction tobacco mar-

kets handled less tobacco last month than in November 1933, but the cash returns from sales this year were much larger than returns last year. Tobacco manufacturing in November was about 35 per cent above November 1933, cigarettes accounting for most of the increase. Construction work continues to lag, and little new work is being undertaken, but the Government has stimulated some repair and alteration work. Retail trade in November exceeded the volume of trade in November 1933 by more than 17 per cent, and preliminary reports indicate that the first half of December witnessed the largest volume of trade since 1929. Wholesale trade last month, while seasonally below the level of October in all lines for which figures are available, was well above the level of trade in November 1933.

Industrial Loans

Under Section 13-B of the Federal Reserve Act, as amended, the Federal Reserve banks were authorized to make loans direct to industry in cases where credit could not be obtained in regular channels. The loans are intended primarily to furnish working capital, and have a maximum maturity of five years. In each reserve district an Industrial Advisory Committee of five

business men was set up, and loans are applied for and investigated through this Committee. In the Fifth Reserve district, the Advisory Committee meets every Thursday afternoon, carefully examines loan applications, and makes recommendations thereon to the reserve bank. The officers of the bank then carefully study the applications and the recommendations of the Committee before passing finally on the loans. Through December 12, the Federal Reserve Bank of Richmond received 271 applications for loans totaling \$9,922,000, of which 74 loans totaling \$5,148,000 were recommended by the Industrial Advisory Committee, with or without conditions, and 30 applications for \$1,551,000 are still under consideration. Of the 74 loans recommended by the Committee, 72 were approved by the Federal Reserve Bank of Richmond, and \$1,367,000 was actually advanced to borrowers. In addition, the reserve bank committed itself to assume \$204,000 of industrial loans made by member banks, in the event that the lending banks wish to secure funds on the loans before expiration of the commitment.

Reserve Bank Statement

ITEMS	000 omitted		
	Dec. 15 1934	Nov. 15 1934	Dec. 15 1933
Rediscounts held	\$ 148	\$ 110	\$ 5,587
Open market paper.....	209	209	5,469
Industrial advances	1,369	1,289	0
Foreign loans on gold.....	0	599	0
Government securities	103,563	103,563	78,563
Total earning assets.....	105,289	105,770	89,619
Circulation of Fed. Res. notes.....	173,972	173,141	159,434
Circulation of Fed. Res. bank notes	0	0	4,559
Members' reserve deposits.....	116,674	128,110	77,062
Cash reserves	209,305	203,001	165,378
Reserve ratio	67.26	66.31	68.27

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, 1934, and December 15, 1933, 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 increased slightly during the past month, rising by \$38,000, but the amount outstanding on December 15 was negligible, and was \$5,439,000 less than the relatively small volume of borrowing a year ago. The portfolio of open market paper showed no change between November 15 and December 15, this year, but declined by \$5,260,000 during the year. Foreign loans on gold amounting to \$599,000 on November 15 were paid off during the past month. On December 15, 1934, loans to industry by the Federal Reserve Bank of Richmond totaled \$1,369,000, an increase of \$80,000 between November 15 and December 15. Government security holdings remained unchanged between the middle of November

and the middle of December, but on the latter date totaled \$25,000,000 above holdings at mid-December 1933. As a result of the changes in individual asset items, total earning assets showed a net decrease of \$481,000 during the past month but rose by \$15,670,000 during the past year. Federal reserve notes in actual circulation rose between November 15 and December 15 by \$831,000, a smaller than normal seasonal increase due to needs for additional currency in connection with holiday buying and marketing of crops, especially tobacco and cotton. On December 15, the total of notes in circulation exceeded the total for December 15, 1933, by \$14,538,000. Last year \$4,559,000 in Federal Reserve bank notes were in circulation, but all of them have since been retired. Member bank reserve deposits, which are much higher than actual requirements, declined by \$11,436,000 during the past month, chiefly due to investments by member banks in Government securities issued during the month. At the middle of December reserves exceeded those of December 15, 1933, by \$39,612,000. The several changes in the statement mentioned, with others of less importance, increased the cash reserves of the Richmond reserve bank by \$6,304,000 between November 15 and December 15, and raised the ratio of cash reserves to note and deposit liabilities combined by approximately one point. Reserves on December 15, 1934, were higher by \$43,927,000 than reserves on December 15, 1933, but the ratio of reserves to note and deposit liabilities combined declined 1.01 points.

Statement of 28 Member Banks

ITEMS	000 omitted		
	Dec. 12 1934	Nov. 14 1934	Dec. 13 1933
Loans on stocks and bonds (in- cluding Governments)	\$ 60,869	\$ 60,190	\$ 58,706
All other loans.....	107,619	108,370	113,952
Total loans and discounts.....	168,488	168,560	172,658
Investments in securities.....	189,317	190,614	163,931
Reserve bal. with F. R. Bank.....	49,466	57,642	32,033
Cash in vaults.....	13,553	12,187	11,424
Demand deposits	232,779	240,038	194,720
Time deposits	132,317	133,499	126,872
Borrowed from F. R. Bank.....	0	0	0

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 12 and November 14, 1934, and December 13, 1933.

Between November 14 and December 12, both this year, there were greater changes in the statement than in any other recent month. The total loans and discounts showed a net decline of \$27,000, loans on stocks and bonds rising by \$679,000 while all other loans decreased by \$751,000. The reporting banks also decreased their investments in securities by \$1,297,000, and reduced their reserve balance at the reserve bank by \$8,176,000 between the middle of November and the middle of December. Cash in vaults rose by \$1,-

366,000 during the month, a seasonal increase due to a need for additional cash with which to carry on the holiday trade. Demand deposits declined \$7,259,000 during the month under review, and time deposits dropped \$1,182,000, the latter a usual development at this time of year when withdrawals from savings accounts are made for payment of taxes and holiday purchases. None of the twenty-eight reporting banks were rediscounting at the Federal Reserve Bank of Richmond on either November 14 or December 12.

During the year between December 13, 1933, and December 12, 1934, material changes occurred in some of the items. Total loans declined \$4,170,000, an increase of \$2,163,000 in loans on stocks and bonds being more than offset by a decrease of \$6,333,000 in all other loans. Aggregate deposits in the twenty-eight banks rose by \$43,504,000 during the year, demand deposits gaining \$38,059,000 and time deposits rising \$5,445,000. The reporting banks were unable to lend these additional funds to commerce and industry, and therefore they increased their investments in securities by \$25,386,000 during the year, and also raised their reserve deposits at the reserve bank by \$17,433,000. Higher prices for agricultural products and increased demand for money in retail trade caused a rise of \$2,129,000 in cash in vaults between December 13 last year and December 12 this year.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	Dec. 12, 1934	Nov. 14, 1934	Dec. 13, 1933
Asheville, N. C.	\$ 8,762	\$ 8,475	\$ 7,337
Baltimore, Md.	242,646	236,895	194,283
Charleston, S. C.	12,079	10,503	9,212
Charleston, W. Va.	40,404	37,835	33,329
Charlotte, N. C.	45,979	44,718	32,573
Columbia, S. C.	17,079	18,579	12,619
Cumberland, Md.	6,298	5,816	4,989
Danville, Va.	11,482	14,009	11,276
Durham, N. C.	28,361	37,168	34,573
Greensboro, N. C.	11,725	10,767	7,047
Greenville, S. C.	14,648	13,160	11,582
Hagerstown, Md.	5,915	5,955	4,398
Huntington, W. Va.	12,008	10,307	8,876
Lynchburg, Va.	13,212	11,705	12,340
Newport News, Va.	8,079	5,944	7,316
Norfolk, Va.	43,593	38,342	36,356
Portsmouth, Va.	3,636	3,012	3,470
Raleigh, N. C.	21,803	22,518	16,370
Richmond, Va.	126,434	130,064	109,551
Roanoke, Va.	19,238	16,956	17,437
Washington, D. C.	165,442	154,087	146,427
Wilmington, N. C.	8,102	7,607	6,425
Winston-Salem, N. C.	31,274	28,968	25,431
District Totals.....	\$898,199	\$873,390	\$753,217

Debits to individual, firm and corporation accounts figures in the table reported for three equal periods of four weeks each by clearing house banks in twenty-three leading Fifth district cities show a seasonal increase during the period ended December 12 in comparison with the figures for four weeks ended Novem-

ber 14. Aggregate debits in the reporting cities totaled \$898,199,000 during the four weeks ended December 12, an increase of \$24,809,000, or 2.8 per cent, above the total of \$873,390,000 reported for the preceding period this year. Among the twenty-three reporting cities, seventeen reported higher figures for the later period, while six reported lower figures. The declines in three of the six cities, Danville, Durham, and Raleigh, were probably due to a decrease in tobacco sales on auction markets.

In comparison with debits reported for four weeks ended December 13, 1933, those reported for the corresponding period this year show an increase of \$144,982,000, or 19.2 per cent, twenty-two of the twenty-three cities showing higher figures for the 1934 period. Durham was the only city which failed to register an increase in 1934 debits.

Time and Savings Deposits

Time deposits in twenty-eight reporting member banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$328,105,896 at the end of November 1934, a lower figure than \$329,235,051 reported at the end of October this year but above \$311,706,039 on November 30, 1933. The decrease during the past month occurred in reporting member banks, the mutual savings banks showing a small increase in deposits. Both member banks and savings banks reported increased deposits during the year.

Business Failures

The Dun & Bradstreet Monthly Review for December says, "After the temporary increase in business insolvencies in October, the downward trend was again resumed in November, for which month the number of business defaults in the United States was close to the lowest for any month of the year, with the exception of September." Failures in the Nation in November 1934 numbered 923, with liabilities totaling \$18,349,791, compared with 1,237 failures and liabilities totaling \$25,353,376 in November 1933, decreases of 25.4 per cent and 27.6 per cent in insolvencies and liabilities, respectively. In the Fifth Federal reserve district, bankruptcies last month totaled only 39, the lowest number for any month except September since July 1920, and 39 per cent less than 64 failures reported for November 1933. Liabilities last month totaling \$550,602 showed a decline of 63 per cent in comparison with \$1,495,124 in November 1933, and was the lowest total of liabilities for any month except August and September 1934 since June 1920. The district record in November was better than the National record in both number of failures and liabilities involved, declines for the district being larger than declines for the United States in comparison with November 1933 figures.

Employment

There were no changes of importance in employment conditions between the middle of November and the middle of December. There was some decrease in

employment on outside work, as is usual at this season, but this year the decrease in cities appears to have been somewhat less than in most years, probably due to the Government's stimulation of repair and alteration work on buildings. This work has given employment to a considerable number of painters, carpenters, and other workers in building trades. Coal production in November on a daily basis was slightly above October production, and miners therefore were better employed during the later month. In the textile field, mills operated practically full time under code rules, employing the full number of workers provided for under the code. Work on highways is largely being postponed on account of unfavorable weather for paving, and this delay in road work has reduced employment in rural sections materially.

Coal Production

Bituminous coal mined in the United States in November this year totaled 30,298,000 net tons, a decrease under 32,573,000 tons mined in October 1934 and also less than 30,582,000 tons dug in November 1933. On a daily basis, however, output in November 1934 totaling 1,227,000 net tons exceeded either 1,204,000 tons per day mined in October this year or 1,223,000 tons per day mined in November last year. Total output of bituminous coal in the United States during the present calendar year to December 8 amounted to 333,906,000 net tons, compared with 306,957,000 tons mined to the same date last year. Shipments of coal through Hampton Roads in November totaled approximately 1,497,396 tons, and total shipments from January 1 through November 30 totaled 16,373,000 tons.

The November 24 report of the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of October 1934. West Virginia led all states with 8,735,000 net tons, Pennsylvania ranking second with 7,690,000 tons and Illinois third with 3,850,000 tons. West Virginia's production in October was slightly below the October 1933 figure, in contrast with an increase in total production in the United States amounting to 9.8 per cent. In October 1934, the Fifth district coal states of West Virginia, Virginia and Maryland produced 29.9 per cent of all bituminous coal dug in the Nation, compared with 33.4 per cent mined in the same three states in October 1933.

Textiles

Fifth district cotton textile mills continued operations in November at about the same level as in October, and above the level of November 1933. Last month North Carolina mills used 114,235 bales of cotton, South Carolina mills used 98,582 bales, and Virginia mills used 12,953 bales, a district total of 225,770 bales, compared with 235,752 bales consumed in the district in the longer month of October 1934 and 217,461 bales used in November 1933. The district decrease of 4.2 per cent in cotton used in November in comparison with October was less than the National decrease of 8.3 per cent, and the increase last month in the district over consumption in November 1933 amounting to 3.8 per

cent was greater than the National increase of 4/10ths of 1 per cent. Consumption of cotton in the Richmond reserve district in November this year totaled 47.32 per cent of National consumption, compared with 45.31 per cent in October 1934 and 45.76 per cent in November 1933.

On November 20, the Department of Commerce issued a report on spindles in place, spindles active in October, total spindle hours of operation in October, and average hours of operation per spindle in place in October. On October 31, 1934, there were 30,882,570 spindles in place in the United States, North Carolina leading with 6,152,756, or 19.92 per cent of the total, South Carolina ranking second with 5,819,924 spindles, or 18.85 per cent, and Massachusetts third with 5,607,292 spindles, or 18.16 per cent. The Fifth district as a whole had 40.88 per cent of total spindles in place in the United States at the end of October. In actual spindle hours of operation, South Carolina led all states for October with 1,854,276,420 hours, or 25.81 per cent of the National total of 7,184,521,524 hours, and North Carolina ranked second with 1,536,094,312 hours, or 21.38 per cent. Massachusetts ranked third in actual spindle hours of operations, but attained only 12.1 per cent of total hours, although having 18.16 per cent of all spindles in place. The Fifth district, with 40.88 per cent of total spindles in the United States in October, showed 49.94 per cent of total hours of operation. In actual hours of operation per spindle in place, South Carolina with an average of 319 hours per spindle was in the lead, while Virginia ranked second with 303 hours and North Carolina sixth with 250 hours. The average hours of operation for the United States was 233 hours per spindle in place.

Cotton Statistics

Spot cotton prices changed relatively little between the middle of November and the middle of December, but the trend was upward. On November 16 the average price for middling grade cotton on ten Southern spot markets was 12.48 cents per pound, and on December 14, the latest available date, the average was 12.61 cents per pound. The Government's agreement to lend 12 cents per pound on middling cotton has practically pegged the price at a level between 12 and 13 cents.

Final production figures on this year's cotton crop, released by the Department of Agriculture on December 8, totaled 9,731,000 equivalent 500-pound bales, an increase of 97,000 bales over the estimate made on November 1, but 3,316,000 bales below 1933 production. Weather was favorable for cotton picking, and the final yield was higher in most of the cotton belt than was expected during the growing season. Starting with an estimate of 9,195,000 bales on August 1, increases of 57,000 bales were made for September, 191,000 bales for October, 191,000 bales for November, and 97,000 bales for December, a total increase of 536,000 bales, or 5.8 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, the Virginia estimate being increased by 4,000 bales. South

Carolina's probable production for 1934 was given in the latest estimate as 695,000 bales, the same figure forecast a month earlier but below the final ginnings of 735,000 bales in 1933. North Carolina's forecast of 650,000 bales shows no change from the November 1 estimate, but falls short of the 1933 production of 684,000 bales. The Virginia yield for 1934 is 39,000 bales, compared with 35,000 bales expected on November 1 and 37,000 bales grown last year. Total production in the Fifth district is therefore to be about 72,000 bales less this year than in 1933.

Ginning figures to December 1, released by the Census Bureau on December 8, showed 9,029,792 bales ginned from this year's crop, compared with 12,106,377 bales of last year's crop ginned before December.

Cotton consumption in American mills in November totaled 477,060 bales, according to the report of the Census Bureau released on December 14. This figure shows a decrease under 520,310 bales consumed during the month of October this year, but is slightly more than 475,247 bales consumed in November 1933. Total consumption during the four months of the present cotton year amounted to 1,714,279 bales, compared with 2,067,686 bales consumed during the four months ended November 30, 1933. Cotton on hand at manufacturing establishments on November 30 this year totaled 1,293,763 bales, compared with 1,139,721 bales held on October 31 this year and 1,572,740 bales held on November 30 last year. Bales in public warehouses and compresses numbered 9,794,811 at the end of November, 9,381,428 at the end of October, and 10,404,394 on November 30, 1933. Exports of cotton totaled 572,359 bales in November, compared with 615,593 bales sent abroad in October this year and 915,304 bales in November 1933. Total exports during the four months of the present cotton year—August 1–November 30, inclusive—totaled 1,894,210 bales, a much lower figure than 3,359,999 bales shipped over seas during the corresponding four months last year. Spindles active at some time during November numbered 25,050,778, compared with 25,095,480 in October this year and 25,420,584 in November 1933.

Cotton growing states consumed 385,449 bales in November, compared with 379,238 bales used in November last year. Last month's consumption in the cotton growing states amounted to 80.8 per cent of National consumption, compared with 79.8 per cent of National consumption used in the cotton growing states in November last year. Of the 385,449 bales of cotton consumed in the cotton growing states in November, the Fifth district mills used 225,770 bales, or 58.57 per cent, a higher figure than 57.34 per cent of Southern consumption attained by Fifth district mills in November last year.

Tobacco Marketing

Virginia leaf tobacco markets sold 24,449,251 pounds of producers' tobacco during November 1934 for an average of \$27.20 per hundred, according to warehouse reports to the Commissioner of Agriculture. In November 1933 sales amounted to 30,493,995 pounds at an average price of \$18.27. Total producers' sales for

the season to December 1 were 62,018,225 pounds, and the average season price was \$30.32 per hundred, compared with 41,258,043 pounds sold for an average of \$17.23 during the corresponding period last year. Flue-cured sales during November totaled 22,822,718 pounds at an average price of \$28.14 per hundred. Total flue-cured sales for the season amounted to 60,391,692 pounds, which warehousemen estimate to be about 85 per cent of the total crop. The quality of tobacco sold during November was poorer than in either October this year or November last year. Warehousemen estimated that sales of flue-cured tobacco graded 29 per cent good, 39 per cent medium, and 32 per cent common, whereas for November last year sales graded 42 per cent good, 35 per cent medium and 23 per cent common. The fire-cured markets opened early in November and sold 1,626,553 pounds for an average of \$14.09 per hundred. The fire-cured markets were not open during November last year. The average price last month was the highest November average since 1929. Warehousemen estimated that sales graded 30 per cent good, 43 per cent medium and 27 per cent common, indicating a better quality than is usually reported during the first month's sales. As the burley and sun-cured markets did not open until December 4, there were no sales of these types during November.

North Carolina markets sold 49,895,799 pounds of growers' tobacco in November 1934, at an average price of \$28.14 per hundred pounds, compared with 146,210,600 pounds sold in November 1933, at \$19.57 per hundred pounds. Total sales this season on North Carolina markets reached 375,539,778 pounds prior to December 1, compared with 416,538,789 pounds sold on the same markets prior to December 1933. Last month Winston-Salem led in sales with 9,427,901 pounds, Wilson ranking second with 5,731,734 pounds. Durham led all North Carolina markets in average price in November with \$32.38 per hundred pounds, Fuquay Springs ranking second with an average of \$31.58 per hundred. In season sales Wilson reports 48,198,875 pounds, Greenville ranking second with 46,077,175 pounds.

Tobacco Manufacturing

On December 20, the Commissioner of Internal Revenue issued a report on taxes collected in November 1934 on manufactured tobacco products. November production of cigarettes in the United States numbered 9,727,429,603, compared with 6,835,038,693 cigarettes manufactured in November 1933. Smoking and chewing tobacco production increased from 22,794,824 pounds in November 1933 to 24,643,494 pounds in November this year. Cigars manufactured rose from 415,347,323 in November last year to 466,163,546 in November 1934. Snuff production increased from 2,612,169 pounds to 3,125,358 pounds during the year. In the month of November 1934, taxes on cigarettes totaled \$29,184,986, compared with \$20,508,263 collected in the corresponding month last year. Taxes on smoking and chewing tobacco increased during the same period from \$4,103,197 to \$4,435,895, and cigar taxes rose from \$1,170,125 to \$1,274,617. Combined

taxes to the Federal Treasury on all forms of tobacco manufacture totaled \$35,458,063 in November 1934 and \$26,251,776 in November 1933, an increase this year of 35 per cent.

Agricultural Notes

Harvesting of agricultural products of the 1934 crop is practically complete, but final 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 1934 in comparison with figures for some earlier years.

Due chiefly to acreage reduction, yields of the district's two leading money crops, cotton and tobacco, were lower than in recent years, but prices were sufficiently high to make both crops more remunerative than last year. Tobacco prices especially were much higher than in 1933, and business of all kinds showed marked improvement in tobacco sections. Weather during the harvesting season was nearly ideal, and crops were gathered in excellent condition. Farmers in the Fifth district harvested good supplies of feed, and stored away large stocks of food for the coming winter.

Construction

Building Permits Issued in November 1934 and 1933

CITIES	Permits Issued		Total Valuation	
	1934	1933	1934	1933
Baltimore, Md.	516	744	\$ 520,800	\$ 524,400
Cumberland, Md.	8	4	12,146	6,050
Frederick, Md.	12	6	9,145	957
Hagerstown, Md.	10	14	9,985	5,045
Salisbury, Md.	12	19	11,725	13,000
Danville, Va.	24	13	17,488	1,630
Lynchburg, Va.	28	29	22,474	26,235
Norfolk, Va.	69	76	23,452	32,777
Petersburg, Va.	7	2	2,697	460
Portsmouth, Va.	21	19	15,575	5,485
Richmond, Va.	115	78	65,735	80,420
Roanoke, Va.	31	21	22,375	9,109
Bluefield, W. Va.	4	8	1,600	10,085
Charleston, W. Va.	80	62	54,715	18,017
Clarksburg, W. Va.	37	13	12,787	53,545
Huntington, W. Va.	22	9	26,549	42,665
Asheville, N. C.	27	9	6,886	765
Charlotte, N. C.	52	21	32,876	15,122
Durham, N. C.	32	12	64,675	30,750
Greensboro, N. C.	34	41	12,649	38,324
High Point, N. C.	34	8	46,759	9,150
Raleigh, N. C.	12	7	5,370	1,575
Rocky Mount, N. C.	8	6	33,162	1,195
Salisbury, N. C.	3	5	2,000	4,561
Winston-Salem, N. C.	80	52	33,430	19,164
Charleston, S. C.	56	24	40,824	8,075
Columbia, S. C.	34	22	196,863	3,655
Greenville, S. C.	27	21	34,935	7,535
Rock Hill, S. C.	19	8	22,940	3,730
Spartanburg, S. C.	34	17	8,229	2,935
Washington, D. C.	477	387	1,643,565	588,235
District Totals	1,925	1,757	\$3,014,411	\$1,564,651

Building inspectors in thirty-one Fifth district cities

issued 1,925 permits in November this year, compared with 1,757 permits issued in November last year. Estimated valuation figures last month totaled \$3,014,411, an increase of 92.7 per cent above the low total of \$1,564,651 reported for November 1933. Twenty-one of the thirty-one cities reported higher valuation figures for the 1934 month, but of the six largest cities only Washington and Charlotte gained, Baltimore, Richmond, Norfolk and Huntington reporting lower figures than for November last year. Columbia made the best showing last month, in proportion to population, but several other cities also made very creditable records.

Contracts actually awarded in November for construction work in the Fifth district, including both rural and urban projects, totaled \$8,599,431, compared with \$14,565,990 awarded in November 1933 and \$9,809,965 in November 1932, according to figures collected by the F. W. Dodge Corporation. Of the awards in November this year, \$1,930,011, or 22.4 per cent, was for residential work, compared with \$3,124,885, or 21.5 per cent, for this type of work in 1933.

Retail Trade, 31 Department Stores

Richmond	Baltimore	Washington	Other Cities	District
November 1934 sales, compared with sales in November 1933:				
+14.9	+10.9	+25.1	+14.6	+17.4
January-November 1934 sales, compared with Jan.-Nov. 1933:				
+19.3	+12.8	+20.2	+22.4	+17.4
Nov. 30, 1934, stocks, compared with stocks on Nov. 30, 1933:				
+13.0	- 9.1	- 8.2	+ 1.4	- 5.6
Nov. 30, 1934, stocks, compared with stocks on Oct. 31, 1934:				
+11.7	+ 2.2	+ 5.2	+ 3.7	+ 4.5
Number of times stock was turned in November 1934:				
.322	.318	.351	.277	.328
Number of times stock was turned since January 1, 1934:				
3.502	3.17	3.56	3.066	3.348
Percentage of Nov. 1, 1934, receivables collected in November:				
32.8	28.6	29.1	30.4	29.5

Note: Sales and stock changes are percentages.

Wholesale Trade, 58 Firms

21	7	6	13	11
Groceries	Dry Goods	Shoes	Hardware	Drugs
November 1934 sales, compared with sales in November 1933:				
+12.2	+16.2	+ 7.8	+24.3	+18.0
November 1934 sales, compared with sales in October 1934:				
- 8.2	- .8	-30.4	- 7.3	- .6
Jan.-Nov. 1934 sales, compared with Jan.-Nov. 1933 sales:				
+18.1	+26.1	+ 5.0	+29.4	+18.9
Nov. 30, 1934, stocks, compared with Nov. 30, 1933, stocks:				
+11.0(8*)	- 7.7(3*)	-24.6(4*)	+ 4.9(7*)
Nov. 30, 1934, stocks, compared with Oct. 31, 1934, stocks:				
- 2.1(8*)	-15.4(3*)	+ 5.4(4*)	- 1.4(7*)
Percentage of Nov. 1, 1934, receivables collected in November:				
83.7(12*)	45.6(4*)	78.2(5*)	48.0(11*)	55.0(7*)

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

(Compiled December 20, 1934)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

In November the rate of industrial activity showed little change and the general level of commodity prices remained unchanged. Distribution of commodities to consumers was well maintained.

Production and Employment

Volume of industrial production declined in November by an amount somewhat smaller than is usual at this season and consequently the Board's seasonally adjusted index advanced from 73 per cent of the 1923-1925 average in October to 74 per cent in November. In the steel industry output continued to increase during November and the first three weeks of December, contrary to the usual seasonal tendency. Automobile production also showed an increase in the early part of December, following a decline in connection with preparations for new models. In November lumber output decreased by more than the estimated seasonal amount. At woolen mills there was a considerable increase in output, while consumption of cotton by domestic mills showed a slight decline. Activity at meatpacking establishments showed less than the usual seasonal increase. Production of the leading minerals was at about the same level as in October.

Factory employment declined between the middle of October and the middle of November by the usual seasonal amount and was at the same level as a year ago. Declines reported for the automobile, shoe, and canning industries were smaller than seasonal, while decreases at railroad repair shops and saw mills, were larger than are usual at this season. At meatpacking establishments, where employment has been at a high level in recent months, there was a considerable decline but the number on the payrolls in November was larger than in the corresponding month of other recent years. Employment at woolen mills showed a substantial increase. The number employed on construction projects of the Public Works Administration declined further in November, according to the Bureau of Labor Statistics.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a considerable decline in November and the first half of December, following an increase in October. The indicated decline in awards from the third to the fourth quarter was somewhat smaller than usual.

Department of Agriculture estimates for December 1 indicate that production of principal crops this season was about 22 per cent smaller than in 1933 and 32 per cent below the average for the previous 10 years, re-

flecting reductions in acreage and in yield per acre. There has been a shortage in feed crops accompanied by a sharp increase for the year in the slaughter of livestock. Although output of agricultural commodities has been smaller than in any other recent year, farm income has been larger than in either 1932 or 1933, reflecting chiefly higher prices, and, to a smaller degree, benefit payments.

Distribution

Total freight-car loadings declined in November by less than the estimated seasonal amount, reflecting chiefly a smaller decline than is usual in shipments of miscellaneous freight. Retail sales generally have been well maintained. Department store sales increased by slightly less than the estimated seasonal amount in November; preliminary reports for the first half of December, however, indicate a more than seasonal increase in Christmas trade.

Commodity Prices

Wholesale commodity prices generally showed little change during November and the first half of December. Prices of scrap steel continued to increase during this period, while corn prices, which advanced rapidly in November, declined somewhat after the first week of December. Retail food prices declined in November, reflecting lower prices for meats.

Bank Credit

Developments at the Federal Reserve banks in December reflected largely the seasonal increase in the demand for currency and the continued inflow of gold from abroad.

Loans and investments of reporting member banks in leading cities showed an increase of \$150,000,000 in the four weeks ended December 12, after declining somewhat in the preceding four weeks. The growth reflected increases in holdings of United States Government obligations and in brokers' loans. Deposits at banks showed a further considerable growth.

Yields on short-term Government securities declined slightly in December, while other short-term open-market money rates showed little change. On December 15 the discount rate of the Federal Reserve Bank of Atlanta was reduced from 3 per cent to 2½ per cent and on December 21 a similar reduction was made at the Kansas City Federal Reserve Bank.