

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



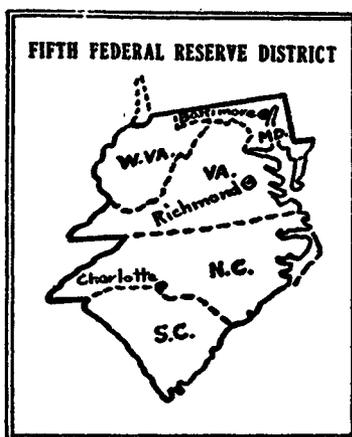
FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

DECEMBER 31, 1935

STATISTICS for 1935 are not yet complete, but on the whole the year now closing continued the upward trend in commerce, industry and agriculture which was noted in 1934. Banks continued to hold the confidence of the public which was gained in the second half of 1933, and deposit insurance was made permanent by the Banking Act of 1935. Unemployment continued to be a serious problem throughout the year, but definite progress was made toward restoring workers to jobs. Retail trade in department stores exceeded the volume of trade done in the preceding year, and wholesale trade in groceries, hardware and drugs also exceeded 1934 trade, but wholesale dry goods and shoe sales declined about 10 per cent this year. Commercial failures in the Fifth district were fewer in number in nine of the elapsed eleven months of 1935 than in the corresponding months of 1934. Automobile sales and registrations continued upward in 1935, and because of increased yields farmers in the district received more money for their crops than in the preceding year, though prices for cotton and tobacco were lower this year.

Most of the developments in Fifth district business between the first of November and the middle of December were seasonal, and marked activity noted in October continued during the later period. In banking, rediscounts at the Federal Reserve Bank of Richmond showed a slight rise, and an increase also occurred in industrial loans and commitments made under authority of Section 13-B of the Federal Reserve Act. Federal reserve notes in circulation increased during the month, but rather less than in most years at this season. Reporting member banks increased loans moderately between the middle of November and the middle of December, decreased investments in securities, and built up reserves at the reserve bank still further above requirements, while their deposits and cash in vault increased. Debits to individual accounts in twenty-three



cities in the Fifth district during four weeks ended December 11 showed a seasonal increase over debits in the preceding four weeks, although a majority of the cities failed to make the gain, and exceeded by nearly 15 per cent debits in the corresponding four weeks last year. Employment conditions changed little last month, gains and losses in work about offsetting each other, but so far this winter weather has interfered relatively little with outside work. Coal production in November, figured on a daily basis, fell below October production but materially exceeded that of November last year. Textile mills continued op-

erations on a more extensive scale than in the winter of 1934, and cotton consumption on a daily basis exceeded that of October and also was above November 1934 consumption. Auction tobacco markets in North Carolina and Virginia sold approximately twice as much tobacco as they sold in November last year, but prices were nearly 30 per cent lower in the 1935 month. Taxes on tobacco manufacturing in November exceeded November 1934 taxes, due entirely to an increase in cigarette production. Construction provided for by building permits issued in November exceeded that of November 1934 by approximately 75 per cent. Retail trade in November exceeded the volume of trade in November 1934 by more than 12 per cent, but wholesale trade, while exceeding 1934 sales in three of five reporting lines, did not compare so favorably with November 1934 trade. Favorable weather enabled farmers to finish harvesting and to market or house their products in excellent condition.

Reserve Bank Statement

All important changes in the items on the statement of the Federal Reserve Bank of Richmond during the past month were upward. Rediscounts for member banks rose by \$25,000 between November 15 and De-

ITEMS	000 omitted		
	Dec. 15 1935	Nov. 15 1935	Dec. 15 1934
Rediscounts held	\$ 72	\$ 47	\$ 148
Open market paper.....	173	173	209
Industrial advances.....	4,443	4,410	1,369
Foreign loans on gold.....	10	4	0
Government securities	116,716	116,716	103,563
Total earning assets.....	121,414	121,350	105,289
Circulation of Fed. Res. notes..	186,082	185,756	173,972
Members' reserve deposits.....	173,241	168,632	116,674
Cash reserves	252,878	248,199	209,305
Reserve ratio	68.91	68.10	67.26

ember 15, and industrial loans direct to industry or commerce increased by \$33,000. Participation in System foreign loans on gold also increased by \$6,000 during the month. There were no changes in the portfolio of open market paper or in ownership of Government securities. Total earning assets rose by \$64,000 between the middle of November and the middle of December. Federal reserve notes in actual circulation rose by \$326,000 between November 15 and December 15, a seasonal rise due to increased use of currency for holiday buying. Member bank reserve deposits rose by \$4,609,000 in the month, adding further to excess reserves. The several changes mentioned in the statement, with others of less importance, brought a rise of \$4,679,000 in the Bank's cash reserves between November 15 and December 15, and raised the ratio of cash reserves to note and deposit liabilities combined by 81/100ths of a point.

In comparison with condition figures on December 15 last year, the figures in the statement for December 15 this year show increases in all but two items. Rediscounts for member banks declined by \$76,000 during the year, and open market paper decreased by \$36,000. These decreases in assets were more than offset by a rise of \$3,074,000 in loans direct to industry, foreign loans on gold totaling \$10,000 on the 1935 date, and an increase of \$13,153,000 in holdings of Government securities. Total earning assets showed a net increase of \$16,125,000 during the year. Federal reserve notes in actual circulation rose by \$12,110,000 during the period under review, due chiefly to increased business activity this fall. Member bank reserve deposits, which were materially above legal requirements last year, increased further by \$56,567,000 on the 1935 date. The changes during the year in the statement resulted in an increase of \$43,573,000 in cash reserves of the Federal Reserve Bank of Richmond, and a rise of 1.65 points in the ratio of cash reserves to note and deposit liabilities combined.

Statement of 41 Member Banks

Forty-one member banks in twelve 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 11 and November 13, 1935, and December 12, 1934. 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 banks on the report dates only.

ITEMS	000 omitted		
	Dec. 11 1935	Nov. 13 1935	Dec. 12 1934
Loans on stocks and bonds (including Governments)	\$ 71,008	\$ 68,041	\$ 77,558
All other loans.....	128,487	126,216	132,207
Total loans and discounts.....	199,495	194,257	209,765
Investments in stocks and bonds	363,270	378,865	352,681
Reserve bal. with F. R. Bank....	122,024	112,524	75,720
Cash in vaults.....	18,425	17,364	17,907
Demand deposits	401,483	396,778	351,038
Time deposits	190,123	191,037	185,952
Borrowed from F. R. Bank.....	0	0	0

Between November 13 and December 11, both this year, total loans and discounts rose by \$5,238,000, of which \$2,967,000 was in loans on securities and \$2,271,000 was in all other loans, the latter being chiefly commercial loans at this season. On the other hand, the reporting banks decreased their investments in securities by \$15,595,000 during the month, but added \$9,500,000 to their aggregate reserve at the reserve bank. Cash in vault rose by \$1,061,000 between November 13 and December 11, a seasonal rise due to increased use of cash in holiday trade. Demand deposits in the reporting banks rose \$4,705,000 during the past month, but time deposits declined by \$914,000, the latter a normal development in December.

In comparison with condition figures for December 12, 1934, those for December 11, 1935, show a decline in total loans amounting to \$10,270,000. Loans on stocks and bonds dropped \$6,550,000 during the year, and all other loans decreased by \$3,720,000. The reporting banks increased their investments by \$10,589,000 during the year, and added \$46,304,000 to their reserve balance at the Federal reserve bank. Cash in vault on the 1935 date showed an increase of \$518,000 over the 1934 figure. Deposits rose by \$54,616,000 between the middle of December last year and this, demand deposits accounting for \$50,445,000 of the increase and time deposits for \$4,171,000. None of the forty-one banks was borrowing at the reserve bank on either the 1934 or 1935 date.

Time and Savings Deposits

Time deposits in forty-one reporting member banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$393,958,574 at the end of November 1935, a lower figure than \$395,163,714 reported at the end of October this year but above \$381,740,896 on November 30, 1934. Both member and savings banks reported drops in time and savings deposits during the past month, but both classes of banks showed higher deposits than a year earlier.

Debits to Individual Accounts

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 smaller than usual seasonal increase during the period ended December 11 in comparison with the figures for four

CITIES	000 omitted		
	Total debits, four weeks ended		
	Dec. 11, 1935	Nov. 13, 1935	Dec. 12, 1934
Asheville, N. C.....	\$ 9,349	\$ 9,470	\$ 8,762
Baltimore, Md.....	278,253	267,722	242,646
Charleston, S. C.....	13,480	14,240	12,079
Charleston, W. Va.....	44,871	40,439	40,404
Charlotte, N. C.....	52,902	53,852	45,979
Columbia, S. C.....	20,966	24,300	17,079
Cumberland, Md.....	6,828	7,119	6,298
Danville, Va.....	12,489	14,906	11,482
Durham, N. C.....	30,116	39,822	28,361
Greensboro, N. C.....	14,143	12,510	11,725
Greenville, S. C.....	15,638	16,431	14,648
Hagerstown, Md.....	6,785	6,657	5,915
Huntington, W. Va.....	14,367	11,702	12,008
Lynchburg, Va.....	13,934	13,116	13,212
Newport News, Va.....	8,964	6,599	8,079
Norfolk, Va.....	46,304	40,477	43,593
Portsmouth, Va.....	4,181	3,288	3,636
Raleigh, N. C.....	21,985	23,503	21,803
Richmond, Va.....	142,433	153,866	126,434
Roanoke, Va.....	20,963	19,157	19,238
Spartanburg, S. C.....	7,493*	8,033*
Washington, D. C.....	204,693	192,557	165,442
Wilmington, N. C.....	8,525	9,773	8,102
Winston-Salem, N. C.....	37,074	37,539	31,274
Fifth District Totals	\$1,029,243	\$1,019,045	\$ 898,199

*Spartanburg, S. C., not included in Totals.

weeks ended November 13. Aggregate debits in the reporting cities totaled \$1,029,243,000 during the four weeks ended December 11, an increase of \$10,198,000, or 1.0 per cent, above the total of \$1,019,045,000 reported for the preceding period this year. Among the twenty-three reporting cities, only eleven reported higher figures for the later period, while twelve reported lower figures.

In comparison with debits reported for four weeks ended December 12, 1934, those reported for the corresponding period this year show an increase of \$131,044,000, or 14.6 per cent, all of the twenty-three cities showing higher figures for the 1935 period.

Commercial Failures

Figures on business failures in November in the United States numbered 927, with liabilities totaling \$20,023,172, compared with 923 failures and liabilities totaling \$18,349,791 in November 1934, according to *Dun & Bradstreet Monthly Review* for December. The number of insolvencies in November 1935 was larger in five of the twelve reserve districts, the New York district making the worst showing with 358 of the 927 insolvencies for the Nation. In aggregate liabilities involved in November 1935 bankruptcies, four of the twelve reserve districts showed higher figures than last year, the New York district again making the worst showing with \$11,860,646 liabilities out of the National total of \$20,023,172. In the Fifth Federal reserve district, the November record was much better than the National record. Failures in the district in November 1935 numbering 34 were fewer than 39 failures in November 1934, and liabilities totaling \$546,640 last month compared with \$550,602 in November last year,

decreases in the district in both number of failures and aggregate liabilities in contrast with increases reported for the United States. Both the number of failures and aggregate liabilities involved were the lowest in the Fifth district for any November since 1919.

Employment

Changes in employment in the Fifth reserve district during the past month probably offset each other, leaving little net increase or decrease in the number of workers. Nearly all industrial plants expanded operations, and retail establishments took on additional workers for the holidays, but sales on tobacco markets dropped and decreased the need for handlers, and winter weather interfered with all types of outside work. Construction work for which permits were issued in November continued above work provided for a year earlier, and coal production was also above production last year, but was less than that of October this year. Winter weather is unfavorable for highway construction, especially on paving jobs, and fewer workers are used at this season than in spring and summer months.

Coal Production

Bituminous coal mined in the United States in November this year totaled 33,010,000 net tons, a decrease under 37,664,000 tons mined in October, but more than 30,856,000 tons dug in November 1934. On a daily basis, output in November 1935 totaling 1,347,000 net tons compared with 1,395,000 tons per day mined in October this year and 1,249,000 tons per day mined in November last year. Total output of bituminous coal in the United States during the present calendar year to December 7 amounted to 341,215,000 net tons, compared with 332,675,000 tons mined to the same date last year. Shipments of coal through Hampton Roads in November totaled approximately 1,534,000 tons, and total shipments from January 1 through November 30 totaled 16,500,000 tons.

The December 7 report of the Bureau of Mines, Department of the Interior, gave bituminous coal production by states for the month of October 1935. West Virginia led all states with 10,868,000 net tons, Pennsylvania ranking second with 8,367,000 tons and Illinois third with 4,792,000 tons. West Virginia's production in October was 23 per cent above production in October 1934, while the National increase during the same period averaged only 15 per cent. In October 1935 the Fifth district coal states of West Virginia, Virginia and Maryland produced 32.2 per cent of all bituminous coal dug in the Nation, compared with 29.9 per cent mined in the same three states in October 1934.

Textiles

On a daily basis cotton textile mills in the Fifth reserve district operated in November at slightly above the level of October, although total cotton consumption during the month was less than consumption in the longer month of October. Last month North Carolina

mills used 131,682 bales of cotton, South Carolina mills used 101,382 bales, and Virginia mills used 11,365 bales, a district total of 244,429 bales, compared with 263,360 bales used in the district in October 1935 and 225,700 bales consumed in November 1934. The district decrease of 7.2 per cent in cotton used in November in comparison with October was less than the National decrease of 8.0 per cent, and the increase last month in the district over consumption in November 1934 amounting to 8.3 per cent was greater than the National increase of 6.5 per cent. Consumption of cotton in the Richmond reserve district in November this year totaled 48.13 per cent of National consumption, compared with 47.69 per cent in October 1935 and 47.33 per cent in November 1934.

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, 1935, there were 29,656,536 spindles in place in the United States, North Carolina leading with 6,133,028, or 20.68 per cent of the total, South Carolina ranking second with 5,832,108 spindles, or 19.67 per cent, and Massachusetts third with 5,137,608 spindles, or 17.32 per cent. The percentages for the Carolinas were higher than a year earlier, while the Massachusetts percentage declined during the year. The Fifth district as a whole had 42.54 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 1,919,783,262 hours, or 25.79 per cent of the National total of 7,445,185,686 hours, and North Carolina ranked second with 1,750,997,123 hours, or 23.52 per cent. Georgia ranked third in actual spindle hours of operations, with 13.54 per cent of total hours, although that State had only 11.4 per cent of all spindles in place. Massachusetts, with 17.32 per cent of spindles in place, showed only 10.78 per cent of total hours of operation in October. The Fifth district, with 42.54 per cent of total spindles in the United States in October, showed 51.53 per cent of total hours of operation. In actual hours of operation per spindle in place, South Carolina with an average of 329 hours per spindle was in the lead, while North Carolina ranged fifth with 286 hours and Virginia ranked sixth with 255 hours. The average hours of operation for the United States was 251 per spindle in place.

Cotton Statistics

Spot cotton prices gradually declined after November 15, the average price for middling grade cotton on ten Southern markets falling from 12.15 cents per pound on that date to 11.73 cents per pound on December 13, the latest date for which official quotations are available. The average price on the same markets was 12.61 cents per pound on December 14 last year.

Final production figures on this year's cotton crop, released by the Department of Agriculture on December 9, totaled 10,734,000 equivalent 500-pound bales, a decrease of 407,000 bales under the estimate made on November 1, but 1,098,000 bales above 1934 produc-

tion. Although weather in November was favorable for cotton picking in most of the belt, in Texas and Oklahoma conditions were unfavorable and prospective yield in those States was materially reduced. Conditions were about average except in Texas and Oklahoma during the entire growing season, final estimates of production showing relatively little change from earlier figures except in the two States mentioned. Decreased prospects for the 1935 cotton yield were progressive, forecasts of probable production, which started at 11,798,000 bales on August 1, decreasing by 309,000 bales during August, by 25,000 bales during September, by 323,000 bales during October, and by 407,000 bales during November, a total decline of 1,064,000 bales, or 9 per cent, between August 1 and December 1. Total production for the Fifth reserve district was lowered in the December estimate, South Carolina's crop of 745,000 bales comparing with 750,000 bales forecast on November 1 and 681,000 bales ginned in 1934, North Carolina's crop of 585,000 bales comparing with 600,000 bales on November 1 and 629,000 bales last year, and Virginia's crop of 30,000 bales comparing with 32,000 bales on November 1 and 35,000 bales in 1934. The 1935 yield of 1,360,000 bales in the district exceeds last year's yield of 1,345,000 bales, South Carolina's gain of 64,000 bales this year offsetting the losses in North Carolina and Virginia.

Ginning figures to December 1, released by the Census Bureau on December 9, showed 9,362,343 bales ginned from this year's crop, compared with 9,019,834 bales of last year's crop ginned before December.

Cotton consumption in American mills in November totaled 507,836 bales, according to the report of the Census Bureau released on December 14. This figure shows a decrease from 552,187 bales consumed during the longer month of October this year, but is more than 480,081 bales consumed in November 1934. Total consumption during the four months of the present cotton year amounted to 1,917,559 bales, compared with 1,716,750 bales consumed during the four months ended November 30, 1934. Cotton on hand at manufacturing establishments on November 30 this year totaled 1,346,127 bales, compared with 1,074,405 bales held on October 31 this year and 1,294,456 bales held on November 30 last year. Bales in public warehouses and compresses numbered 8,629,812 at the end of November, 8,481,901 at the end of October, and 9,803,690 on November 30, 1934. Exports of cotton totaled 1,134,874 bales in November, compared with 711,664 bales sent abroad in October this year and 572,359 bales in November 1934. Total exports during the four months of the present cotton year—August 1–November 30, inclusive—totaled 2,574,786 bales, a materially higher figure than 1,894,142 bales shipped overseas during the corresponding four months last year. Spindles active at some time during November numbered 23,193,734, compared with 23,192,602 in October this year and 25,072,392 in November 1934.

Cotton growing states consumed 426,794 bales in November, compared with 384,937 bales used in November last year. Last month's consumption in the cotton growing states amounted to 84.04 per cent of

National consumption, compared with 80.18 per cent of National consumption used in the cotton growing states in November last year. Of the 426,794 bales of cotton consumed in the cotton growing states in November, the Fifth district mills used 244,429 bales, or 57.27 per cent, a lower figure than 58.57 per cent of Southern consumption attained by Fifth district mills in November last year.

Tobacco Marketing

North Carolina auction tobacco markets sold 106,674,128 pounds of tobacco for growers during November, at an average of \$20.62 per hundred pounds, compared with 50,015,601 pounds sold for an average of \$28.12 per hundred in November last year. Total sales to December 1 this year amounted to 492,893,462 pounds, and the average price was \$20.92 per hundred pounds, compared with 375,659,580 pounds sold prior to December 1 last year, at an average price of \$29.04 per hundred. Sales to December this year were estimated at 88 per cent of expected sales from the 1935 crop, whereas last year's sales to the same date represented 90 per cent of total season sales. Among the individual markets in North Carolina, Winston-Salem led in November sales with 14,517,745 pounds, Wilson ranking second with 13,590,374 pounds and Rocky Mount third with 12,072,462 pounds. Oxford led in average price paid in November with \$22.95 per hundred pounds, Roxboro ranking second with an average of \$22.69 per hundred.

Virginia leaf tobacco markets sold 37,214,149 pounds of producers' tobacco during November 1935, for an average of \$21.43 per hundred, according to warehouse reports to the Commissioner of Agriculture. In November 1934 sales amounted to 24,455,374 pounds, and the average price was \$27.19. Total sales for the season to December 1 were 75,771,209 pounds, and the average season price was \$21.97 per hundred, compared with 61,975,486 pounds sold for an average of \$30.26 during the corresponding period last year. Flue-cured sales in November totaled 34,677,972 pounds at an average price of \$22.18 per hundred, and total flue-cured sales for the season amounted to 73,235,032 pounds. Warehousemen estimated that tobacco sold in November graded 31 per cent good, 40 per cent medium, and 29 per cent common, whereas in November last year sales graded 30 per cent good, 43 per cent medium, and 27 per cent common. The fire-cured markets opened early in November and sold 2,536,177 pounds for an average price of \$11.09 per hundred, compared with 1,627,083 pounds of fire-cured tobacco sold for \$14.08 per hundred pounds in November 1934. As burley and sun-cured markets did not open until the first week in December, there were no sales of these types in November. Among the individual Virginia markets, Danville led in sales in November with 16,567,761 pounds, South Boston ranking second with 7,305,030 pounds, while Petersburg led in price paid with an average of \$23.46 per hundred pounds. All of the markets mentioned sold flue-cured tobacco. Lynchburg led the dark or fire-cured markets with sales totaling 988,428 pounds, but Drakes Branch led

in price for fire-cured tobacco with \$13.53 per hundred pounds.

South Carolina markets finished season sales in October and therefore reported no sales for November.

Tobacco Manufacturing

On December 20, the Commissioner of Internal Revenue issued a report on taxes collected in November 1935 on manufactured tobacco products. November production of cigarettes in the United States numbered 10,801,258,890, compared with 9,727,429,600 cigarettes manufactured in November 1934. Smoking and chewing tobacco production decreased from 24,643,494 pounds in November 1934 to 23,890,388 pounds in November this year. Cigars manufactured declined from 466,163,546 in November last year to 457,299,010 in November 1935. Snuff production fell from 3,125,358 pounds to 2,796,877 pounds during the year. In the month of November 1935, taxes on cigarettes totaled \$32,406,121, compared with \$29,184,986 collected in the corresponding month last year. Taxes on smoking and chewing tobacco decreased during the same period from \$4,435,895 to \$4,300,358, and cigar taxes fell from \$1,274,617 to \$1,221,113. Combined taxes to the Treasury on all forms of tobacco manufacture totaled \$38,431,030 in November 1935 and \$35,458,063 in November 1934, an increase this year of 8 per cent, due entirely to the gain in cigarette taxes.

Agricultural Notes

Crops in the Fifth Federal reserve district have been harvested, but final statistics on production in 1935 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 district for 1935 in comparison with figures for some earlier years.

On the whole, 1935 turned out to be a favorable year for agriculture in the Fifth district states. There were no long droughts in the district in the summer, and no long periods of excessive moisture. Floods did considerable damage in mid-summer in the upper half of the district, but later conditions were so favorable that the damage from high water was approximately offset. Per acre yields were above the five-year average, and fall weather was nearly ideal for harvesting and housing the matured crops. Prices for leading money crops compared unfavorably with 1934 prices, but production figures in most cases were sufficiently large to offset lower prices.

Construction

Building inspectors in thirty-one Fifth district cities issued 2,142 permits in November this year, compared with 1,925 permits issued in November last year. Estimated valuation figures last month totaled \$5,267,569, an increase of 74.7 per cent above the total of \$3,014,411 reported for November 1934 and 237 per cent above \$1,564,651 reported in November 1933. Twenty-one of the thirty-one cities reported higher valuation figures for the 1935 month, including five of the six

Building Permits Issued in November 1935 and 1934

CITIES	Permits Issued		Total Valuation	
	1935	1934	1935	1934
Baltimore, Md.	614	516	\$1,148,760	\$ 520,800
Cumberland, Md.	11	8	19,985	12,146
Frederick, Md.	7	12	6,585	9,145
Hagerstown, Md.	28	10	76,257	9,985
Salisbury, Md.	12	12	20,425	11,725
Danville, Va.	11	24	16,982	17,488
Lynchburg, Va.	28	28	114,610	22,474
Norfolk, Va.	105	69	93,340	23,452
Petersburg, Va.	3	7	7,550	2,697
Portsmouth, Va.	14	21	5,220	15,575
Richmond, Va.	107	115	122,913	65,735
Roanoke, Va.	40	31	38,968	22,375
Bluefield, W. Va.	2	4	3,300	1,600
Charleston, W. Va.	84	80	89,240	54,715
Clarksburg, W. Va.	31	37	62,144	12,787
Huntington, W. Va.	12	22	22,580	26,549
Asheville, N. C.	24	27	7,873	6,886
Charlotte, N. C.	95	52	169,434	32,876
Durham, N. C.	42	32	71,185	64,675
Greensboro, N. C.	39	34	62,776	12,649
High Point, N. C.	35	34	18,973	46,759
Raleigh, N. C.	20	12	90,570	5,370
Rocky Mount, N. C.	2	8	4,700	33,162
Salisbury, N. C.	6	3	5,103	2,000
Winston-Salem, N. C.	65	80	60,290	33,430
Charleston, S. C.	46	56	37,068	40,824
Columbia, S. C.	48	34	122,035	196,863
Greenville, S. C.	33	27	26,314	34,935
Rock Hill, S. C.	16	19	20,770	22,940
Spartanburg, S. C.	30	34	76,049	8,229
Washington, D. C.	532	477	2,645,570	1,643,565
Totals	2,142	1,925	\$5,267,569	\$3,014,411

largest cities in the district. Some of the smaller cities reported relatively high figures last month, due in several instances to single large projects financed in whole or in part by public funds.

Contracts actually awarded in November for construction work in the Fifth district, including both rural and urban projects, totaled \$16,417,226, compared with \$8,599,431 awarded in November 1934 and \$14,565,990 awarded in November 1933, according to figures collected by the F. W. Dodge Corporation. Of

the awards in November this year, \$4,427,501, or 27 per cent, was for residential work, compared with \$1,930,011, or 22.4 per cent, for this type of work in November 1934.

Retail Trade, 31 Department Stores

	Richmond	Baltimore	Washington	Other Cities	District
November 1935 sales, compared with sales in November 1934:	+ 5.8	+ 6.7	+ 19.7	+ 8.0	+ 12.1
Total sales Jan.-Nov. 1935, compared with Jan.-Nov. 1934:	+ 4.2	+ 1.5	+ 15.8	+ 4.5	+ 8.0
Nov. 30, 1935, stocks, compared with stocks on Nov. 30, 1934:	+ 3.0	— .2	+ 6.7	+ 1.5	+ 3.1
Nov. 30, 1935, stocks, compared with stocks on Oct. 31, 1935:	+ 9.7	+ .5	+ 1.1	+ 3.5	+ 2.0
Number of times stock was turned in November 1935:	.328	.337	.387	.296	.352
Number of times stock was turned since January 1, 1935:	3.517	3.369	4.064	3.137	3.64
Percentage of Nov. 1, 1935, receivables collected in November:	35.1	29.7	28.5	32.4	29.9

Note: Sales and stock changes are percentages.

Wholesale Trade, 58 Firms

	21 Groceries	7 Dry Goods	6 Shoes	13 Hardware	11 Drugs
November 1935 sales, compared with sales in November 1934:	+ 6.5	— 4.2	— 10.2	+ .1	+ .5
November 1935 sales, compared with sales in October 1935:	— 8.8	— 18.3	— 34.0	— 8.1	+ .9
Jan.-Nov. 1935 sales, compared with sales in Jan.-Nov. 1934:	+ 6.4	— 10.6	— 10.4	+ 7.8	+ 1.0
Nov. 30, 1935, stocks, compared with Nov. 30, 1934, stocks:	— 2.2(8*)	— 11.3(3*)	+ 3.0(4*)	+ 8.5(7*)
Nov. 30, 1935, stocks, compared with Oct. 31, 1935, stocks:	— 5.5(8*)	— 9.1(3*)	+ .5(4*)	— 2.0(7*)
Percentage of collections in November to receivables Nov. 1:	86.6(12*)	41.7(4*)	67.1(5*)	48.2(11*)	60.4(7*)

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

(Compiled December 20, 1935)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Board of Governors of the Federal Reserve System)

Industrial production and employment, which usually decline at this season, showed little change from October to November. Distribution of commodities to consumers increased more than seasonally.

Production and Employment

The Board's seasonally adjusted index of industrial production advanced from 95 percent of the 1923-1925 average in October to 97 percent in November. Output of industries producing durable goods continued to increase substantially in November, while activity in most other industries declined somewhat. Output of steel increased further during November to a higher rate than in any previous month this year and this high level was maintained during the first three weeks of December. Automobile production in November continued the sharp increase which began after the change to new models in September. Activity at silk mills and at woolen mills declined.

Factory employment and payrolls, which usually decline from the middle of October to the middle of November, showed little change for that period this year. Increases in employment were reported for the automobile, iron and steel, machinery, railroad car, and cotton textile industries and at railroad repair shops. There were larger than seasonal declines at sawmills, shoe factories, silk and rayon mills, and establishments producing wearing apparel.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, continued to increase in November and the first half of December. There was a decline, largely seasonal, in residential building, while other types of construction showed an increase.

Agriculture

Crop production in 1935, according to final estimates by the Department of Agriculture, showed an increase of about 20 percent in volume over the drought year of 1934, and the farm value of 64 crops amounted to \$5,120,000,000 compared with \$4,780,000,000 last season. The cotton crop, which has been reduced in recent months by bad weather, is now estimated at 10,734,000 bales compared with

the exceptionally small output of 9,636,000 bales in 1934. Cash farm income from marketings of crops and livestock and from Government rental and benefit payments is estimated at about \$6,800,000,000 for the calendar year 1935, as compared with \$6,387,000,000 last year.

Distribution

Freight-car loadings decreased by less than the usual seasonal amount during November, reflecting principally a smaller decline in shipments of miscellaneous freight than is customary at this time of year. Value of department store sales, on a daily average basis, increased from October to November.

Commodity Prices

The general level of wholesale commodity prices, after a decline during October, increased during November and showed little change during the first two weeks of December.

Bank Credit

Excess reserves of member banks, which had increased to a new high level of \$3,310,000,000 on December 11, largely as the result of continued gold imports, declined considerably during the week ending December 18, as a consequence of seasonal demands for currency and a large increase in Treasury balances with the Federal Reserve banks, in connection with mid-December fiscal operations.

Changes in condition of reporting banks in 101 leading cities during the four weeks ending December 18 reflected principally the influence of new Government financing. These banks showed increases of \$310,000,000 in holdings of United States Government securities, of \$110,000,000 in loans to brokers and dealers in securities, and of \$200,000,000 in United States Government deposits. Adjusted demand deposits showed a further growth of \$270,000,000 in the three weeks ending December 11 and declined by \$250,000,000 in the following week, as a result of withdrawals for holiday currency demands, income tax payments, and the purchase of new Government securities.