

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

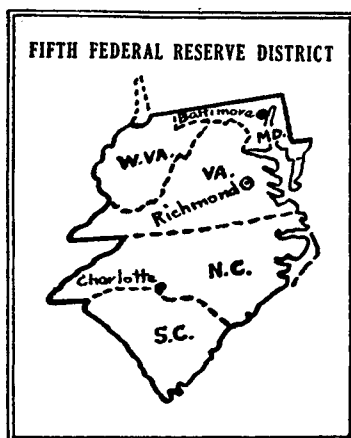


FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

NOVEMBER 30, 1936

IMPROVEMENT in business in the Fifth Federal Reserve district continued in October and early November, and the aggregate volume of trade was well above that of the corresponding period last year. Expansion in industry kept pace with commercial developments in most instances. Banking made relatively little advance, business as a rule being able to finance its operations without assistance from commercial banks. At the Federal Reserve Bank of Richmond, discounts declined slightly between the middle of October and the middle of November. A seasonal increase in Federal Reserve notes in actual circulation occurred as the opening of additional tobacco markets and the beginning of fall trade increased the need for currency. Member banks raised further their reserve deposits at the Reserve bank during the month. Reporting member banks in selected cities showed a moderate increase in their commercial and industrial loans, while their investments in securities declined slightly. Demand deposits increased materially last month, but there was a small decrease in time deposits. Debits to individual accounts in the banks of twenty-four Fifth district cities rose 1 per cent during four weeks ended November 11 over debits in four preceding weeks, ended October 14, in spite of the occurrence of a large volume of quarterly payments in the earlier period. Debits in the latest four weeks exceeded debits in four corresponding weeks last year by 14 per cent. Commercial failures in the district in October were 29 per cent fewer than failures in October last year, but liabilities involved in last month's failures exceeded liabilities in October 1935 by 43 per cent. Employment conditions continued to improve last month, and at present are notably better than at any other time in several years, although there are still relatively large numbers of idle workers in some groups. Coal production increased seasonally over September output, and was well above production in October last



year. West Virginia continued to lead all other states in coal output. The demand for cotton textile products has recently broadened considerably and prices have advanced, stimulating increased cotton consumption in Fifth district mills and raising the average hours of operation per spindle in place. Spot cotton prices have not moved upward with textiles, chiefly due to a larger crop of cotton this year than was forecast earlier in the season, but cotton prices this year are somewhat higher than those last fall. Tobacco marketing in the district continued in October at prices about \$1 per hundred pounds above October 1935 prices,

but sales were smaller this year. Tobacco will not yield as much money this year as last, the decline in production being larger than the increase in price. Output of tobacco manufacturing plants last month was below that in some recent months, but was well above October 1935 output except in smoking mixtures and chewing tobacco. Building permits in Fifth district cities issued in October provided for more work than those issued in October last year, and contracts actually awarded totaled nearly as much as those awarded in October last year, when a larger volume of publicly financed projects was getting under way. Retail trade as reflected in department store sales advanced nearly 17 per cent in October over trade in October 1935, and sales in five wholesale lines also were well ahead of sales a year ago. October and early November weather was so favorable for late maturing crops that forecasts of production on November 1 were nearly all higher than earlier estimates. Average conditions in the two Carolinas and Maryland were above the 10-year average, and Virginia's average for all crops was only 9 per cent below that figure.

Reserve Bank Statement

ITEMS	000 omitted		
	Nov. 15 1936	Oct. 15. 1936	Nov. 15 1935
Discounts held.....	\$ 34	\$ 185	\$ 51
Open market Paper.....	121	121	173
Industrial advances.....	3,360	3,418	4,410
Government securities.....	125,510	125,510	116,716
Total earning assets.....	\$129,025	\$129,234	\$121,350
Circulation of Fed. Res. notes....	205,813	201,480	185,756
Members' reserve deposits.....	220,898	210,150	168,632
Cash reserves.....	324,575	303,788	248,199
Reserve ratio.....	72.63	70.98	68.10

Total earning assets of the Federal Reserve Bank of Richmond declined by \$209,000 between the middle of October and the middle of November this year, discounts held decreasing by \$151,000 and industrial advances for working capital falling by \$58,000. No change occurred in the portfolio of open market paper or in holdings of Government securities. A seasonal rise amounting to \$4,333,000 in the volume of Federal Reserve notes in actual circulation took place between October 15 and November 15, due to increased needs for currency in crop marketing and accelerated business activity as fall trade develops. Member bank reserve deposits at the Bank rose by \$10,748,000 during the past month. The cash reserves of the Federal Reserve Bank of Richmond increased by \$20,787,000 between the middle of October and the middle of November.

Between November 15, 1935, and November 15, 1936, total earning assets of the Richmond bank rose by \$7,675,000, although most classes of assets declined during the year. Discounts held dropped by \$17,000, open market paper held dropped by \$52,000, and industrial loans to business firms for working capital dropped by \$1,050,000. On the other hand, the Bank's holdings of Government securities rose by \$8,794,000 during the year, representing a redistribution of holdings between Federal Reserve banks while the total holdings of the System remained unchanged. Actual circulation of Federal Reserve notes rose by \$20,057,000, during the year, partly due to replacement of some National bank notes with Federal Reserve notes and partly to increased business activity this year. Reserve deposits of member banks at the Richmond bank increased by \$52,266,000 between November 15 last year and this. On November 15, 1936, cash reserves of the Federal Reserve Bank of Richmond showed an increase of \$76,376,000 over reserves on November 15, 1935, and the ratio of cash reserves to note and deposit liabilities combined rose 4.53 points during the same period.

Statement of 41 Member Banks

The accompanying table shows a consolidated statement of certain items of condition for forty-one reporting banks, located in twelve cities in the Fifth Reserve district, as of three dates, November 11 and October 14, 1936, and November 13, 1935, thus

ITEMS	000 omitted		
	Nov. 11 1936	Oct. 14 1936	Nov. 13 1935
Loans on stocks and bonds (including Governments).....	\$ 70,379	\$ 70,407	\$ 68,041
All other loans.....	146,669	142,860	126,216
Total loans and discounts.....	217,048	213,267	194,257
Investments in securities.....	446,907	448,054	378,865
Reserve bal. with F. R. Bank.....	141,578	138,366	112,524
Cash in vaults.....	18,919	19,403	17,364
Demand deposits.....	469,162	452,492	396,778
Time deposits.....	196,999	197,587	191,037
Money borrowed.....	0	0	0

affording opportunity for comparison of the latest available figures with those for the preceding month and the preceding year. It should be understood that the figures in the table are not necessarily the highest or lowest figures which occurred during the periods under review, but reflect the condition of the banks on the report dates only.

Between October 14 and November 11, both this year, loans increased by \$3,781,000, although loans on securities declined by \$28,000 during the month. However, all other loans, which are largely commercial or industrial at this season, rose by \$3,809,000 during the four weeks. The reporting banks reduced their investments in securities by \$1,147,000 between October 14 and November 11, while their aggregate balance at the Federal Reserve bank rose by \$3,212,000. Cash in vaults declined by \$484,000 during the past month. Demand deposits in the forty-one institutions rose by \$16,670,000 since the middle of October, but there was a slight decline of \$588,000 in time deposits.

All figures in the statement are higher for the 1936 date than for the corresponding date last year. Loans and discounts rose by \$22,791,000 during the year, loans on securities increasing by \$2,338,000 and all other loans rising by \$20,453,000. Investments in stocks and bonds rose by \$68,042,000 and the reporting banks added \$29,054,000 to their reserve balances at the Federal Reserve bank during the period under review. Cash in vaults increased by \$1,555,000 since November 13 last year. Both demand and time deposits were higher on the 1936 date, demand deposits showing an increase of \$72,384,000 for the year and time deposits an increase of \$5,962,000. None of the reporting banks borrowed at the Federal Reserve bank or at any other bank at any time during the past year.

Time and Savings Deposits

Time deposits in forty-one reporting member banks in the Fifth district and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$409,750,190 at the end of October 1936, a higher figure than either \$408,669,297 reported at the end of September this year or \$395,163,714 at the end of October 1935. The mutual savings banks reported a higher total of deposits on October 31, 1936, than on either of the earlier dates, and time deposits in the forty-one member banks also increased during the year but decreased slightly during the past month.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	Nov. 11 1936	Oct. 14 1936	Nov. 13 1935
Asheville, N. C.....	\$ 10,643	\$ 11,039	\$ 9,470
Baltimore, Md.....	312,678	326,887	267,722
Charleston, S. C.....	15,846	18,813	14,240
Charleston, W. Va.....	39,917	40,743	40,439
Charlotte, N. C.....	54,983	51,650	53,852
Columbia, S. C.....	26,487	25,480	24,300
Cumberland, Md.....	8,300	8,440	7,119
Danville, Va.....	14,371	9,512	14,906
Durham, N. C.....	41,899	40,385	39,822
Greensboro, N. C.....	15,183	15,404	12,510
Greenville, S. C.....	22,475	20,663	16,431
Hagerstown, Md.....	6,694	7,901	6,657
Huntington, W. Va.....	15,898	16,624	11,702
Lynchburg, Va.....	14,382	13,523	13,116
Newport News, Va.....	8,112	8,371	6,599
Norfolk, Va.....	42,565	41,193	40,477
Portsmouth, Va.....	3,322	3,508	3,288
Raleigh, N. C.....	32,235	29,614	23,503
Richmond, Va.....	169,759	169,337	153,866
Roanoke, Va.....	27,860	25,704	19,157
Spartanburg, S. C.....	9,287	7,833	8,033
Washington, D. C.....	231,194	217,364	192,557
Wilmington, N. C.....	10,579	10,894	9,773
Winston-Salem, N. C.....	35,963	37,773	37,539
District Totals.....	\$1,170,632	\$1,158,655	\$1,027,078

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

A comparison of the total of \$1,170,632,000 in debits reported for the four weeks ended November 11, 1936, with the total reported for the preceding four weeks, ended October 14 this year, shows an increase of \$11,977,000, or 1.0 per cent. A decline in debits during the more recent period usually occurs, due to heavy payments of dividends and interest on October 1, but for the second successive year increased business in late October and early November counterbalanced the seasonal tendency toward lower figures. Exactly half of the twenty-four cities reported higher figures for the more recent period.

In comparison with figures reported for four weeks last year, ended November 13, 1935, corresponding figures for the four weeks ended November 11, 1936, show a total increase of \$143,554,000, or 14.0 per cent, about the same percentage of increase reported in other recent months in comparison with the corresponding periods last year. All of the reporting cities showed higher figures for the 1936 period except Charlotte, which decreased 1.3 per cent, Danville, which declined 3.6 per cent, and Winston-Salem, which dropped 4.2 per cent.

Commercial Failures

Business failures in the Fifth district in October 1936 numbered 27, with aggregate liabilities totaling \$694,000, according to figures compiled by *Dun & Bradstreet*. These figures show a decrease in number

of failures amounting to 28.9 per cent in comparison with October 1935 failures, but liabilities involved in last month's bankruptcies were 42.5 per cent greater than liabilities in October last year. The Fifth district failure record last month compared unfavorably with National figures, which showed decreases of 42.1 per cent and 51.9 per cent respectively in number of insolvencies and in aggregate liabilities in October 1936 in comparison with those for October 1935. Statistics for the district and the United States for several periods are shown in the accompanying table.

Period	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
October 1936	27	611	\$ 694,000	\$ 8,266,000
October 1935	38	1,056	487,000	17,185,000
October 1934	44	1,039	567,000	16,973,000
10 Months, 1936	391	7,805	\$6,524,000	\$122,433,000
10 Months, 1935	407	9,702	5,682,000	148,740,000
10 Months, 1934	558	10,129	7,859,000	216,577,000

Employment

All available figures indicate continued improvement in employment conditions, especially in private fields of trade and industry. Employment agencies report fewer enrollments of unemployed persons and more calls from employers for workers. Fifth district industries are operating full time, coal mines are digging more coal than at this time in recent years, retail establishments are adding employees for the holiday trade, and building tradesmen are better employed than for several years. There is still a large number of idle workers, but chiefly among older people, clerical workers, and the least efficient workers in other lines. A large number of industries in the Fifth district announced wage advances in November, the textile mills in the Carolinas taking the lead in the movement. These advances were attributed in part to improved demand for products of industry and in part to the new tax on undistributed earnings of corporations.

Coal Production

Bituminous coal production in the United States totaled 42,935,000 net tons in October 1936, a seasonal increase over 37,200,000 tons mined in September this year, and also above the October 1935 production of 37,768,000 tons. Total production of soft coal during the calendar year to November 7 amounted to 354,881,000 net tons, compared with 308,741,000 tons mined during the corresponding period last year. Shipments of coal through Hampton Roads ports in 1936 prior to November 7 totaled 16,285,109 tons, compared with 15,297,461 tons shipped through the same ports to the corresponding date in 1935.

In its October 31 report, the Bureau of Mines of the Department of the Interior gave bituminous coal production figures by states for the month of September. The report credited West Virginia with 10,560,000 net tons, while Pennsylvania, the second ranking state, dug 9,706,000 tons. In the November 7 report, the Bureau of Mines stated that industrial stocks

of bituminous coal increased during September, but on October 1 stock in the hands of industrial consumers were estimated to be sufficient to last only 31 days, compared with 46 days' supply on hand a year ago. Industrial consumption of coal has increased each month since June.

Cotton Textiles

Domestic demand for cotton goods has been unusually strong for some weeks and prices for textiles have advanced. Sales of unfinished goods by mills recently exceeded output, reducing the already small volume of mill stocks. During November many cotton mills announced wage advances running from about 6 per cent to 10 per cent. Fifth district cotton mills consumed 304,419 bales in October, an increase of 2.5 per cent over 297,042 bales used in September and a rise of 15.6 per cent over 263,360 bales used in October 1935. North Carolina mills consumed 167,628 bales in October this year, South Carolina mills used 122,234 bales, and Virginia mills 14,557 bales, all higher figures than those for October last year. Consumption of cotton in the Fifth district in October amounted to 47.1 per cent of National consumption, a lower figure than either 47.2 per cent of National consumption used in the district in September this year or 47.7 per cent in October 1935.

On October 21 the Department of Commerce issued a report on spindles in place, spindles active in September, total spindle hours of operation in September, and average hours of operation per spindle in place in September. On September 30, 1936, there were 27,962,666 spindles in place in the United States, North Carolina leading with 6,060,120, or 21.7 per cent of the total, South Carolina ranking second with 5,704,152 spindles, or 20.4 per cent, and Massachusetts third with 4,319,852 spindles, or 15.4 per cent. The Fifth district as a whole had 44.4 per cent of total spindles in place in the United States at the end of September 1936. In actual spindle hours of operation, South Carolina led all states for September with 2,008,556,051 hours, or 24.8 per cent of the National total of 8,088,255,427 hours, and North Carolina ranked second with 1,899,045,308 hours, or 23.5 per cent. In actual hours of operation per spindle in place in September, South Carolina with an average of 352 hours per spindle was in third place, North Carolina with 313 hours was in sixth place, and Virginia with 301 hours ranked seventh. The average for the United States was 289 hours of operation per spindle in place.

Cotton Statistics

Spot cotton prices, as reflected by the average paid on ten Southern markets on Friday of each week, did not advance last month in keeping with rising demand for cotton goods, but on the contrary tended to decline in the face of sharply increased figures on the 1936 cotton production. Middling grade upland cotton averaged 12.21 cents per pound on October 16, from which the price fell to 11.99 cents on October 23 and to 11.90 cents on October 30. There was a rise to 12.12 cents

on November 6, but another decline to 11.99 cents on November 13, the latest date for which official quotations are available. On November 15, 1935, the average price on the same markets was 12.15 cents, the highest price reached on any Friday date for the 1935 crop.

Condition figures on the 1936 cotton crop, based on the November 1 condition, were issued by the Department of Agriculture on November 9, and the estimate of probable production was raised by 791,000 bales over the October 1 estimate. The Department placed 1936 production at 12,400,000 bales of 500-pounds gross weight, compared with an estimate of 11,609,000 bales made a month earlier and 1935 production of 10,638,000 bales. In commenting on the production estimate, the Department said, "The increase in prospective outturn results from fall weather that has been almost ideal for the maturing and picking of the crop. When average weather conditions prevail there is usually some loss of open cotton in the fields, but this season practically no losses of this kind have occurred. In the Carolinas, and generally along the northern portion of the Belt, frosts came later than usual, which permitted the maturing of a large portion of the late bolls which were in danger a month ago." In the Fifth district cotton producing states, all production figures were increased last month, and are higher than 1935 figures. South Carolina is expected to pick 825,000 bales this year, compared with 763,000 bales forecast a month ago and last year's yield of 744,000 bales. North Carolina's 1936 crop of 625,000 bales compares with 576,000 bales expected on October 1 this year and last year's yield of 572,000 bales. Virginia will gin approximately 33,000 bales this year, compared with an estimate of 31,000 bales on October 1 and 30,000 bales ginned last year. Total production of cotton in the Fifth district is 1,483,000 bales this year, an increase of 10.2 per cent over 1,346,000 bales grown in the district in 1935.

Ginning figures to November 1, released by the Census Bureau on November 9, showed 9,880,068 bales ginned from this year's crop, compared with 7,743,612 bales of last year's crop ginned before November. Due to development of late bolls, more cotton remained unpicked in the Fifth district on November 1 this year than was unpicked on the corresponding date last year.

Cotton consumption in the United States in October showed an increase over the month of September, and was 17 per cent greater than consumption in October last year. The number of bales used totaled 646,499 in October 1936, compared with 629,727 bales used in September this year and 552,840 bales in October 1935. Total consumption this cotton year—August 1 through October 31—amounted to 1,850,515 bales, against 1,411,812 bales consumed in the corresponding three months of last season. Manufacturing establishments held 1,402,916 bales on October 31, compared with 848,734 bales held on September 30 and 1,077,796 bales on October 31, 1935. Public warehouses and compresses held 8,028,140 bales in storage at the end of October this year, compared with 6,805,999 bales so held a month earlier and 8,482,269 bales on October

31 last year. October exports totaled 861,016 bales, compared with 569,624 bales exported in September and 711,664 bales sent abroad in October 1935. Exports during the three months of the present cotton year totaled 1,613,127 bales, a higher figure than 1,439,912 bales shipped over seas during the corresponding three months last year. Spindles active at some time during October numbered 23,638,270, compared with 23,514,270 in September this year and 23,128,014 in October 1935.

Cotton growing states consumed 541,335 bales of cotton in October, compared with 527,158 bales in September and 459,815 bales in October 1935. Last month's consumption in the cotton growing states amounted to 83.7 per cent of National consumption, compared with 83.7 per cent in September this year and 83.2 per cent in October 1935. Of the 541,335 bales of cotton consumed in the cotton growing states in October, the Fifth district mills used 304,419 bales, or 56.2 per cent, compared with 57.3 per cent of Southern consumption attained in the district in October last year.

Tobacco Marketing

South Carolina auction tobacco markets handled 12,352,984 pounds for growers in October, at an average price of \$14.02 per hundred pounds, compared with 7,020,280 pounds sold for \$15.94 per hundred in October 1935. South Carolina markets finished this season's sales last month, and season sales totaled 69,841,461 pounds at \$19.89 per hundred, against 84,718,848 pounds sold for an average of \$18.79 per hundred from the 1935 crop. Tobacco prices averaged \$1.10 per hundred more in 1936 than in 1935, but the sales this year were less by 14,877,387 pounds, and the crop brought \$13,890,189 in comparison with \$15,918,354 realized from sales last year, a decrease this year of \$2,028,165, or 12.7 per cent.

North Carolina markets sold 167,821,551 pounds of growers' tobacco in October 1936, at an average price of \$23.84 per hundred pounds. These figures compare with 175,213,651 pounds sold for an average of \$22.85 per hundred in October 1935. Total sales this season to November 1 of 318,882,296 pounds show a decrease from 386,219,334 pounds sold in 1935 before November. Wilson led the North Carolina markets in October sales with 21,221,506 pounds, but Fuquay Springs led in price paid with an average of \$27.58 per hundred pounds. Greenville ranked second in October sales with 19,875,126 pounds.

Virginia flue-cured tobacco markets opened on October 5 and sold during the remainder of the month 31,083,244 pounds at an average price of \$23.86 per hundred pounds, according to reports to the Commissioner of Agriculture. In October 1935 sales amounted to 38,564,768 pounds, at an average price of \$22.41 per hundred. Producers' sales to the first of November were less than last year, but the average price was higher; with the exception of 1934, the October price was the highest since 1926. Warehousemen estimated that tobacco sold in October this year graded 32 per cent good, 37 per cent medium and 31 per cent com-

mon, whereas in October 1935 sales graded 31 per cent good, 44 per cent medium and 25 per cent common. Danville, with sales totaling 15,247,549 pounds, led in October 1936 sales, but Lawrenceville led in price with \$25.27 per hundred.

Tobacco Manufacturing

On November 21, the Commissioner of Internal Revenue issued a report on taxes collected in October 1936 on manufactured tobacco products. October production of cigarettes in the United States numbered 13,203,851,027, compared with 12,710,887,310 cigarettes manufactured in October 1935. Smoking and chewing tobacco production decreased from 28,574,792 pounds in October last year to 28,425,928 pounds in October this year. Cigars manufactured rose from 446,336,045 in October 1935 to 470,469,385 in October 1936. Snuff production increased from 3,340,842 pounds to 3,620,453 pounds during the year. In the month of October 1936, taxes on cigarettes totaled \$39,607,006, compared with \$38,138,478 collected in the corresponding month last year. Taxes on smoking and chewing tobacco decreased during the same period from \$5,143,659 to \$5,116,605, but cigar taxes rose from \$1,357,207 to \$1,405,488 and snuff taxes rose from \$601,363 to \$651,682. Combined taxes to the Federal Treasury on all forms of tobacco manufacturing totaled \$46,780,781 in October 1936 and \$45,240,707 in October 1935, an increase this year of 3.4 per cent.

Agricultural Notes

Weather in October and early November was almost ideal for farmers in the entire Fifth district. Frost came unusually late, which allowed late crops to mature, and clear weather enabled growers to harvest their products in excellent condition. At the same time sufficient rain fell to put the soil in condition for sowing of fall grains, and early sowings came up to fine stands. As a result of the favorable weather, crop estimates on November 1 were nearly all somewhat higher than the estimates made on October 1, and prospective per acre crop yields for all crops combined rose in all Fifth district states except West Virginia, which dropped 1 per cent. Prospective per acre yields on November 1, expressed as percentages of the 10-year averages (1921-1930), were as follows in States in the district: South Carolina 129 per cent, North Carolina 108 per cent, Maryland 102 per cent, Virginia 91 per cent, and West Virginia 78 per cent. South Carolina rose 7 points during October, North Carolina rose 3 points, Maryland 2 points, and Virginia 1 point, while West Virginia declined 1 point. The National average was 86.5 per cent on November 1, a rise of 2 points during the past month. In the Fifth district forecasts of production are as shown in the accompanying table, in comparison with production figures for 1935 and for the 5-year base period 1928-1932.

	1936	1935	5-year. Average
Maryland			
Corn, bus.....	17,820,000	17,544,000	14,431,000
Hay, tons.....	347,000	532,000	454,000
Potatoes, bus.....	2,940,000	3,135,000	3,339,000
S. Potatoes, bus.....	1,200,000	1,024,000	1,299,000
Tobacco, lbs.....	28,800,000	26,820,000	24,318,000
Apples, All, bus.....	1,810,000	2,412,000	2,053,000
Apples, Com., bus.....	1,188,000	1,300,000	1,286,000
Virginia			
Corn, bus.....	30,659,000	36,744,000	30,388,000
Hay, tons.....	575,000	1,056,000	849,000
Potatoes, bus.....	7,216,000	11,340,000	14,328,000
S. Potatoes, bus.....	4,838,000	4,180,000	4,270,000
Tobacco, lbs.....	96,702,000	104,765,000	98,409,000
Cotton, bales.....	33,000	30,000	45,000
Peanuts, lbs.....	167,200,000	159,600,000	145,681,000
Apples, All, bus.....	7,750,000	16,695,000	13,160,000
Apples, Com., bus.....	5,502,000	10,710,000	8,228,000
West Virginia			
Corn, bus.....	12,627,000	14,872,000	11,054,000
Hay, tons.....	493,000	750,000	631,000
Potatoes, bus.....	1,980,000	3,145,000	3,445,000
Tobacco, lbs.....	1,215,000	1,596,000	4,224,000
Apples, All, bus.....	3,520,000	5,610,000	6,947,000
Apples, Com., bus.....	2,304,000	3,060,000	3,690,000
North Carolina			
Corn, bus.....	44,918,000	47,082,000	38,415,000
Hay, tons.....	622,000	694,000	565,000
Potatoes, bus.....	5,986,000	9,095,000	7,540,000
S. Potatoes, bus.....	8,096,000	9,300,000	7,141,000
Tobacco, lbs.....	463,420,000	577,435,000	469,135,000
Cotton, bales.....	625,000	572,000	752,000
Peanuts, lbs.....	254,100,000	264,500,000	246,206,000
South Carolina			
Corn, bus.....	21,671,000	23,150,000	20,240,000
Hay, tons.....	232,000	221,000	179,000
Potatoes, bus.....	1,748,000	1,890,000	2,748,000
S. Potatoes, bus.....	5,780,000	6,120,000	4,648,000
Tobacco, lbs.....	70,525,000	89,760,000	75,918,000
Cotton, bales.....	825,000	744,000	856,000
Peanuts, lbs.....	8,840,000	11,200,000	8,398,000

Construction

Building permits issued by inspectors in thirty-one Fifth district cities in October 1936 totaled 3,305, with estimated valuation amounting to \$6,064,906, compared with 2,959 permits valued at \$5,129,948 issued in October 1935, increases of approximately 12 per cent in number and 18 per cent in total valuation in the 1936

Building Permits Issued in October 1936 and 1935

CITIES	Permits Issued		Total Valuation	
	1936	1935	1936	1935
Baltimore, Md.....	850	915	\$1,122,120	\$1,077,960
Cumberland, Md.....	25	17	104,300	124,289
Frederick, Md.....	18	12	32,975	7,214
Hagerstown, Md.....	24	33	43,295	44,165
Salisbury, Md.....	27	28	135,620	26,085
Danville, Va.....	16	36	35,608	178,169
Lynchburg, Va.....	109	75	66,373	46,895
Norfolk, Va.....	132	102	231,274	89,868
Petersburg, Va.....	5	3	5,400	2,300
Portsmouth, Va.....	41	21	18,008	19,050
Richmond, Va.....	168	128	273,630	119,162
Roanoke, Va.....	63	45	58,461	86,864
Bluefield, W. Va.....	17	13	23,899	8,554
Charleston, W. Va.....	139	142	301,522	203,658
Clarksburg, W. Va.....	88	69	86,682	49,749
Huntington, W. Va.....	*36	—	83,121	39,175
Asheville, N. C.....	103	30	81,213	23,405
Charlotte, N. C.....	127	118	315,376	94,679
Durham, N. C.....	45	39	111,625	124,580
Greensboro, N. C.....	73	69	93,089	87,485
High Point, N. C.....	98	53	133,450	27,924
Raleigh, N. C.....	23	29	30,515	21,380
Rocky Mount, N. C.....	18	6	13,859	9,800
Salisbury, N. C.....	6	13	16,175	40,425
Winston-Salem, N. C.....	164	69	137,922	89,055
Charleston, S. C.....	72	69	65,385	182,556
Columbia, S. C.....	44	63	188,215	123,965
Greenville, S. C.....	57	46	139,489	70,000
Rock Hill, S. C.....	20	28	34,160	167,632
Spartanburg, S. C.....	27	36	20,170	52,605
Washington, D. C.....	706	652	2,061,975	1,891,300
Totals.....	3,305	2,959	\$6,064,906	\$5,129,948

* Not included in totals.

month. Twenty-one of the thirty-one cities reported higher valuation figures last month in comparison with October 1935 figures. All of the six largest cities on the list reported higher figures this year.

Contracts actually awarded in October for construction work in the Fifth district, including both rural and urban projects, totaled \$24,585,100, compared with \$25,841,275 in October 1935, according to figures collected by the F. W. Dodge Corporation. Of the awards in October this year, \$10,832,200, or 44.1 per cent, was for residential work, compared with \$7,373,860, or 28.5 per cent, for this type of work in October 1935.

Retail Trade, 29 Department Stores

<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
October 1936 sales, compared with sales in October 1935:			
+ 19.4	+ 14.2	+ 18.5	+ 16.8
Total sales Jan.-Oct. 1936, compared with Jan.-Oct. 1935:			
+ 7.9	+ 10.8	+ 11.7	+ 9.9
Oct. 31, 1936, stocks, compared with stocks on Oct. 31, 1935:			
+ 3.5	+ 5.3	+ 6.6	+ 4.8
Oct. 31, 1936, stocks, compared with stocks on Sept. 30, 1936:			
+ 8.2	+ 8.1	+ 8.9	+ 8.3
Number of times stock was turned in October 1936:			
.409	.456	.367	.422
Number of times stock was turned since January 1, 1936:			
3.157	3.766	3.054	3.401
Percentage of Oct. 1, 1936, receivables collected in October:			
32.0	27.8	34.6	30.3

Note: Figures from two Richmond stores are included in Other Cities, insufficient returns being available to show Richmond separately.

Wholesale Trade, 57 Firms

21	7	6	12	11
<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
October 1936 sales, compared with sales in October 1935:				
+ 7.2	+ 6.2	+ 18.2	+ 11.6	+ 14.7
October 1936 sales, compared with sales in September 1936:				
— .9	— 7.0	— 22.6	+ 3.0	+ 5.1
Jan.-Oct. 1936 sales, compared with sales in Jan.-Oct. 1935:				
+ 8.7	+ 15.4	+ 10.8	+ 9.9	+ 8.6
Oct. 31, 1936, stocks, compared with Oct. 31, 1935, stocks:				
+ 6.6(8*)	+ 17.8(3*)	+ 8.1(4*)	+ 4.6(7*)
Oct. 31, 1936, stocks, compared with Sept. 30, 1936, stocks:				
+ 15.5(8*)	— 1.8(3*)	— 10.9(4*)	+ 3.2(7*)
Percentage of collections in October to receivables Oct. 1:				
115.9(12*)	45.8(4*)	68.9(5*)	51.7(11*)	74.5(7*)

* Number of reporting firms. All other figures are percentages.

(Compiled November 21, 1936)

BUSINESS CONDITIONS IN THE UNITED STATES

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

Volume of industrial production increased seasonally in October and there was a substantial rise in employment and payrolls. Prices of a number of industrial raw materials and finished products have advanced.

Production and Employment

In October the Board's seasonally adjusted index of industrial production was at 109 percent of the 1923-1925 average, about the level of the three preceding months. Steel production was in larger volume than in any other month since 1929, and the rate of activity was sustained in the first three weeks of November. Output of automobiles rose sharply from September to October. The increase in this period was less than a year ago, reflecting the fact that this year the date of the shift to production of new models was less uniform among the leading producers, but in the first three weeks of November production increased further and was larger than last year. Activity at textile mills, which usually increases in October, declined slightly from the high level of September. In the meatpacking industry output showed a further increase. Coal production increased seasonally, and production of crude petroleum continued at recent high levels.

Factory employment increased by more than the usual seasonal amount between the middle of September and the middle of October. Increases in employment were general among the durable goods industries, with the largest expansion reported at factories producing automobiles and machinery, while changes in employment in the nondurable goods industries were largely of a seasonal character. Factory payrolls rose by considerably more than the usual seasonal amount.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was slightly smaller in October than in September, with a decline in publicly-owned projects partly offset in the total by an increase in awards for private non-residential construction.

Distribution

Sales by department stores and by mail order houses serving rural areas increased from September to October by a larger amount than is usual at this season. Variety store sales showed a less than seasonal rise. Freight-car loadings increased further in October, reflecting chiefly a larger volume of shipments of miscellaneous freight and of coal.

Commodity Prices

The general level of wholesale commodity prices advanced somewhat during the first three weeks of November, following two and a half months of little change. Since the middle of October prices of a number of industrial raw materials, particularly nonferrous metals, hides, rubber, silk, and wool, have shown a considerable rise and there have also been substantial increases in the prices of some finished products, including automobile tires, glass, woolen goods, and cotton goods.

Bank Credit

Member bank reserves increased in the four weeks ended November 18, chiefly as the result of transfers of gold to the United States. On that date member bank reserves were \$2,270,000,000 larger than legal requirements, the highest level since the increase in reserve requirements which became effective in the middle of August.

Adjusted demand deposits at weekly reporting member banks in leading cities have continued to increase, and on November 18 amounted to about \$15,400,000,000. Since the end of last May these deposits have increased by over \$800,000,000, reflecting a rise in deposits outside New York City. Time deposits at reporting banks have remained at about the \$5,000,000,000 level.

Holdings of United States Government obligations at reporting banks have recently declined somewhat further. Since the end of June the decline has amounted to about \$300,000,000 and has been at New York City, with little change elsewhere. Holdings of other securities have declined in recent weeks, reflecting chiefly a reduction in the amount held by New York City banks. Loans to customers have shown some further increase.