

# MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



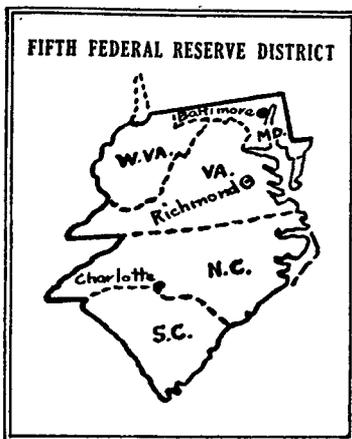
## FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

DECEMBER 31, 1936

**B**USINESS made greater strides toward recovery in 1936 than in any other year since the beginning of the depression late in 1929, but annual statistics for the current year are not yet available. Banks were in a strong position during the year, and in the second half of the year there was a moderate but steady increase in "All other loans," which are business loans to commerce and industry. Unemployment continued to be a serious problem during 1936, but distinct improvement occurred and a larger number of persons obtained work than in other recent years, especially in private industry. Retail trade in department stores was about 10 per cent greater in dollar volume than in 1935, and wholesale trade in five leading lines for which figures are available showed approximately the same rate of increase. Tobacco manufacturing reached record figures in 1936, and output of cotton textile mills was much above the 1935 production. Construction work, which was especially hard hit by the depression, increased notably in 1936, although normal volume has not yet been reached. A marked increase in residential construction during the past year is a favorable sign of recovery. In agriculture the results of the year's operations were moderately satisfactory, improved prices and unusually favorable weather in the latter part of the growing season offsetting to a great extent the poor start crops made last spring.

Between the first of November and the middle of December the activity noted earlier in the fall continued, although most of the developments were seasonal in character. At the Federal Reserve Bank of Richmond, the volume of Federal Reserve notes in actual circulation rose as the needs for currency grew with the increase in holiday buying, and there was a moderate decline in member bank reserve deposits. Reporting member banks further increased outstanding loans and cash in vaults, and a slight gain occurred



in demand deposits, but time deposits dropped moderately with payment of Christmas Clubs and withdrawal of funds for holiday needs. Debits to individual accounts in the banks of twenty-four Fifth district cities in the four weeks ended December 9 exceeded debits in the corresponding four weeks last year by nearly 23 per cent, every one of the reporting cities showing larger figures for the 1936 period. The record of commercial failures in the district in November was relatively poor, the number of insolvencies and the aggregate of liabilities involved being larger than November 1935 figures, while for the United

States as a whole the 1936 month witnessed fewer failures and reduced liabilities. Improvement in employment conditions, which had been steady for several months, was probably checked during the past month, due chiefly to unfavorable weather for work on outside projects of all kinds. Labor trouble is in evidence at a few points in the district. Coal production in November exceeded production in November last year, and was also greater on a daily basis than output in October. Textile mills in the Fifth Reserve district continued to run at or near capacity in November, and cotton consumption exceeded consumption in November 1935. Spot cotton prices advanced between the middle of November and the middle of December, and the final estimate of cotton production for this year showed that the Fifth district grew a larger crop than in 1935. Tobacco markets sold less tobacco in November 1936 than in 1935, but average prices realized for this year's crop were somewhat higher. Tobacco manufacturing in November was not up to levels reached earlier in the year, but continued ahead of 1935. Building permits issued in November totaled 31 per cent more in estimated valuation than permits issued in the corresponding month last year, and contracts actually awarded last month were 27 per cent greater in amount than contracts awarded in No-

vember 1935. Retail trade as reflected in department store sales last month exceeded November 1935 sales by 5.1 per cent, and all five lines of wholesale trade for which data are available also reported larger sales than a year ago.

### Reserve Bank Statement

ITEMS	000 omitted		
	Dec. 15, 1936	Nov. 15, 1936	Dec. 15, 1935
Discounts held .....	\$ 24	\$ 34	\$ 82
Open market paper.....	121	121	173
Industrial advances.....	3,223	3,360	4,443
Government securities.....	125,833	125,510	116,716
Total earning assets.....	129,201	129,025	121,414
Circulation of Fed. Res. notes..	209,667	205,813	186,082
Members' reserve deposits.....	212,412	220,898	173,241
Cash reserves.....	311,564	324,575	252,878
Reserve ratio.....	71.78	72.63	68.91

Total earning assets of the Federal Reserve Bank of Richmond rose by \$176,000 between the middle of November and the middle of December, an increase in Government security holdings amounting to \$323,000 more than offsetting declines of \$10,000 in discounts and \$137,000 in loans to industry for working capital. A seasonal increase of \$3,854,000 occurred during the month in Federal Reserve notes in actual circulation, due to increased needs for currency for holiday shopping. Member bank reserve deposits dropped by \$8,486,000 between November 15 and December 15, but continued far above minimum requirements. Cash reserves of the Richmond bank declined by \$13,011,000 during the month, and the ratio of cash reserves to note and deposit liabilities combined dropped 85/100ths of a point.

In comparison with condition figures on December 15 last year, the figures in the accompanying statement for December 15 this year show increases in all but three items. Discounts declined by \$58,000 during the year, open market paper held decreased by \$52,000, and industrial advances for working capital dropped by \$1,220,000. However, these decreases in assets were more than offset by a rise of \$9,117,000 in holdings of Government securities, and total earning assets showed a net increase of \$7,787,000 during the year. Federal Reserve notes in actual circulation rose by \$23,585,000 during the period under review, due in part to increased business activity this fall and in part to replacement of some national bank notes with Federal Reserve notes. Member bank reserve deposits, which were materially above legal requirements last year, increased further by \$39,171,000 on the 1936 date. The changes during the year in the statement resulted in an increase of \$58,686,000 in cash reserves of the Federal Reserve Bank of Richmond, and a rise of 2.87 points in the ratio of cash reserves to note and deposit liabilities combined.

### Statement of 41 Member Banks

Forty-one regularly reporting member banks in twelve cities in the Fifth Federal Reserve district increased their loans and discounts by \$10,073,000

ITEMS	000 omitted		
	Dec. 9, 1936	Nov. 11, 1936	Dec. 11, 1935
Loans on stocks and bonds (including Governments).....	\$ 75,190	\$ 70,379	\$ 71,008
All other loans.....	151,931	146,669	128,487
Total loans and discounts....	227,121	217,048	199,495
Investments in securities.....	398,983	446,907	363,270
Reserve bal. with F. R. bank....	140,967	141,578	122,024
Cash in vaults.....	19,682	18,919	18,425
Demand deposits.....	471,598	469,162	401,483
Time deposits.....	192,801	196,999	190,123
Money borrowed.....	0	0	0

during the four weeks between November 11 and December 9, 1936, loans on securities rising by \$4,811,000 and "All other loans" increasing by \$5,262,000. "All other loans" have been steadily, though moderately, increasing since about the middle of August as business expanded and caused a rise in the demand for bank credit. Cash in vaults also rose by \$763,000 during the month. On the other hand, the reporting institutions reduced their investments in securities by \$47,924,000 during the month, and also lowered their reserve deposits at the Reserve bank by \$611,000, the latter decrease being only a daily fluctuation. Demand deposits rose by \$2,436,000 between November 11 and December 9, but time deposits dropped \$4,198,000. The decrease in time deposits was probably due chiefly to payment of Christmas Savings funds and other withdrawals for holiday shopping.

Between December 11, 1935, and the corresponding date this year, December 9, total loans and discounts at the forty-one banks rose by \$27,626,000, of which \$23,444,000 was in "All other loans" which are largely commercial or industrial in character. Nearly 90 per cent of the increase in "All other loans" occurred in the past four months. During the year investments in securities rose by \$35,713,000, and the reporting banks added \$18,943,000 to their reserve deposits at the Federal Reserve bank. Cash in vaults shows a rise of \$1,257,000 between the middle of December last year and this. Deposits in the forty-one banks rose \$72,793,000 during the year, of which \$70,115,000 represented demand deposits and only \$2,678,000 time deposits. None of the reporting banks borrowed at the Federal Reserve bank or at any other bank at any time during the year.

### Time and Savings Deposits

Time deposits in forty-one reporting member banks and aggregate deposits in ten mutual savings banks in Baltimore totaled \$404,607,375 at the end of November, 1936, a lower figure than \$408,847,824 reported at the end of October this year but above \$393,097,841 on November 30, 1935. 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. A moderate decline in time and savings deposits usually occurs around the first of December, when Christmas Clubs are paid and many depositors withdraw funds for holiday buying.

**Debits to Individual Accounts**

CITIES	000 omitted		
	Total debits, four weeks ended		
	Dec. 9 1936	Nov. 11 1936	Dec. 11 1935
Asheville, N. C.....	\$ 11,624	\$ 10,643	\$ 9,349
Baltimore, Md.....	367,264	312,678	278,253
Charleston, S. C.....	16,695	15,846	13,480
Charleston, W. Va.....	49,268	39,917	44,871
Charlotte, N. C.....	61,586	54,983	52,902
Columbia, S. C.....	33,622	26,487	20,966
Cumberland, Md.....	7,635	8,300	6,828
Danville, Va.....	13,892	14,371	12,489
Durham, N. C.....	34,531	41,899	30,116
Greensboro, N. C.....	16,815	15,183	14,143
Greenville, S. C.....	22,648	22,475	15,638
Hagerstown, Md.....	7,813	6,694	6,785
Huntington, W. Va.....	18,730	15,898	14,367
Lynchburg, Va.....	16,558	14,382	13,934
Newport News, Va.....	10,048	8,112	8,964
Norfolk, Va.....	49,533	42,565	46,304
Portsmouth, Va.....	4,652	3,322	4,181
Raleigh, N. C.....	30,656	32,235	21,985
Richmond, Va.....	163,240	169,759	142,433
Roanoke, Va.....	30,391	27,860	20,963
Spartanburg, S. C.....	10,317	9,287	7,493
Washington, D. C.....	243,695	231,194	204,693
Wilmington, N. C.....	10,074	10,579	8,525
Winston-Salem, N. C.....	41,328	35,963	37,074
District Totals ....	\$1,272,615	\$1,170,632	\$1,036,736

Debits to individual, firm and corporation accounts figures in the table reported for three equal periods of four weeks by clearing house banks in twenty-four leading Fifth district cities show a seasonal increase during the period ended December 9 in comparison with the figures for four weeks ended November 11. Aggregate debits in the reporting cities totaled \$1,272,615,000 during the four weeks ended December 9, an increase of \$101,983,000, or 8.7 per cent, above the total of \$1,170,632,000 reported for the preceding period this year. Among the twenty-four reporting cities, eighteen reported higher figures for the later period, while only six cities reported lower figures.

In comparison with debits reported for four weeks ended December 11, 1935, those reported for the corresponding period this year show an increase of \$235,879,000, or 22.8 per cent, all of the twenty-four cities showing higher figures for the 1936 period.

**Commercial Failures**

In spite of a well marked improvement in business in the Fifth Federal Reserve district in comparison with a year ago, commercial failures in the district were more numerous and liabilities involved were greater in November 1936 than in November 1935. There were 44 bankruptcies in the district last month, with liabilities totaling \$1,201,000, compared with 32 failures and liabilities totaling \$392,000 in the same month last year. The number of failures therefore rose 37.5 per cent and liabilities 206.4 per cent. On the other hand, failures in the United States numbering 688 in November 1936 showed a decline of 23.4 per cent under 898 failures in November 1935, and last month's liabilities totaling \$11,532,000 were 19.8

per cent less than liabilities totaling \$14,384,000 in November last year. 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.
November 1936	44	688	\$1,201,000	\$ 11,532,000
November 1935	32	898	392,000	14,384,000
November 1934	39	923	550,602	18,349,000
11 Months, 1936	435	8,493	\$7,725,000	\$133,965,000
11 Months, 1935	439	10,600	6,074,000	163,124,000
11 Months, 1934	597	11,052	8,409,000	234,926,000

**Employment**

No outstanding changes were noted in employment conditions in the Fifth Federal Reserve district in November and early December, but seasonal influences probably checked the decrease in unemployment which had been under way for several months. Industries continued to operate at a high level, and retail outlets took on additional workers to handle holiday trade, but unfavorable weather for outside work interfered with construction, highway building, farm work and other out-of-door projects. A strike of workers at a large manufacturing plant in Cumberland, Md., was settled early in December, but it will be some time before all employees can be put back to work, and meanwhile another strike of glass workers has developed in Charleston, W. Va.

**Coal Production**

Bituminous coal mined in the United States in November this year totaled 40,615,000 net tons, a decrease under 43,284,000 tons mined in October, but more than 33,404,000 tons dug in November 1935. The decrease in production last month in comparison with October output was due to a smaller number of working days in November, daily production in November of 1,758,000 net tons exceeding October daily production of 1,603,000 tons. Total output of bituminous coal in the United States during the present calendar year to December 5 amounted to 394,961,000 net tons, compared with 340,696,000 tons mined to the same date last year. Shipments of coal through Hampton Roads in November totaled approximately 1,680,000 tons, and total shipments from January 1 through November 30 amounted to 17,567,395 tons.

The December 5 report of the Bureau of Mines, Department of the Interior, gave bituminous coal production by states for the month of October 1936. West Virginia led all states with 11,629,000 net tons, Pennsylvania ranking second with 10,745,000 tons and Illinois third with 5,087,000 tons. West Virginia's production in October was 7.2 per cent above production in October 1935, while the National increase during the same period averaged 14.6 per cent. In October 1936 the Fifth district coal states of West Virginia, Virginia and Maryland produced 30 per cent of all bituminous coal dug in the Nation, compared with 32 per cent mined in the same three states in October 1935.

## Textiles

Cotton textile mills in the Fifth Reserve district increased operations further in November, and a number of mills are sold up several months ahead. Cotton consumed by Fifth district mills in November totaled 294,686 bales, a smaller number than 304,419 bales used in October, but the earlier month contained more working days and on a daily basis the November consumption was the larger. In November 1935 the district used 244,429 bales. Last month North Carolina mills consumed 162,092 bales, South Carolina mills used 119,761 bales, and Virginia mills 12,833 bales, all larger figures than those for November last year.

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, 1936, there were 27,911,666 spindles in place in the United States, North Carolina leading with 6,064,044, or 21.7 per cent of the total, South Carolina ranking second with 5,697,438 spindles, or 20.4 per cent, and Massachusetts third with 4,281,416 spindles, or 15.3 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 44.5 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 2,077,158,593 hours, or 24.9 per cent of the National total of 8,328,468,743 hours, and North Carolina ranked second with 1,943,958,064 hours, or 23.3 per cent. Massachusetts, with 15.3 per cent of spindles in place, showed only 10.6 per cent of total hours of operation in October. The Fifth district, with 44.5 per cent of total spindles in the United States in October, showed 50.6 per cent of total hours of operation. In actual hours of operation per spindle in place, South Carolina with an average of 365 hours per spindle was in the lead, while North Carolina ranked fifth with 321 hours and Virginia ranked eighth with 300 hours. The average hours of operation for the United States was 298 per spindle in place, compared with 251 hours per spindle in October last year.

## Cotton Statistics

*Spot cotton prices* on ten Southern markets advanced during the past month, rising from an average of 11.99 cents per pound on November 13 for middling grade upland cotton to 12.64 cents on December 11, the latest date for which official figures are available. Part of the advance followed the final crop estimate of the season, which was not quite as large as was expected in the trade. On December 13, 1935, the average price on the ten Southern markets was 11.73 cents per pound, about \$4.50 per bale less than this year's price on the corresponding date.

*Final production figures* on this year's cotton crop, released by the Department of Agriculture on December 8, totaled 12,407,000 equivalent 500-pound bales, an increase of 7,000 bales over the estimate made on

November 1 and 1,769,000 bales above the 1935 production of 10,638,000 bales. The report pointed out that on August 1, when the first estimate of the season was made, prospects in the Carolinas and other Atlantic Coast states were decidedly poor, due to drought conditions in May and June which delayed germination of seed, caused much replanting, and retarded plant growth so much that it appeared quite unlikely that the crop could mature fully before frost. Prospects in Texas and other Southwestern states, on the other hand, were good in August. But during August drought conditions became serious in the Southwest, and prospects for cotton declined during that month by more than 800,000 bales in Texas and 200,000 bales in Oklahoma, while weather on the Atlantic Coast was excellent. Rains in September came too late to bring back the crop in Texas and Oklahoma, but saved it in states along the Mississippi River, and in the Eastern section of the belt weather continued so favorable that frost did not occur until ten days or two weeks later than usual, and late bolls all matured. The droughts also kept weevil damage to a minimum. As a result of these weather conditions, the loss in the crop after August 1 in Southwestern states was nearly balanced by improvement in Central and Eastern states. The August 1 forecast of production was for 12,481,000 bales, but the September 1 forecast was only 11,121,000 bales. On October 1, however, the estimate was raised to 11,609,000 bales, and continued upward steadily to 12,400,000 bales on November 1 and to 12,407,000 bales on December 1. The net change between August 1 and December 1 was a decline of 74,000 bales, or less than 1 per cent.

Total production of cotton in the Fifth Reserve district was lowered in the December estimate from the November 1 figures, declines of 13,000 bales in North Carolina and 5,000 bales in South Carolina offsetting an increase of 1,000 bales in Virginia. South Carolina's yield of 820,000 bales this year compares with 744,000 bales in 1935, North Carolina grew 625,000 bales in 1936 and 572,000 bales in 1935, and Virginia picked 34,000 bales this year and 30,000 bales last year. Total production of 1,466,000 bales in the district this year was 8.9 per cent above 1935 production of 1,346,000 bales.

*Ginning figures to December 1*, released by the Census Bureau on December 8, showed 11,494,170 bales ginned from this year's crop, compared with 9,356,921 bales of last year's smaller crop ginned before December.

*Cotton consumption* in American mills in November totaled 626,695 bales, according to the report of the Census Bureau on December 14. This figure shows a seasonal decrease from 646,499 bales consumed during the longer month of October this year, but is more than 512,312 bales consumed in November 1935. Total consumption during the four months of the present cotton year amounted to 2,477,210 bales, compared with 1,924,124 bales consumed during the four months ended November 30, 1935. Cotton on hand at manufacturing establishments on November 30 this year totaled 1,792,250 bales, compared with 1,402,916 bales

held on October 31 this year and 1,348,830 bales held on November 30 last year. Bales in public warehouses and compresses numbered 8,418,408 at the end of November, 8,028,140 bales at the end of October, and 8,629,078 bales on November 30, 1935. Exports of cotton totaled only 689,815 bales in November, compared with 861,016 bales sent abroad in October this year and 1,134,874 bales in November 1935. Total exports during the four months of the present cotton year—August 1–November 30, inclusive—totaled 2,302,942 bales, a lower figure than 2,574,786 bales shipped over seas during the corresponding four months last year. Spindles active at some time during November numbered 23,805,520, compared with 23,638,270 in October this year and 23,193,538 in November 1935.

*Cotton growing states consumed* 528,513 bales in November, compared with 430,785 bales used in November last year. Last month's consumption in the cotton growing states amounted to 84.3 per cent of National consumption, compared with 84.1 per cent of National consumption used in the cotton growing states in November last year. Of the 528,513 bales of cotton consumed in the cotton growing states in November, the Fifth district mills used 294,686 bales, or 55.8 per cent, a lower figure than 56.7 per cent of Southern consumption attained by Fifth district mills in November last year.

### **Tobacco Marketing**

*North Carolina* tobacco markets sold 74,626,112 pounds of tobacco for growers in November 1936, at an average price of \$22.40 per hundred pounds, compared with 108,479,080 pounds sold for an average of \$20.59 per hundred in November last year. Total sales this season to December 1 amounted to 394,606,290 pounds, compared with 494,698,414 pounds sold from the 1935 crop prior to December. Among the individual markets in North Carolina, Winston-Salem led in November sales with 10,675,498 pounds, Wilson ranking second with 8,274,828 pounds and Durham third with 7,834,768 pounds. In season sales to December, Wilson led all markets with 46,768,668 pounds, Greenville ranked second with 41,034,643 pounds, and Kinston third with 36,150,237 pounds. Roxboro led in average price paid in November with \$27.78 per hundred pounds, Fuquay Springs ranking second with an average of \$27.42 per hundred. It is estimated that more than 90 per cent of the North Carolina crop had been sold by the end of November.

*Virginia* auction markets sold 31,050,638 pounds of tobacco for an average of \$23.25 during November 1936, according to reports to the Commissioner of Agriculture. Sales in November 1935 totaled 37,214,149 pounds, and the price averaged \$21.43 per hundred. Total sales for the season to December 1 were 62,133,880 pounds, at an average price of \$23.56 per hundred, compared with 75,778,917 pounds sold prior to December 1935 for an average of \$21.93 per hundred pounds. Burley and Sun-cured markets did not open until December, and therefore there were no sales of those types in November. Burley and Sun-cured

types make up a relatively small part of the Virginia crop, however. Danville led in November sales with 15,013,464 pounds, South Boston ranking a poor second with 7,024,153 pounds. Danville led in price in November with \$24.91 per hundred pounds, South Boston ranking second with \$24.77 and Petersburg third with \$24.47. Since Burley tobacco went on sale early in December prices have been very high, but no official averages will be available until next month. Warehousemen estimated that tobacco sold in Virginia last month graded 29 per cent good, 40 per cent medium, and 31 per cent common, compared with November 1935 grades of 31 per cent good, 40 per cent medium, and 29 per cent common.

### **Tobacco Manufacturing**

On December 21, the Commissioner of Internal Revenue issued a report on taxes collected in November 1936 on manufactured tobacco products. November production of cigarettes in the United States numbered 11,557,116,290, compared with 10,801,258,890 cigarettes manufactured in November 1935. Smoking and chewing tobacco production decreased from 23,890,388 pounds in November 1935 to 23,576,496 pounds in November this year. Cigars manufactured rose from 457,299,010 in November last year to 489,179,709 in November 1936. Snuff production rose from 2,796,877 pounds to 3,034,777 pounds during the year. In November 1936, taxes on cigarettes totaled \$34,673,914, compared with \$32,402,371 collected in the corresponding month last year. Taxes on smoking and chewing tobacco decreased during the same period from \$4,300,358 to \$4,244,103, but cigar taxes rose from \$1,221,113 to \$1,303,143. Combined taxes to the Treasury on all forms of tobacco manufacture totaled \$40,767,420 in November 1936 and \$38,427,280 in November 1935, an increase during the later month of 6 per cent.

### **Agricultural Notes**

The crop season of 1936 is finished and all crops have been harvested, but final production figures for the year are not yet available. In the next issue of this *Review* a table will be printed for reference, containing production figures for the leading crops of the district in comparison with figures for some earlier years.

### **Construction**

*Building inspectors* in thirty-one Fifth district cities issued 2,853 permits in November this year, compared with 2,142 permits issued in November last year, a gain of 33 per cent. Estimated valuation figures last month totaled \$6,913,844, an increase of 31 per cent above the total of \$5,267,569 reported for November 1935 and 129 per cent above \$3,014,411 reported for November 1934. Twenty-three of the thirty-one cities reported higher valuation figures for the 1936 month, and the eleven largest cities in the Fifth district were included in the twenty-three.

### Building Permits Issued in November 1936 and 1935

CITIES	Permits Issued		Total Valuation	
	1936	1935	1936	1935
Baltimore, Md.....	936	614	\$1,618,080	\$1,148,760
Cumberland, Md.....	14	11	10,863	19,985
Frederick, Md.....	5	7	85,100	6,585
Hagerstown, Md.....	18	28	29,275	76,257
Salisbury, Md.....	22	12	26,090	20,425
Danville, Va.....	18	11	44,285	16,982
Lynchburg, Va.....	58	28	90,966	114,610
Norfolk, Va.....	110	105	171,320	93,340
Petersburg, Va.....	0	3	0	7,550
Portsmouth, Va.....	19	14	9,605	5,220
Richmond, Va.....	112	107	179,272	122,913
Roanoke, Va.....	42	40	62,592	38,968
Bluefield, W. Va.....	17	2	38,670	3,300
Charleston, W. Va.....	89	84	212,920	89,240
Clarksburg, W. Va.....	39	31	30,748	62,144
Huntington, W. Va.....	36	12	160,025	22,580
Asheville, N. C.....	44	24	21,769	7,873
Charlotte, N. C.....	143	95	384,786	169,434
Durham, N. C.....	31	42	62,200	71,185
Greensboro, N. C.....	67	39	161,298	62,776
High Point, N. C.....	56	35	39,115	18,973
Raleigh, N. C.....	24	20	49,175	90,570
Rocky Mount, N. C.....	6	2	7,750	4,700
Salisbury, N. C.....	5	6	14,328	5,103
Winston-Salem, N. C.....	112	65	156,075	60,290
Charleston, S. C.....	67	46	79,318	37,068
Columbia, S. C.....	57	48	177,439	122,035
Greenville, S. C.....	75	33	81,430	26,314
Rock Hill, S. C.....	31	16	111,500	20,770
Spartanburg, S. C.....	32	30	36,880	76,049
Washington, D. C.....	568	532	2,760,970	2,645,570
District Totals.....	2,853	2,142	\$6,913,844	\$5,267,569

*Contracts actually awarded* in November for construction work in the Fifth district, including both rural and urban projects, totaled \$20,890,500, compared with \$16,417,226 awarded in November 1935 and \$8,599,431 awarded in 1934, according to figures collected by the F. W. Dodge Corporation. Of the awards in November this year, \$8,441,800, or 40.4 per cent, was for residential work, compared with \$4,427,501, or 27 per cent, for this type of work in November 1935.

### Retail Trade, 28 Department Stores

Baltimore	Washington	Other Cities	District
November 1936 sales, compared with sales in November 1935:			
+ 8.2	+ 2.3	+ 6.1	+ 5.1
Total sales Jan.-Nov. 1936, compared with Jan.-Nov. 1935:			
+ 7.9	+ 9.8	+11.1	+ 9.3
Nov. 30, 1936, stocks, compared with stocks on Nov. 30, 1935:			
+ 5.5	+11.7	+6.1	+ 8.3
Nov. 30, 1936, stocks, compared with stocks on Oct. 31, 1936:			
+ 2.4	+ 7.1	+ 6.4	+ 5.1
Number of times stock was turned in November 1936:			
.349	.367	.292	.347
Number of times stock was turned since January 1, 1936:			
3.513	4.124	3.339	3.746
Percentage of Nov. 1, 1936, receivables collected in November:			
30.5	26.6	32.7	28.8

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

### Wholesale Trade, 57 Firms

21 Groceries	7 Dry Goods	6 Shoes	12 Hardware	11 Drugs
November 1936 sales, compared with sales in November 1935:				
+ 6.1	+ 24.2	+ 10.0	+ 13.1	+ 10.4
November 1936 sales, compared with sales in October 1936:				
- 9.8	- 4.5	- 38.6	- 6.9	- 4.9
Jan.-Nov. 1936 sales, compared with sales in Jan.-Nov. 1935:				
+ 8.5	+ 16.4	+ 10.7	+ 10.2	+ 8.7
Nov. 30, 1936, stocks, compared with Nov. 30, 1935, stocks:				
+ 8.6(8*)	+ 7.6(3*)	+ 6.2(4*)	+ 3.4(7*)	.....
Nov. 30, 1936, stocks compared with Oct. 31, 1936, stocks:				
- 1.6(8*)	- 16.9(3*)	+ 2.0(4*)	- 2.7(7*)	.....
Percentage of collections in November to receivables Nov. 1:				
101.2(12*)	44.6(4*)	69.5(5*)	47.9(11*)	66.5(7*)

\* Number of reporting firms. Other figures are percentages.

(Compiled December 21, 1936)

**BUSINESS CONDITIONS IN THE UNITED STATES**

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

Production, wage payments, and the distribution of commodities to consumers increased considerably from October to November. Wholesale commodity prices have advanced steadily since the end of October.

**Production and Employment**

The Board's index of industrial production, which makes allowance for changes in the number of working days in the month and for the usual seasonal variations, was 114 percent of the 1923-1925 average in November, as compared with 109 percent in October. Output of both durable and nondurable manufactures showed a considerable rise. Production of steel ingots increased further to a rate of 79 percent of capacity in November, and output of automobiles also increased. Figures for the first three weeks of December indicate continued expansion in output of both steel and automobiles. In the plate glass industry, where there has been a strike, production was sharply reduced in November, and activity at lumber mills declined, reflecting the effects of the maritime shipping strike on the Pacific Coast. Increases in output were reported at meatpacking establishments and textile mills, and sugar meltings and output of tobacco products declined by less than the usual seasonal amount. At mines, coal production increased and output of crude petroleum and iron ore showed a smaller than seasonal reduction.

Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, continued at about the same rate in November as in the previous month.

Factory employment showed little change from October to November, although a decrease is usual at this season of the year, and the Board's seasonally adjusted index advanced to 96 percent of the 1923-1925 average. The number employed at factories producing durable goods continued to increase, with the largest expansion in the automobile and machinery industries. There was a decline in employment at lumber mills and in the glass industry. In the nondurable goods industries as a group employment showed a smaller decline than is usual in November. At shoe factories and establishments producing wearing apparel smaller than seasonal declines were reported and there were increases in employment at cotton and woolen textile mills and at meatpacking plants.

**Distribution**

Department store sales increased substantially in November, and there was also a rise in sales at variety stores and at chain grocery stores. Sales by general merchandise stores and mail order houses serving rural areas declined from the high level reported for October.

Freight-car loadings showed a smaller than seasonal decrease in November. Loadings of coal, coke, and grain increased contrary to the usual seasonal tendency, and shipments of miscellaneous commodities and of most other classes of freight declined by less than the seasonal amount.

**Commodity Prices**

The general level of wholesale commodity prices continued to advance from the middle of November to the third week of December. There were substantial increases in the prices of wheat, flour, non-ferrous metals, and rubber. Prices of wool, cotton yarns, and worsted yarns advanced somewhat further and cotton, pig iron, and steel scrap prices also increased in this period.

**Bank Credit**

The reserve position of member banks in recent weeks has been influenced largely by temporary seasonal developments in connection with holiday currency requirements and mid-December financing by the United States Treasury.

Notwithstanding the increased demand for currency for Christmas shopping, there was a further growth in demand deposits at weekly reporting member banks through the first half of December, reflecting additions to monetary gold stock, as well as a sharp increase in bank loans.

At reporting banks outside New York City holdings of Government securities increased by \$140,000,000 in the four weeks ending December 16, while at New York City banks they showed a further small decline. There was an increase of \$100,000,000 in loans to brokers and dealers in securities in New York City, largely for the purpose of buying United States Government securities. Commercial loans showed a further increase of \$150,000,000, carrying the total volume of such loans to a level \$800,000,000 higher than a year ago.