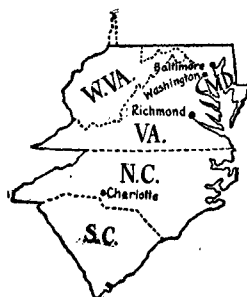


MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond, Va.

December 31, 1937

IN the Fifth Reserve district during the past month there was a substantial shift of excess reserves of member banks to the credit of the Treasury through the purchase of Government securities sold on December 15. At the Reserve bank, members' reserve deposits declined by \$17,350,000 between November 15 and December 15, and investments in securities at forty-one reporting member banks rose \$26,896,000 during the same period. Federal Reserve notes in actual circulation declined slightly last month, reflecting decreased payrolls in many industries and a smaller expansion in retail trade than usually occurs at the holiday season. Both demand and time deposits dropped in reporting member banks after the middle of November. Debits to individual accounts in twenty-four Fifth district cities declined by 10.8 per cent in November in comparison with October figures, a somewhat larger decrease than occurs in most years. A moderate decrease from October to November is seasonal, due to quarterly payments debited early in October.

Business and trade in November and early December were below seasonal expectations in many lines, but leveled off substantially from the relatively precipitate drop of September and October. There was some further decline in employment other than that accounted for by seasonal slowing up in construction and other outside work. Commercial failures last month were more numerous in the district than in either October this year or November last year, but liabilities were much below those of a year ago. New automobile registrations in the district in November were 10.8 per cent fewer than registrations in the corresponding month last year, but one of the largest selling lines was off the market most of last month. Construction provided for in both city building permits issued and contracts awarded in November was less than was provided for in November 1936, but the decline was moderate and not greater than frequently develops between corresponding months under normal conditions. Bituminous coal mined last month was less than the tonnage mined in either October 1937 or November

1936, the slump in output being partly due to lessened demand from industry and partly to an unsettled situation in the coal market pending announcement of price ranges and differentials for different fields, to be set by the National Bituminous Coal Commission. Both cotton and rayon textile mills continued to restrict operations substantially in November, but some progress was apparently made in inventory reduction in certain textile lines early in December, especially in unfinished goods. Spot cotton prices rose about half a cent a pound last month, in spite of reduced consumption by the textile mills and a further rise in the Department of Agriculture's forecast of production. Plans to include cotton in Government control measures for next year appear to have been the chief influence in strengthening cotton prices. Final estimates on the 1937 cotton crop show the largest yield on record, and slightly more than 50 per cent above last year's crop. Fifth district cotton growing states produced 27.3 per cent more than in 1936. Tobacco prices in North Carolina continued higher in November than prices a year earlier, but Virginia prices were a shade lower last month. Tobacco manufacturers turned out more cigars, cigarettes, smoking tobacco and snuff in November 1937 than in November 1936. Retail trade in department stores last month was spotted, but averaged slightly above the business done in November, 1936, while wholesale trade was in smaller volume this year in most lines.

There follows a statistical summary of conditions described above:

	Nov. 1937	Nov. 1936	% Change
Debits to individual accounts (24 cities)	\$1,271,937,000	\$1,241,274,000	+ 2.5
No. of business failures, 5th district	52	44	+18.2
Liabilities in failures, 5th district..	\$ 660,000	\$ 1,201,000	-45.0
Sales, 57 dept. stores, 5th district...	\$ 11,372,473	\$ 11,326,539	+ .4
Sales, 59 wholesale firms in 5 lines	\$ 4,960,293	\$ 5,365,148	- 7.5
Registrations, new passenger autos.	14,995	16,802	-10.8
Value bldg. permits (31 cities).....	\$ 6,155,316	\$ 6,913,845	-11.0
Value of contracts awarded, 5th dist.	\$ 19,578,700	\$ 20,930,600	- 6.5
Cotton consumption, 5th dist. (bales)	243,550	294,686	-17.4
Soft coal mined, U. S. (tons).....	35,300,000	41,879,000	-15.7

BANKING CONDITIONS

RESERVE BANK STATEMENT: Discounts for member banks at the Federal Reserve Bank of Richmond increased \$200,000 between November 15 and December 15, 1937, and on the latter date were \$691,000 above discounts on December 15, 1936. Government security holdings also rose by \$335,000 during the month and \$8,563,000 during the year. On the other hand, industrial loans declined by \$44,000 and \$893,000 in the month and year, respectively. Federal Reserve notes in actual circulation declined by \$725,000 last month, contrary to seasonal trend, but on December 15 totaled \$3,544,000 above outstanding circulation a year ago. Member bank reserve deposits declined \$17,350,000 between the middle of November and the middle of December, approximately half of which was apparently invested by member banks in Government securities. The several changes in the statement resulted in a decrease of \$8,881,000 in cash reserves of the Federal Reserve Bank of Richmond between November 15 and December 15.

ITEMS	000 omitted		
	Dec. 15 1937	Nov. 15 1937	Dec. 15 1936
Discounts held	\$ 715	\$ 515	\$ 24
Open market paper	110	110	121
Industrial advances	2,330	2,374	3,223
Government securities	184,396	134,061	125,833
Total earning assets	\$187,551	\$137,060	\$129,201
Circulation of Fed. Res. notes	213,211	213,936	209,667
Members' reserve deposits	215,121	232,471	212,412
Cash reserves	336,357	345,238	311,564
Reserve ratio	71.90	72.46	71.78

STATEMENT OF 41 REPORTING MEMBER BANKS: Forty-one regularly reporting member banks in twelve Fifth district cities increased loans and discounts by \$1,448,000 between November 17 and December 15, 1937, while their investments in securities, chiefly Government issues, rose by \$26,896,000. Aggregate reserve balances of the reporting banks decreased \$10,005,000 during the month, chiefly due to the purchase of Government securities. Deposits declined materially during the past month, demand deposits of individuals, firms and corporations falling by \$5,825,000 and time deposits decreasing by \$5,572,000.

ITEMS	000 omitted		
	Dec. 15 1937	Nov. 17 1937	Dec. 16 1936
Loans & discounts	\$254,288	\$252,840	\$227,327
Investments in securities	394,130	367,234	430,967
Reserve bal. with F. R. Bank	128,949	138,954	133,708
Cash in vaults	18,574	18,551	18,907
Demand deposits	448,555	454,380	477,383
Time deposits	191,588	197,160	192,538
Money borrowed	0	0	0

DEBITS TO INDIVIDUAL ACCOUNTS: Checks totaling \$1,271,937,000 drawn against depositors' accounts in twenty-four Fifth district cities in November this year amounted to \$154,218,000, or 10.8 per cent, less than checks drawn in October, but a moderate decline in November is seasonal because October witnesses a considerable volume of quarterly payments. The November debits total exceeded that of November 1936 by \$30,663,000, or 2.5 per cent, the smallest gain registered by any month this year over the corresponding month last year. Debits in the second half of 1937 have shown materially lower percentage increases over 1936 figures than debits showed in the first half of this year, thereby reflecting clearly the relatively lower level of business activity during the autumn and fall.

CITIES	000 omitted			% of Change	
	Nov. 1937	Oct. 1937	Nov. 1936	Month	Year
Maryland					
Baltimore	\$ 347,279	\$ 378,930	\$ 344,553	- 8.4	+ .8
Cumberland	8,443	9,350	8,048	- 9.7	+ 4.9
Hagerstown	7,827	9,459	7,958	-17.3	- 1.6
Dist. of Col.					
Washington	250,647	259,753	240,047	- 3.5	+ 4.4
Virginia					
Danville	15,986	10,069	14,570	-16.2	+ 9.7
Lynchburg	15,061	16,664	16,009	- 9.6	- 5.9
Newport News ..	8,450	9,102	9,341	- 7.2	- 9.5
Norfolk	48,444	51,553	45,587	- 6.0	+ 6.3
Portsmouth	4,032	3,995	3,988	+ .9	+ 1.1
Richmond	169,243	217,476	168,976	-22.2	+ .2
Roanoke	27,343	27,757	30,192	- 1.5	- 9.4
West Virginia					
Charleston	56,879	57,592	46,553	- 1.2	+22.2
Huntington	18,710	19,954	17,106	- 6.2	+ 9.4
North Carolina					
Asheville	12,597	13,687	11,164	- 8.0	+12.8
Charlotte	58,678	65,879	60,101	-10.9	- 2.4
Durham	42,827	57,686	37,723	-25.8	+13.5
Greensboro	18,856	19,001	16,433	.8	+14.7
Raleigh	38,407	43,025	31,632	-10.7	+21.4
Wilmington	10,180	12,256	10,264	-16.9	- .8
Winston-Salem ..	40,027	48,990	38,947	-18.3	+ 2.8
South Carolina					
Charleston	15,983	20,765	16,019	-23.0	- .2
Columbia	28,235	31,376	32,766	-10.0	-13.8
Greenville	18,121	21,913	23,157	-17.3	-21.7
Spartanburg	9,682	10,923	10,140	-11.4	- 4.5
Fifth District ...	\$1,271,937	\$1,426,155	\$1,241,274	-10.8	+ 2.5

MUTUAL SAVINGS BANK DEPOSITS: After increasing each month since July, deposits in ten mutual savings banks in Baltimore declined slightly during November, but little more than is customary at that season. Aggregate deposits in the ten banks amounted to \$218,047,433 on November 30, 1937, compared with \$218,355,228 on October 31, 1937, and \$211,806,375 on November 30, 1936.

BUSINESS CONDITIONS

EMPLOYMENT: Net changes in employment appear to have been small during November and early December, but on the whole the trend was downward. Some industrial plants reduced working time, and railroad shops laid off a portion of their employees, but extra help taken on for the holiday season in retail circles partly balanced these decreases. Coal production in November declined from the October output, and textile mills still further restricted operations last month, but on the other hand the opening of additional tobacco markets in Virginia since November 1 gave work to a number of employees. The following figures, compiled by the Bureau of Labor Statistics from records submitted by a large number of identical industries, show the trends of employment and payrolls in the Fifth district from October to November:

STATES	Percentage change from Oct. to Nov. 1937	
	In number on payroll	In amount of payroll
Maryland	- 2.7	- 6.6
D. of Columbia	+ 1.1	+ .4
Virginia	- 1.6	- 5.7
West Virginia	- 3.0	- 7.3
North Carolina	- 2.8	- 6.8
South Carolina	- .3	- 2.4

COMMERCIAL FAILURES: Data on commercial failures, compiled by *Dun & Bradstreet*, show more insolvencies but lower liabilities in both the Fifth district and the United States in November 1937 than in November 1936. Failures in the district increased 18.2 per cent in comparison with 14.2 per cent in the United States, but the district decrease of 45.0 per cent in liabilities involved

made a better comparison than the National decrease of 12.6 per cent.

PERIOD	Number of failures		Total Liabilities	
	District U. S.		District	U. S.
November 1937.....	52	786	\$ 660,000	\$ 10,078,000
October 1937.....	38	768	564,000	9,335,000
November 1936.....	44	688	1,201,000	11,532,000
11 Months, 1937.....	446	8,085	\$4,317,000	\$102,303,000
11 Months, 1936.....	435	8,493	7,725,000	134,965,000

AUTOMOBILE NEW CAR REGISTRATIONS: New passenger automobiles sold in the Fifth Reserve district in November fell below the number sold in October, and dropped 10.8 per cent below the number sold in November last year. However, one of the leading manufacturers was late in bringing out 1938 models, and was consequently off the market entirely during most of November this year. Maryland dealers sold 5.7 per cent more cars in November this year than last, but all other Fifth district states reported lower registration figures. The following figures were collected by *R. L. Polk & Company*:

STATES	Nov. 1937	Nov. 1936	% Change	11 Months		% Change
				1937	1936	
Maryland	3,186	3,013	+ 5.7	43,850	39,732	+10.4
D. of Col.	1,741	2,297	-24.2	26,789	29,969	-10.6
Virginia	3,204	3,388	- 5.4	47,704	45,903	+ 3.9
West Va.	2,082	2,226	- 6.5	34,238	34,276	- .1
No. Carolina ..	3,263	4,039	-19.2	50,359	43,467	+15.9
So. Carolina	1,519	1,839	-17.4	25,722	21,586	+19.2
District	14,995	16,802	-10.8	228,662	214,933	+ 6.4

CONSTRUCTION: Valuation of building permits issued in Fifth district cities in November exceeded October valuation, but was 11 per cent less than in November 1936. There were 2,259 permits issued in 31 cities in November, compared with 2,681 permits in October 1937 and 2,853 permits in November 1936. Estimated valuation figures for November totaling \$6,155,316 compared with \$5,665,087 for October this year and \$6,913,845 in November last year. Only 13 of the 31 cities reported higher valuation figures for November this year than last.

Contract award figures for November, as compiled by *F. W. Dodge Corporation*, show a decrease of 6.5 per cent for the Fifth Reserve district in November in comparison with contracts awarded in November 1936.

STATES	Nov. 1937	Nov. 1936	% Change
Maryland	\$ 3,749,200	\$ 4,526,100	-17.2
D. of Col.	2,436,800	4,061,700	-40.0
Virginia	5,179,600	3,539,800	+46.3
West Virginia ..	1,142,700	1,364,000	-16.2
North Carolina ..	4,339,200	5,073,000	-14.5
South Carolina ..	2,731,200	2,366,000	+15.4
District	\$19,578,700	\$20,930,600	- 6.5

COAL MINING: Bituminous coal production in November totaling 35,300,000 net tons showed an unseasonal decrease of 13.2 per cent from 40,675,000 tons dug in October, and was also 15.7 per cent below production of 41,879,000 tons in November last year. Lessened demand for coal in industrial plants and uncertainty as to rules and regulations to be announced by the Bituminous Coal Commission account for the decrease last month. Hampton Roads ports shipped 20,196,985 tons between January 1 and December 11, compared with 18,452,292 tons shipped in the same period last year. Official figures by states for October production this year and last are now available from reports of the *National Bituminous Coal Commission*:

Soft Coal Production in Tons

STATES	Oct. 1937	Oct. 1936	Percentage Change
West Virginia	10,645,000	11,528,000	- 7.7
Virginia	1,388,000	1,213,000	+14.4
Maryland	142,000	150,000	- 5.3
5th District	12,175,000	12,891,000	- 5.6
United States	40,722,000	43,321,000	- 6.0

COTTON TEXTILES: Cotton textile mills in the Fifth district restricted operations further in November as inventories continued burdensome. In the face of large stocks in the hands of dry goods jobbers, the mills received few forward orders and many orders previously placed were cancelled. However, in the second and third weeks of December sales of unfinished cloth increased and were substantially larger than curtailed mill output. Buying covered a wide range of fabrics and included purchases by industrial users as well as by manufacturers of clothing and household textiles. Reduced inventories of finishers and other users or processors of unfinished cloth were said to account for the increased volume of sales. Cloth prices apparently advanced more than cotton prices, giving mills a slightly wider margin. Consumption of cotton by states in the Fifth district in November 1937, October 1937, and November 1936, in bales, is shown below:

MONTHS	No. Carolina	So. Carolina	Virginia	District
November 1937.....	122,039	108,487	13,024	243,550
October 1937.....	130,789	110,507	14,629	255,925
November 1936.....	162,092	119,761	12,833	294,686
11 Months, 1937.....	1,760,511	1,379,552	164,309	3,304,372
11 Months, 1936.....	1,655,752	1,241,999	152,148	3,049,899

Figures on spindle activity in October were released by the Bureau of the Census on November 20. There were 26,757,298 spindles in place in American mills on October 31, of which Fifth district mills had 12,345,270 spindles. Actual spindle hours of operation in October totaled 6,927,893,432 hours in the United States, South Carolina ranking first with 1,950,716,153 hours and North Carolina second with 1,578,785,028 hours. After trailing Tennessee in September, South Carolina again took first place in October with 344 hours of operation per spindle in place, and Virginia with 343 hours ranked second. North Carolina was eighth with 261 hours, and all Fifth district states exceeded the National average of 259 hours.

RAYON: Rayon manufacturers and converters are both heavily over-stocked, but there are indications that the situation is gradually being corrected. Shipments of rayon yarns to mills decreased about 10 per cent from October to November. The *Rayon Organon* index of rayon shipments in November was 252 per cent of the 1923-25 average against 366 per cent in October and 714 per cent in November a year ago. The number of month's supply of yarn on hand rose from 0.4 in November 1936 and 1.1 in October 1937 to 1.8 at the end of November this year. Weekly data recently collected by the National Rayon Weavers Association shows a typical, over-all November weaving rate of about 40 per cent of peak capacity for the month. The low production rate in rayon weaving is reducing cloth inventories and yarn stocks at weaving mills, and any material increase in cloth production would immediately be reflected in yarn sales by the rayon producers.

COTTON: Spot cotton prices on ten Southern markets fluctuated through a range of about half a cent per pound during the past month, showing a moderate rising tendency, and on December 17 averaged 8.22 cents for middling grade in comparison with 7.74 cents on November 19. Growers continued to withhold much cotton from the market, and the Commodity Credit Corporation reported that 3,820,000 bales of the 1937 crop had been pledged on Government loans prior to December 16. On December 8 the Department of Agriculture issued the final estimate on the 1937 cotton crop, 18,746,000 bales, the largest crop on record and 51.2 per cent above the 1936 yield of 12,399,000 bales. Yield figures for the three Fifth district cotton growing states were raised last month, and latest estimates give South Carolina 1,025,000 bales against 816,000 bales last year, North Carolina 775,000 bales against 597,000 bales, and Virginia 41,000 bales against 33,000 bales, a district total of 1,841,000 bales, or an increase of 27.3 per cent, in comparison with 1,446,000 bales picked in the Fifth district in 1936.

Cotton Consumed and On Hand
(Bales)

	Nov. 1937	Nov. 1936	Aug. 1 to Nov. 30 This Year	Nov. 30 Last Year
Fifth district states:				
Cotton consumed	243,550	294,686	1,086,595	1,167,627
Cotton growing states:				
Cotton consumed	418,395	526,612	1,885,479	2,079,928
Cotton on hand Nov. 30 in				
Consuming establishments ..	1,408,140	1,584,285	.....	.....
Storage & compresses	11,476,374	8,325,595	.....	.....
United States:				
Cotton consumed	484,819	625,794	2,217,500	2,481,661
Cotton on hand Nov. 30 in				
Consuming establishments ..	1,656,109	1,800,597	.....	.....
Storage & compresses	11,549,448	8,386,166	.....	.....
Exports of cotton	796,985	689,815	2,433,765	2,302,942

TOBACCO MARKETING: South Carolina tobacco markets sold no tobacco in November, the season having closed in October. Season sales totaled 101,352,469 pounds for producers this year, at an average price of \$20.83 per hundred pounds, compared with 69,841,461 pounds sold for \$19.89 per hundred in 1936. North Carolina and Virginia sales figures last month and in November 1936 were as follows:

STATES	Producers' Tobacco Sales, Pounds		Price Per Hundred	
	Nov. 1937	Nov. 1936	1937	1936
North Carolina	89,221,026	74,626,112	\$23.25	\$22.40
Virginia (Flue-cured) ..	29,575,265	29,468,662	23.46	23.91
(Fire-cured) ..	796,852	1,658,676	9.71	11.22

TOBACCO MANUFACTURING: The Bureau of Internal Revenue reports tobacco products manufactured in November 1937 and 1936 as follows:

	Nov. 1937	Nov. 1936	% Change
Smoking & Chewing Tobacco, Pounds	23,797,206	23,576,496	+ .9
Cigarettes, Number	12,786,229,523	11,557,116,290	+10.6
Cigars, Number	492,686,008	489,179,709	+ .7
Snuff, Pounds	3,216,535	3,034,777	+ 6.0

RETAIL TRADE IN DEPARTMENT STORES:

	Net Sales Nov. 1937 comp. with November 1936	Net Sales Jan. 1 to date compared with same period last year	Stocks Nov. 30, 1937 compared with Nov. 30, 1936		Ratio Nov. collections to accounts outstanding November 1
			Nov. 30 1936	Oct. 31 1937	
Richmond (3)...	+9.1	....	+11.4	+6.6	33.5
Baltimore (8) ..	+1.1	+6.8	+2.8	+ .9	32.7
Washington (6) ..	-1.2	+ .2	+ .6	+3.3	27.7
Other Cities (14)	+4.0	+6.2	+7.6	+4.1	31.8
District (29) ..	+ .5	+3.6	+2.6	+2.5	30.0
Same stores by States, with 23 stores added:					
Virginia (13)...	+8.0	+7.7			
West. Va. (9) ..	-7.2	+8.9			
No. Carolina (7)	-6.5	+6.0			
So. Carolina (9)	-4.6	+9.9			
District (57) ..	+ .4	+4.2			

WHOLESALE TRADE, 59 FIRMS:

LINES	Net Sales Nov. 1937 comp. with Nov. 1936		Net Sales Jan. 1 to date compared with same period last year	Stocks Nov. 30, 1937 compared with Nov. 30, 1936		Ratio Nov. collections to accounts outstanding November 1
	Nov. 1936	Oct. 1937		Nov. 30 1936	Oct. 31 1937	
Groceries (21) ..	+ 3.1	- 6.0	+ 9.5	- 3.3	-12.3	114.7
Dry Goods (7) ..	-17.9	-12.0	+ .1	+57.2	- 9.8	43.3
Shoes (6)	-31.4	-51.4	+ 4.6	+13.9	-12.1	58.5
Hardware (12) ..	- 6.7	-15.7	+17.3	+ 8.0	- 1.7	46.5
Drugs (13)	+ 4.6	+ 4.2	+ 8.5	+ 6.9	- 4.8	71.4

Note: All figures in Retail and Wholesale tables represent percentage changes except the collection ratios. Number of reporting firms shown in parentheses.

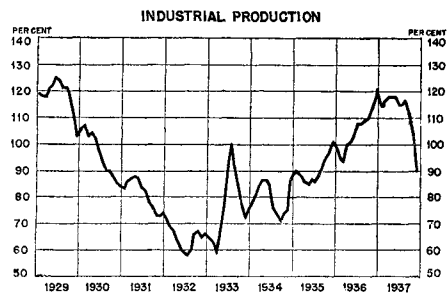
AGRICULTURAL CONDITIONS

In the January 31, 1938, issue of the *Monthly Review* we shall publish a table showing 1937 crop yields and money values for the several states in the Fifth Federal Reserve district, in comparison with corresponding figures for some earlier periods.

(Compiled December 21, 1937)

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average =100. By months, January 1929 to November 1937.

In November, volume of industrial production continued to decline sharply, and employment and payrolls also decreased. During the first half of November commodity prices declined further but for the past month they have been steady.

PRODUCTION AND EMPLOYMENT

Volume of industrial output, as measured by the Board's seasonally adjusted index, declined from 103 percent of the 1923-1925 average in October to 90 percent in November, reflecting chiefly a sharp reduction in the manufacture of durable goods. There was a further curtailment of activity at steel mills and output for the month was at a rate of 38 percent of capacity, a decline of one-third from October. In the first three weeks of December steel production was at about 28 percent of capacity. Output of lumber and plate glass also declined substantially in November, and automobile production showed considerably less than the usual seasonal increase. Production of nondurable goods, which had decreased by a substantial amount earlier this year, declined further in November, reflecting a continued reduction in output of textiles and shoes, partly offset in the total by an increase in activity at sugar refineries. Output of minerals, as well as manufactures, declined in November. There were marked decreases in output of bituminous coal and in iron ore shipments, while crude petroleum production continued in large volume.

Total value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed little change in November and the first half of December. Awards for privately-financed projects declined, reflecting chiefly a further reduction in residential building, while contracts for publicly-financed work increased.

Employment and payrolls at factories showed an unusually sharp decline between the middle of October and the middle of November, and there were decreases also in the number employed in trade and other nonmanufacturing lines. The Board's seasonally adjusted index of factory employment was at 94 percent of the 1923-1925 average in November as compared with a level of 102 last summer and 96 in November last year. In the steel, machinery, lumber, and textile industries the number employed decreased by substantially more than the usual seasonal amount, and there was some decline at automobile factories, although an increase is usual at this season. There were declines also in the seasonally adjusted indexes for most other lines, except foods and tobacco which showed little change.



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 =100. By months, January 1929 to November 1937. Indexes compiled by the U. S. Bureau of Labor Statistics.

AGRICULTURE

Department of Agriculture estimates recently issued indicate that most crops will be about the same size as forecast earlier but that cash farm income will be lower than had been anticipated, largely because of price declines both for crops and livestock. Cash income in 1937 is expected to be \$8,500,000,000, as compared with \$7,918,000,000 in 1936. The increase over a year ago is due primarily to increased income from marketings of wheat, tobacco, and fruits and to larger Government payments.

DISTRIBUTION

Distribution of commodities to consumers, which earlier had been maintained, declined slightly in November. There was a slight decline in sales at department stores, and mail order sales decreased considerably, while sales at variety stores showed little change. Preliminary information for the first half of December indicates that department store sales increased by approximately the usual seasonal amount.

Freight-car loadings declined by considerably more than the seasonal amount in November and the Board's adjusted index for that month was 71 percent of the 1923-1925 average as compared with 76 percent in October and an average of 81 percent in the first half of the year. The decline from October to November reflected principally marked decreases in loadings of coal and miscellaneous freight.

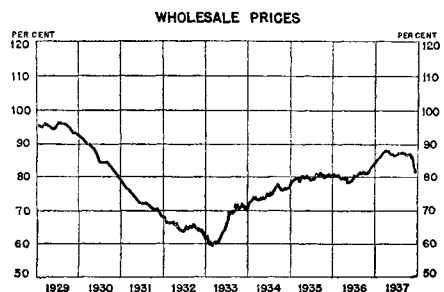
COMMODITY PRICES

The general level of wholesale commodity prices, which had declined sharply from the latter part of September to the third week of November, has shown little change since that time. Prices of nonferrous metals, leather, wool, textile yarns, and finished cotton goods have declined somewhat further in this period, while steel scrap, hides, rubber, cotton, print cloths, and bituminous coal have recently shown some advance.

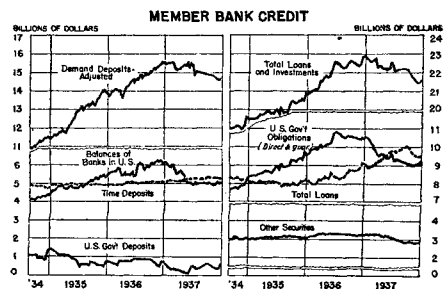
BANK CREDIT

Excess reserves of member banks showed a small decline but for the first three weeks of December remained somewhat over \$1,000,000,000. The increase in demand for currency during December has been smaller than usual, reflecting largely the effects of the recent sharp decline in business activity and payrolls.

Total loans and investments of reporting member banks in 101 leading cities increased somewhat during the four weeks ending December 15, reflecting a growth of \$190,000,000 in holdings of United States Government obligations, mostly in New York City. A factor in this increase was the purchase by banks of the December 15 issues of Government securities. Commercial loans, which had begun to decline in October, showed a further reduction.



Index compiled by the U. S. Bureau of Labor Statistics, 1926=100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending December 18, 1937.



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, to December 15, 1937.