

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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DISTRICT SUMMARY. The volume of business done in the Fifth reserve district during November and early December was in seasonal amount, although some lines of trade and some industries experienced subnormal demands. Retail sales as reflected in department store business were slightly above sales in November 1927, and compared favorably with October's trade. Liquidation of agricultural loans proceeded seasonally in nearly all sections of the district, and member banks retired part of their rediscounts at the reserve bank. Bank deposits in member banks rose between the middle of November and the middle of December, and the circulation of Federal reserve notes showed a marked increase, testifying to the greater need for cash with which to transact holiday business. Debits to individual accounts during the four weeks ended December 12th exceeded debits during the preceding four weeks this year and the corresponding four weeks a year ago. Business failures in both the United States and the Fifth reserve district were fewer in number last month than in October this year, an unusual development, and also were less numerous than in November 1927, although liabilities in the Fifth district were greater in November than in either of the earlier months. Labor is better employed at present than a few weeks or a year ago, and a marked increase in construction work this winter in comparison with the winter of 1927 gives assurance of continued employment for some months. The daily production of coal in the United States was greater in November than in either October this year or November last year. Textile mills operated full time through November and early December, although orders did not keep pace with production. The crops of the district turned out somewhat less profitably this year than in 1927, on the whole, and in Southern and Eastern South Carolina the weather was so unfavorable that the cotton crop was cut practically in half. The Fifth district made slightly less cotton this year than in 1927, and prices this year were also lower. Tobacco prices were lower this year than in 1927, and the quality of the tobacco was below that of last year, the crop bringing much lower gross returns to the growers this year.

RESERVE BANK OPERATIONS. Between November 15th and December 15th, both this year, the volume of rediscounts for member banks held by the Federal Reserve Bank of Richmond declined from \$42,436,000 to \$39,886,000, a seasonal decrease due to the liquidation of agricultural indebtedness. A seasonal need for additional currency to handle the holiday trade raised the circulation of Federal reserve notes from \$79,566,000 at the middle of November to \$86,849,000 at the middle of December, a more marked increase than occurs in most years. The decrease in rediscounts for member banks during the past month lowered the total earning assets of the Federal Reserve Bank of Richmond from \$71,700,000 to \$69,577,000. Member banks increased their reserve deposits from \$68,206,000 on November 15th to \$70,675,000 on December 15th. The several changes enumerated, with others of less importance, produced a net increase in the cash reserves of the Federal Reserve Bank of Richmond from \$83,610,000 to \$96,275,000, and raised the ratio of cash reserves to note and deposit liabilities combined from 55.69 per cent at the middle of November to 60.88 per cent at the middle of December.

On December 15, 1927, member banks were borrowing \$21,321,000 from the Federal Reserve Bank of Richmond, compared with \$39,886,000 on the corresponding date this year. The circulation of Federal reserve notes, which stood at \$78,884,000 a year ago, was \$86,849,000 at the middle of December this year. On the other hand, the total earning assets of the Richmond bank, which were \$84,128,000 on December 15, 1927, declined to \$69,577,000 on December 15, 1928, the decrease in bankers' acceptances and U. S. securities owned exceeding the year's increase in rediscounts. Member banks lowered their reserve deposits at the reserve bank from \$73,737,000 at the middle of December last year to \$70,675,000 on December 15th this year, in keeping with lower deposits in the member banks. The cash reserves of the Federal Reserve Bank of Richmond were \$77,852,000 on December 15, 1927, and on December 15, 1928, were \$96,275,000. The ratio of cash reserves to note and deposit liabilities combined was 50.55 per cent at the middle of December last year, but rose to 60.88 per cent on the corresponding date this year.

CONDITION OF SIXTY-FOUR REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Dec. 12, 1928	Nov. 14, 1928	Dec. 14, 1927
Loans Secured by U. S. Government Obligations.....	\$ 3,084,000	\$ 2,645,000	\$ 3,163,000
Loans Secured by Other Stocks and Bonds.....	189,525,000	186,373,000	163,921,000
All Other Loans and Discounts, Largely Commercial.....	<u>335,035,000</u>	<u>334,193,000</u>	<u>360,398,000</u>
Total Loans and Discounts.....	527,644,000	523,211,000	527,482,000
Total Investments in Bonds and Securities.....	154,743,000	153,947,000	171,713,000
Reserve Balance with Federal Reserve Bank.....	42,054,000	42,456,000	44,548,000
Cash in Vaults.....	13,925,000	12,599,000	15,563,000
Demand Deposits	377,563,000	365,764,000	403,442,000
Time Deposits	239,366,000	243,460,000	243,763,000
Borrowed from Federal Reserve Bank.....	24,602,000	26,311,000	13,375,000

The accompanying table shows the principal items of condition of sixty-four regularly reporting member banks as of three dates, December 12, 1928, November 14, 1928, and December 14, 1927, thus affording an opportunity for comparing the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

Between November 14th and December 12th, both this year, outstanding accommodation to customers of the reporting banks increased slightly. Loans on Government securities rose \$439,000 during the month, loans on other stocks and bonds rose \$3,152,000, and all other loans and discounts, which are largely commercial at this season, rose \$842,000. The reporting banks increased their investments in bonds and securities during the period under review by \$796,000, but their reserve balance at the reserve bank declined \$402,000. The decline in reserve balance was probably a daily fluctuation only. Due to the increased demand for cash for the holiday shopping season, cash in vaults rose \$1,326,000 between November 14th and December 12th. Demand deposits rose during the month \$11,799,000, not only taking care of a reduction of \$4,094,000 in time deposits and the increased loans and investments previously mentioned, but enabling the reporting banks to reduce their rediscounts at the reserve bank by \$1,709,000.

Last month we pointed out the marked change in the classes of loans reported by sixty-four member banks this year and in 1927. Between December 14, 1927, and December 12, 1928, total loans to customers remained practically the same, rising only \$162,000, but loans on miscellaneous stocks and bonds other than Government securities rose \$25,604,000 during the year, while "All other loans and discounts" declined \$25,363,000. Loans on Government securities changed little, declining \$79,000 during the year. The reporting banks reduced their investments in bonds and securities \$16,970,000 between the middle of December last year and this, and also reduced their reserve balance by \$2,494,000. Cash in the vaults of the sixty-four banks declined \$1,638,000 during the year. Aggregate deposits decreased \$30,276,000 between December 14, 1927, and December 12, 1928, demand deposits declining \$25,879,000 and time deposits falling \$4,397,000. The several changes pointed out created a greater demand for reserve bank credit from the reporting institutions this year, and they increased their borrowing at the reserve bank by \$11,227,000 between December 14, 1927, and December 12, 1928.

DEBITS TO INDIVIDUAL ACCOUNTS

Debits to individual, firm and corporation accounts in clearing house banks in twenty-four leading trade centers of the Fifth reserve district totaled \$1,348,602,000 during the four weeks ended December 12, 1928, an increase of 6.5 per cent over the total of \$1,266,260,000 reported by the same cities for the four preceding weeks, ended November 14th this year. Seventeen of the twenty-four cities reported higher figures for the later four weeks, while seven cities showed lower figures. All of the larger cities reported higher figures during the 1928 period, the seven decreases occurring in smaller centers located chiefly in cotton and tobacco sections.

Figures for both 1928 and 1927 are available from twenty-three cities. Compared with aggregate debits during the four weeks ended December 14, 1927, when the twenty-three cities reported a total of \$1,305,822,000, the total of \$1,348,602,000 for the four weeks ended December 12th this year shows an increase of 3.3 per cent. Thirteen cities reported higher and ten reported lower figures for the 1928 period. Baltimore, Norfolk, Richmond and Winston-Salem reported lower figures this year, but the decreases were small and a large increase in Washington, with the other smaller gains, more than made up for all declines.

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	December 12, 1928	November 14, 1928	December 14, 1927
Asheville, N. C.	\$ 34,300,000	\$ 24,845,000	\$ 26,034,000
Baltimore, Md.	386,768,000	357,618,000	386,844,000
Charleston, S. C.	24,028,000	24,935,000	24,517,000
Charleston, W. Va.	40,816,000	35,704,000	38,487,000
Charlotte, N. C.	55,427,000	54,615,000	54,028,000
Columbia, S. C.	22,861,000	22,719,000	21,797,000
Cumberland, Md.	9,709,000	9,061,000	9,615,000
Danville, Va.	14,776,000	13,255,000	18,832,000
Durham, N. C.	41,020,000	33,504,000	36,858,000
Greensboro, N. C.	23,550,000	23,858,000	25,088,000
Greenville, S. C.	21,769,000	23,181,000	27,717,000
Hagerstown, Md.	10,284,000	9,540,000	10,381,000
Huntington, W. Va.	22,581,000	20,099,000	22,537,000
Lynchburg, Va.	18,511,000	9,980,000	17,986,000
Newport News, Va.	11,455,000	19,282,000	9,836,000
Norfolk, Va.	65,342,000	62,166,000	*75,970,000
Portsmouth, Va.	6,715,000	5,172,000
Raleigh, N. C.	23,202,000	23,253,000	23,983,000
Richmond, Va.	148,530,000	143,882,000	148,909,000
Roanoke, Va.	28,800,000	26,321,000	27,028,000
Spartanburg, S. C.	15,976,000	16,753,000	15,155,000
Washington, D. C.	264,388,000	248,471,000	226,051,000
Wilmington, N. C.	17,873,000	18,801,000	17,348,000
Winston-Salem, N. C.	39,921,000	39,245,000	40,821,000
District Totals	\$1,348,602,000	\$1,266,260,000	\$1,305,822,000

* This Norfolk figure also includes debits in Portsmouth, Va.

SAVINGS DEPOSITS—Total deposits in twelve mutual savings banks in Baltimore at the end of November this year totaled \$186,045,529, compared with \$186,476,148 on deposit at the end of October this year and \$174,183,213 at the end of November 1927. On December 12, 1928, sixty-four regularly reporting member banks in leading cities of the Fifth reserve district had time deposits aggregating \$239,366,000, compared with \$243,460,000 on November 14th this year and \$243,763,000 on December 14th last year.

BUSINESS FAILURES—*Dun's Review* for December 8th, in commenting on the business failure record of November, says, "Reversing the trend witnessed in many other years, the number of commercial failures in the United States declined during November. Instead of the increase that usually develops at this season, defaults last month fell off about 9 per cent, following a sharp upturn in October. The November insolvencies totaled 1,838, compared with 2,023 in the earlier month, and were slightly below those for November 1927. The decrease from the 1,864 failures of a year ago approximated 1.4 per cent, while at that time there was a rise of 4.3 per cent over the October figures. In nearly all years of the last decade, more defaults occurred in November than in October, and an analysis of the returns for an even longer period discloses a similar tendency. For eleven months of the present calendar year, mercantile insolvencies numbering 21,899 have been 4.4 per cent above the 20,984 failures for the corresponding months of 1927, but the increase seems more moderate when the steadily enlarging total of firms and individuals in business is considered.

Liabilities last month, however, were somewhat higher than in the preceding month this year, and also exceeded those of November 1927. Thus, at \$40,601,435, the November indebtedness was about 16 per cent more than that of October. Comparing with the \$58,201,830 of August—the high point for this year—the decline for November exceeds 31 per cent. Last month's liabilities are larger than the amount reported for November of a year ago, which was \$36,146,573, by 10 per cent, but the indebtedness for eleven months of the current calendar year, despite the increased number of insolvencies, has been 4.3 per cent below that for the same period of 1927."

In the Fifth reserve district, the November insolvency record was similar to the National record. Failures in November 1928 numbered 104, a smaller number than 106 reported in October this year and 137 reported in November 1927. Liabilities last month totaling \$4,850,607 exceeded \$1,633,885 in October 1928 and \$2,555,698 in November last year. November failures in the Fifth district totaled the next to lowest number of the year, but liabilities were larger than in any earlier month of 1928.

LABOR—Labor conditions in the Fifth district now appear to be reasonably good for this season of the year. Much of the unemployment of a few months ago has been relieved, and a more extensive building program than that of last winter is giving work to more people in the building trades. The factories of the district are nearly all operating on full time schedules, and much road, street and other public improvement work is under way. Seasonal demand for bituminous coal is giving miners more hours of work.

COAL—Production of bituminous coal in the United States in November 1928 amounted to 46,041,000 net tons, compared with 50,360,000 tons mined in the longer month of October this year and 40,468,000 tons in November 1927, according to the December 15th report of the Bureau of Mines, Department of Commerce. The average daily rate of production in November was 1,895,000 tons, an increase of approximately 1.6 per cent over the October rate. Total production during the present calendar year to December 8th (approximately 289 working days) amounted to 462,084,000 net tons, compared with 490,060,000 tons mined during the corresponding period in 1927. West Virginia maintained her leadership in the production of bituminous coal during November. Retail coal stocks in local yards are adequate to fill all orders promptly, and winter prices now prevail, but advances in prices have been moderate thus far this season.

TEXTILES—Textile mills in the Fifth reserve district consumed 267,035 bales of lint cotton in November, compared with 271,094 bales used in October this year and 270,506 bales in November last year. South Carolina consumed 115,234 bales last month, a larger number than in November 1927, but North Carolina's consumption of 143,097 bales last month and Virginia's consumption of 8,704 bales both showed declines in comparison with the figures of November last year. The mills in the Fifth district have recently been running full time, with sufficient orders to take the output of the mills, but some stock has begun to accumulate in warehouses and there is more or less sentiment in favor of curtailment of operations until demand becomes stronger.

BUILDING OPERATIONS FOR THE MONTHS OF NOVEMBER 1928 AND 1927.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1928	1927	1928	1927			
		1928	1927	1928	1927							
1	Baltimore, Md.....	314	517	844	1,001	\$ 1,310,300	\$ 1,964,000	\$ 772,660	\$ 478,300	\$— 359,340	— 14.7%	1
2	Cumberland, Md....	16	15	6	5	21,906	18,936	3,220	36,760	— 30,570	— 54.9	2
3	Frederick, Md.....	8	3	4	1	15,530	12,300	5,515	500	8,245	64.4	3
4	Hagerstown, Md....	10	19	6	9	24,610	31,520	16,025	7,225	1,890	4.9	4
5	Danville, Va.....	11	19	9	6	46,841	221,160	4,720	1,318	— 170,917	— 76.8	5
6	Lynchburg, Va.....	20	21	17	28	160,120	22,390	5,085	16,270	126,545	327.3	6
7	Norfolk, Va.....	50	54	62	94	65,285	86,760	22,500	67,795	— 66,770	— 43.2	7
8	Petersburg, Va.....	4	2	5	3	20,650	8,300	2,296	475	14,171	161.5	8
9	*Portsmouth, Va....											9
10	Richmond, Va.....	81	71	54	68	2,008,215	340,487	50,543	36,148	1,682,123	446.6	10
11	Roanoke, Va.....	13	68	35	24	89,100	153,703	5,925	21,564	— 80,242	— 45.8	11
12	Bluefield, W. Va...	4	12	4	0	485	10,085	10,517	0	917	9.1	12
13	Charleston, W. Va.	21	44	3	11	58,200	213,265	1,300	3,900	— 157,665	— 72.6	13
14	Clarksburg, W. Va.	14	31	7	13	22,475	381,075	3,200	7,950	— 363,350	— 93.4	14
15	Huntington, W. Va.	27	32	3	1	36,000	46,605	3,460	100	— 7,245	— 15.5	15
16	Parkersburg, W. Va....	16	15	7	12	104,500	35,350	25,500	12,350	82,300	172.5	16
17	Asheville, N. C.....	8	25	36	55	95,465	200,431	19,785	35,435	— 120,616	— 51.1	17
18	Charlotte, N. C.....	63	67	27	25	460,150	317,040	6,010	16,989	132,131	39.6	18
19	Durham, N. C.....	37	36	3	10	248,900	137,850	8,600	6,000	113,650	79.0	19
20	Greensboro, N. C....	37	52	31	62	419,077	868,720	8,129	31,358	— 472,872	— 52.5	20
21	High Point, N. C....	17	33	2	9	47,530	94,100	1,000	3,575	— 49,145	— 50.3	21
22	Raleigh, N. C.....	26	28	12	13	429,310	117,425	5,700	8,815	308,770	244.6	22
23	Rocky Mount, N. C....	12	14	2	3	58,255	27,700	5,080	4,750	30,885	95.2	23
24	Salisbury, N. C.....	3	11	1	2	13,600	23,950	375	975	— 10,950	— 43.9	24
25	Wilmington, N. C....	8	13	9	7	68,300	51,100	15,000	9,850	22,350	36.7	25
26	Winston-Salem, N. C..	66	129	74	111	263,540	403,760	17,875	50,186	— 172,531	— 38.0	26
27	Charleston, S. C.....	15	17	21	9	35,815	16,095	4,585	2,220	22,085	120.6	27
28	Columbia, S. C.....	18	22	51	40	93,750	88,700	25,595	19,545	11,100	10.3	28
29	Greenville, S. C.....	14	15	20	42	128,100	99,600	2,772	43,105	— 11,833	— 8.3	29
30	Spartanburg, S. C....	12	33	18	12	58,443	39,430	3,704	2,625	20,092	47.8	30
31	Washington, D. C....	151	189	341	435	7,025,150	2,684,170	174,740	338,955	4,176,765	138.2	31
	Totals.....	1,096	1,607	1,714	2,111	\$13,429,602	\$ 8,716,007	\$1,231,416	\$1,265,038	\$ 4,679,973	46.9%	

— Denotes decrease. *Portsmouth figures not received.

NOTE—The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments.

Building operations provided for in permits issued by building inspectors in thirty leading cities of the Fifth reserve district were larger in November 1928 than in either October this year or November last year, although the actual number of permits issued during the past month was smaller than in either of the earlier periods. The thirty cities issued 1,096 permits for new construction in November 1928, compared with 1,557 permits for new work issued in October 1928 and 1,607 permits issued in November 1927. In estimated valuation for new construction, permits issued in November this year totaled \$13,429,602, compared with valuations of \$7,951,267 in October this year and \$8,-

716,007 in November a year ago. Alteration and repair permits issued last month totaled 1,714, with estimated valuation totaling \$1,231,416, compared with 2,530 permits and a valuation of \$1,531,440 in October 1928, and 2,111 permits and a valuation of \$1,265,038 in November 1927. In total valuation for all classes of work, \$14,661,018 reported by the thirty cities for November 1928 shows an increase over \$9,981,045 reported for November 1927 of \$4,679,973, or 46.9 per cent. Sixteen of the thirty reporting cities showed larger November valuation figures this year than last, while fourteen cities reported lower figures this year. Richmond reported a very large percentage increase this year, and Washington accounted for slightly more than half the new work provided for in the entire group of thirty cities. Baltimore reported relatively small figures in both November 1928 and November 1927.

Contracts awarded in November for construction work in the Fifth district, including both rural and urban projects, totaled \$33,621,418, compared with \$24,811,000 awarded in November 1927, according to figures collected by the F. W. Dodge Corporation. Of the awards in November this year, \$9,750,608 was for residential work.

COTTON—Cotton prices were higher in the Fifth district between the middle of November and the middle of December than during the immediately preceding month, and also were above the prices of December 1927. Much of the district's cotton was sold prior to the middle of November, however, and the higher price level will not benefit many of the cotton growers to any considerable extent. In 1927 the price of spot cotton declined after the selling season passed its crest, but this year cotton reached its lowest price at mid-September, when much cotton was moving to market in the Carolinas. During the past month the price paid for spot cotton on ten designated Southern markets advanced from 18.49 cents per pound on November 16th to 19.31 cents on November 30th, and then declined to 19.14 cents on December 14th, after the December 1st condition report and the November cotton consumption report had been issued, both proving somewhat out of line with trade expectations. On the corresponding date in 1927, the average price for spot cotton on the ten markets was 18.79 cents per pound.

The Department of Agriculture's final cotton condition report on the 1928 crop estimated this year's probable yield at 14,373,000 bales, based on the December 1st condition. This compares with 14,133,000 bales indicated by the November 1st condition, and final ginnings of 12,955,000 bales in 1927. The December 1st estimate showing an increase of 240,000 bales over the November 1st estimate was higher than the trade expected, but the price of cotton was not materially affected until a somewhat unfavorable November consumption report was issued a few days later.

The Bureau of the Census ginning report to December 1st showed 12,561,618 bales ginned prior to that date this year, compared with 11,738,338 bales ginned to the same date in 1927 and 14,644,070 bales ginned before December 1st in 1926.

Cotton consumption in American mills in November totaled 610,884 bales, according to the report of the Bureau of the Census made public on December 14th. This figure shows a decrease from 618,788 bales consumed during the longer month of October this year, and is also less than 626,742 bales consumed in November 1927. Total consumption during the four months of the present cotton year amounted to 2,248,622 bales, compared with 2,502,566 bales consumed during the four months ended November 30, 1927. Cotton on hand at manufacturing establishments on November 30th this year totaled 1,566,878 bales, compared with 1,194,961 bales held on October 31st this year and 1,551,776 bales held on November 30th last year. Bales in public warehouses and compresses numbered 5,252,843 at the end of November, against 4,635,981 at the end of October, and 5,973,958 on November 30, 1927. Exports of cotton totaled 1,427,699 bales in November, compared with 1,240,702 bales sent abroad in October this year and 984,254 bales in November 1927. Imports last month totaled 39,213 bales, compared with 27,840 bales imported in October this year and 28,845 bales in November last year. Consumption of cotton in the growing states totaled 469,192 bales in November, compared with 469,252 bales used in November last year. Last month's consumption in the cotton growing states amounted to 76.8 per cent of National consumption, compared with 74.9 per cent of National consumption used in the cotton growing states in November last year. Of the 469,192 bales consumed in cotton growing states last month, Fifth reserve district states used 267,035 bales, or 56.9 per cent.

The December 1st crop estimates for North and South Carolina further lowered probable production figures for those states. In the December 8th forecasts, the Department of Agriculture estimated the North Carolina cotton crop for this year at 840,000 bales, a reduction of 45,000 bales from the November 1st estimate and 85,000 bales below the October 1st forecast. South Carolina's probable yield was given in the latest report as 725,000 bales this year, which is 10,000 bales below the November 1st figure and 95,000 bales below expectations on October 1st. Virginia's 1928 production of 44,000 bales is 1,000 bales above the November 1st forecast but is 1,000 bales below the October figure. It now appears that both North and South Carolina will make slightly less cotton this year than they made in 1927, which with lower prices this year will make the 1928 crop less profitable. The Southern and Eastern sections of South Carolina experienced such adverse growing conditions this

year that in some of the counties little more than half a crop was made, and business is suffering seriously as a result of the inability of the cotton growers to liquidate this year's indebtedness.

TOBACCO—NORTH CAROLINA tobacco markets sold 110,082,295 pounds of producers' tobacco in November at an average of \$22.54 per hundred pounds. The number of pounds sold was 9 per cent below 120,977,862 pounds sold in November last year, and this year's price was 14 per cent below the average of \$26.28 per hundred paid during the same month last year. Wilson led in November 1928 sales with 17,816,474 pounds, Greenville ranking second with 15,496,632 pounds and Winston-Salem third with 14,666,727 pounds. Mebane and Greenville paid the highest average prices during November with \$27.60 and \$24.45 per hundred pounds, respectively. Total season sales of 393,126,039 pounds prior to December compare with 386,015,087 pounds sold before December in 1927.

VIRGINIA auction markets sold 30,055,877 pounds of producers' tobacco in November. Flue-cured tobacco sold totaled 28,447,977 pounds, and brought an average price of \$19.90 per hundred pounds, compared with 36,047,424 pounds sold for an average of \$24.15 per hundred in November last year. Fire-cured tobacco sold in November totaled 1,445,427 pounds, at an average of \$9.11 per hundred, compared with 3,362,784 pounds sold for \$9.53 per hundred in November 1927. Sun-cured tobacco sales on the Richmond market totaled 162,473 pounds in November and averaged \$7.78 per hundred pounds, compared with 769,717 pounds at \$10.65 per hundred sold in November a year ago. In aggregate sales in November, Danville with 13,975,002 pounds sold for an average of \$22.10 per hundred led in both quantity and price. South Boston with sales totaling 5,464,242 pounds ranked second in quantity, and South Hill with an average of \$20.77 ranked second in price. Lynchburg led in fire-cured sales with 603,642 pounds, but Amelia led in price, selling 23,560 pounds of this type of tobacco for \$12.18 per hundred pounds. The marketing of fire-cured and sun-cured tobacco has been retarded by dry weather.

AGRICULTURAL NOTES—Final crop estimates for 1928 are not yet available, but they will be shown in the *Review* next month. On the whole, this year in the Fifth reserve district has been less favorable in agriculture than was 1927. Several leading crops either produced smaller yields or experienced lower prices this year, and in one or two instances both factors were present, as in the case of cotton. As was the case last year, agricultural conditions are worse in southern and eastern South Carolina, where probably little more than half a crop of cotton was made and tobacco brought very low prices.

WHOLESALE TRADE, NOVEMBER 1928

Percentage increase in November 1928 sales, compared with sales in November 1927:					
31 Groceries	10 Dry Goods	4 Shoes	15 Hardware	5 Furniture	13 Drugs
— 2.1	—11.8	— .6	— 1.1	— 6.7	— 2.3
Percentage increase in November 1928 sales, compared with sales in October 1928:					
— 9.4	—11.0	—24.0	— 5.3	— 8.6	— 6.4
Percentage increase in total sales since January 1, 1928, compared with sales in the first eleven months of 1927:					
1.0	—18.9	— 6.4	—12.3	—20.9	— 3.6
Percentage increase in stock on November 30, 1928, compared with stock on November 30, 1927:					
.8(11*)	— 9.5(4*)	— 1.5(3*)	1.0(8*)
Percentage increase in stock on November 30, 1928, compared with stock on October 31, 1928:					
3.5(11*)	— 8.2(4*)	— 9.8(3*)	— .2(8*)
Percentage of collections in November to total accounts receivable on November 1, 1928:					
65.7(18*)	36.6(7*)	38.1(4*)	37.4(12*)	20.4(3*)	46.1(8*)

— Denotes decreased percentage.

* Number of reporting firms.

Seventy-eight wholesale firms in six important lines of trade reported upon November's business. All lines showed smaller sales in November this year than last, and all lines showed seasonally smaller sales than in October 1928. During the first eleven months of 1928, sales of groceries slightly exceeded sales during the corresponding eleven months of 1927, but dry goods, shoe, hardware, furniture and drug sales were less this year.

Stocks of groceries and hardware on the shelves of the reporting firms on November 30th were larger than on November 30, 1927, but dry goods and shoe stocks were smaller. During the past month stocks of groceries increased, but dry goods, shoe and hardware stocks decreased, as is usual at this season.

The percentages of collections in November to accounts receivable on the first of the month were higher in groceries, dry goods and shoes than in November 1927, but were lower in hardware, furniture and drugs.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty Representative Department Stores for the Month of November 1928

	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in November 1928 sales, compared with sales in November 1927:					
	.8	1.8	2.0	— 6.9	.6
Percentage increase in total sales since January 1st, over sales during the first eleven months of 1927:					
	— 1.2	3.2	3.5	— 6.1	.5
Percentage increase in November 1928 sales over average November sales during the three years 1923-1925, inc.:	2.2	25.8	17.3	— 6.0	8.8
Percentage increase in stock on hand November 30, 1928, over stock on November 30, 1927:					
	— .7	— 3.8	— 5.6	— 2.7	— 3.1
Percentage increase in stock on hand November 30, 1928, over stock on October 31, 1928:					
	— .01	5.0	4.6	2.1	2.4
Percentage of sales in November 1928 to average stock carried during that month:	28.7	31.1	31.0	19.4	28.5
Percentage of total sales since January 1st to average stock carried during each of the eleven elapsed months:	275.6	315.2	307.0	210.6	282.0
Percentage of collections in November to total accounts receivable on November 1, 1928:	24.7	33.1	33.0	29.7	28.7

— Denotes decreased percentage.

Retail trade in the Fifth reserve district was about in seasonal volume in November, and slightly exceeded the trade of November last year. Thirty department stores sold 6/10ths of 1 per cent more goods, measured in dollars, in November 1928 than in November 1927, and last month's sales also averaged 8.8 per cent above average November sales during the three years 1923-1925, inclusive. Total sales this calendar year were 5/10ths of 1 per cent above total sales in the first eleven months of 1927, and were only a fraction of 1 per cent below the record sales of 1926.

Stocks on the shelves of the reporting stores increased seasonally last month, and on November 30th were 2.4 per cent larger than on October 31st. November 30, 1928, stocks were 3.1 per cent less than stocks on November 30, 1927, all cities showing a reduction during the year. Reduced stocks and increased sales this year resulted in a higher rate of stock turnover, the reporting firms having turned their stock 2.82 times during the eleven elapsed months this year in comparison with 2.80 times during the corresponding period last year.

Collections in November were better in Richmond and Washington than in November 1927, but were slower in Baltimore and the Other Cities. In the district as a whole, collections in November totaled 28.7 per cent of outstanding receivables as of November 1st, compared with 28.6 per cent collected by the same stores in November 1927.

(Compiled December 18, 1928)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity declined somewhat in November, but continued above the level of a year ago. Wholesale commodity prices declined further, reflecting principally a continued decrease in the prices of farm products. Security loans of member banks declined sharply after the first week of December, while other loans increased.

PRODUCTION. Total output of manufactures was somewhat lower in November, reflecting primarily a decrease in production of automobiles and steel larger than is usual at this season, but total output continued larger than a year ago. Production of pig iron and copper continued to increase in November, and textile mills remained active. Meat packing and sugar refining declined seasonally during the month, and the production of building materials was smaller. Factory employment and payrolls were seasonally reduced but were larger than in 1927. Mineral production was in about the same volume as in October, according to the Federal Reserve Board's index which makes allowance for seasonal variations. Increases occurred in the production of copper, zinc and tin, while both anthracite and bituminous coal decreased and the output of petroleum was somewhat smaller. The value of building contracts awarded in November and the early part of December receded sharply from the record figures of the two preceding months. The November total was slightly larger than in the corresponding month in 1927, and the volume of contracts for the first two weeks of December was smaller than a year ago. The December forecast of the Department of Agriculture increased the estimated 1928 production of cotton by 240,000 bales to a total of 14,373,000 bales, which is nearly 11 per cent larger than a year ago. The total value of crops, based on December farm prices, is estimated at \$8,456,052,000, as compared with \$8,522,563,000 in 1927.

TRADE. Department store sales showed a seasonal increase in November when allowance is made for the number of business days, and approximated those of a year ago, while inventories continued smaller than in 1927. Sales at wholesale declined seasonally, but were larger than in the same month of last year. Railroad freight shipments decreased in volume during November and the early part of December, but continued larger than in 1927. The decrease from October was especially marked in loadings of miscellaneous freight.

PRICES. Wholesale commodity prices decreased further in November and the first two weeks of December. The largest price declines during the six weeks' period were in farm and food products and leather, while several groups of industrial products, notably iron and steel, nonferrous metals, and cotton goods, were generally higher. Wholesale prices of gasoline and automobile tires declined. Among the agricultural products, prices of raw silk, corn, livestock and meats were lower during November, while raw cotton and wool, wheat and oats increased somewhat. During the first two weeks of December, however, prices of all these products, with the exception of raw silk, declined. Building materials were generally higher in November, but declined somewhat in the middle of December.

BANK CREDIT. Loans and investments of member banks in leading cities increased \$329,000,000 during the four weeks' period ending December 19th. The advance during the first two weeks reflected chiefly a rapid increase in security loans, which include loans to brokers and dealers in securities. Subsequently, a sharp decline in loans on securities was more than offset by a rapid increase in all other loans and in holdings of investments. The increase in all other loans, which include loans for commercial purposes, was contrary to the usual movement at this season and carried the total to the highest figure in eight years. Seasonal growth in the demand for currency in November and December, together with increases in member bank reserve requirements consequent upon an increase in their deposits, have been reflected in larger borrowings by the member banks from the reserve banks. This recent growth, following upon demand caused by the loss of gold in earlier months, has carried the total volume of reserve bank credit to the highest level in seven years. The rates on call and time loans on security collateral increased during the last week in November and the first part of December, while rates for commercial paper were generally steady. Rates on certain maturities of bankers bills increased somewhat.