

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

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DISTRICT SUMMARY. Business in the Fifth Federal reserve district made seasonal gains in October over the volume of business done in September, and probably somewhat exceeded that of October last year. There are some barometers at present that are less favorable than a year ago, but on the whole the outlook this fall is better than in November 1927. Returns from the leading crops of the Fifth district are less this year than last, except for fruit and livestock, and this retards the usual fall liquidation of bank loans and the settlement of other accounts. Wholesale trade in October was in less amount than in October 1927 in five of six important lines for which statistics are available. On the other hand, labor in the cities is better employed than a year ago, with a resulting increase in the city purchasing power to compensate at least in part for the lowered purchasing power of the farmers. Debits to individual accounts during the past month, while lower than last year, were materially larger than debits in the preceding month this year, indicating a normal increase in fall trade. Business failures in the Fifth district last month were seasonally less numerous than in September and were only two insolvencies above the number reported in October 1927, while last month's liabilities were lower than those of either September 1928 or October 1927. Coal mines are seasonally busy, and in October mined more bituminous coal than in October last year. Textile mills consumed more cotton in October than in either September this year or October 1927, and buyers of textile products have recently shown more interest in placing orders than in earlier months this season. Building permits issued and contracts actually awarded in the district last month exceeded those of October last year, which seems to promise well for employment. Finally, retail trade in department stores in the Fifth district exceeded the trade of September by nearly 30 per cent, and in spite of unseasonably warm weather this year was in slightly larger volume than in October 1927.

RESERVE BANK OPERATIONS. Member banks seasonally decreased their rediscounts at the Federal Reserve Bank of Richmond from \$50,666,000 on October 15, 1928, to \$42,436,000 on November 15th, reflecting fall liquidation of

customers' indebtedness as a result of crop marketing. The decrease in rediscounts was among country banks chiefly, the city bank borrowing at the reserve bank having increased somewhat during the month under review. A greater demand for currency in connection with crop marketing and the opening of fall retail trade raised the circulation of Federal reserve notes from \$69,896,000 on October 15th to \$79,566,000 on November 15th. Total earning assets of the Richmond reserve bank increased slightly last month, rising from \$70,224,000 at the middle of October to \$71,700,000 at the middle of November, an increase in holdings of bankers' acceptances purchased in the open market exceeding the reduction in rediscounts. Member bank reserve deposits rose from \$67,799,000 on October 15th to \$68,206,000 on November 15th, a daily fluctuation only. The several changes in the statement mentioned above, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond from \$79,550,000 at the middle of October to \$83,610,000 at the middle of November, but the seasonal increase in Federal reserve note circulation lowered the ratio of cash reserves to note and deposit liabilities combined from 56.04 per cent on October 15, 1928, to 55.69 per cent on November 15, 1928.

At the middle of November 1927, the Federal Reserve Bank of Richmond held rediscounts for member banks amounting to only \$20,535,000, compared with \$42,436,000 held on the corresponding date this year. Federal reserve notes in circulation a year ago totaled \$76,509,000, compared with \$79,566,000 on November 15, 1928. Total earning assets of the Richmond bank, which amounted to \$80,522,000 on November 15, 1927, and \$71,700,000 on November 15, 1928, were higher last year than this, due to larger holdings of bankers' acceptances and Government securities in November 1927. Member bank reserve deposits declined during the year from \$75,065,000 to \$68,206,000. The changes in the statement during the year raised the cash reserves of the Federal Reserve Bank of Richmond from \$74,024,000 on November 15, 1927, to \$83,610,000 on November 15, 1928, and also raised the ratio of cash reserves to note and deposit liabilities combined from 47.52 per cent to 55.69 per cent between the middle of November last year and this.

CONDITION OF SIXTY-FOUR REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Nov. 14, 1928	Oct. 10, 1928	Nov. 16, 1927
Loans Secured by U. S. Government Obligations.....	\$ 2,645,000	\$ 2,553,000	\$ 4,889,000
Loans Secured by Other Stocks and Bonds.....	186,373,000	179,626,000	159,603,000
All Other Loans and Discounts, Largely Commercial.....	334,193,000	335,768,000	359,127,000
Total Loans and Discounts.....	523,211,000	517,947,000	523,619,000
Total Investments in Bonds and Securities.....	153,947,000	156,384,000	177,395,000
Reserve Balance with Federal Reserve Bank.....	42,456,000	40,832,000	45,469,000
Cash in Vaults.....	12,599,000	12,759,000	13,939,000
Demand Deposits	365,764,000	359,350,000	399,439,000
Time Deposits	243,460,000	247,445,000	243,887,000
Borrowed from Federal Reserve Bank.....	26,311,000	22,490,000	9,499,000

The accompanying table shows the principal items of condition of sixty-four regularly reporting member banks as of three dates, November 14, 1928, October 10, 1928, and November 16, 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 October 10th and November 14th, both this year, an unseasonal increase occurred in outstanding loans to their customers by the sixty-four reporting banks, discounts and loans held rising \$5,264,000 between the two dates. "All other loans and discounts," which are largely commercial or agricultural, decreased \$1,575,000 during the month, but loans on Government securities rose \$92,000 and loans on miscellaneous stocks and bonds rose \$6,747,000. The reporting banks decreased their investments in bonds and securities by \$2,437,000, and increased their rediscounts at the reserve bank by \$3,821,000 during the period. The banks increased their reserve accounts at the reserve bank by \$1,624,000, but their cash in vaults declined by \$160,000. The increase in loans to customers and the transfer of Christmas Savings Club funds from time to demand deposits naturally increased demand deposits, the total rising \$6,414,000 during the month. Time deposits, on the other hand, decreased \$3,985,000 between October 10th and November 14th, an amount probably approximating the Christmas Savings Club transfer in the reporting banks.

During the year between November 16, 1927, and November 14, 1928, total loans to customers by the sixty-four reporting banks remained practically unchanged, but there was a marked shift in the types of loans. During the year under review, loans secured by Government securities declined \$2,244,000, and commercial and agricultural loans declined \$24,934,000, but loans on stocks and bonds other than Government securities rose \$26,770,000. Investments in bonds and securities declined \$23,448,000 between the middle of November last year and this. The reporting banks reduced their reserve deposits at the reserve bank by \$3,013,000 during the year, and their cash in vaults dropped \$1,340,000. Demand deposits declined \$33,675,000 and time deposits declined \$427,000 during the year. The reporting banks increased their borrowing at the reserve bank by \$16,812,000 between November 16, 1927, and November 14, 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 \$1,606,601,000 during the five weeks ended November 14th this year, an increase of \$20,981,000 over the preceding five weeks ended October 10th, when debits aggregating \$1,585,620,000 were reported. The earlier period contained a large volume of quarterly payments on October 1st, and the occurrence of the Election day holiday during the later period gave the earlier period an additional business day. In view of these facts, the larger figures reported for the five weeks ended November 14th apparently reflect a very satisfactory beginning of fall business. Sixteen of the twenty-four cities reported higher figures for the more recent period.

Figures for both 1928 and 1927 are available from twenty-three cities. In comparison with the five weeks ended November 16, 1927, when debits totaling \$1,681,125,000 were reported, the aggregate of \$1,606,601,000 reported for the corresponding period ended November 14th this year shows a decrease of \$74,524,000. Only seven cities reported higher 1928 figures, these being Charleston, W. Va., Columbia, S. C., Cumberland, Md., Lynchburg, Va., Newport News, Va., Spartanburg, S. C., Washington, D. C. Part of the district decrease this year was doubtless due to the fact that the period ended on the fourteenth of November, while last year the corresponding period ended on the sixteenth and therefore contained the fifteenth of the month payments.

CITIES	TOTAL DEBITS DURING THE FIVE WEEKS ENDED		
	November 14, 1928	October 10, 1928	November 16, 1927
Asheville, N. C.	\$ 30,843,000	\$ 43,990,000	\$ 32,885,000
Baltimore, Md.	452,933,000	448,525,000	511,268,000
Charleston, S. C.	30,300,000	26,832,000	34,826,000
Charleston, W. Va.	45,606,000	43,440,000	44,779,000
Charlotte, N. C.	69,877,000	66,459,000	72,910,000
Columbia, S. C.	29,344,000	26,555,000	28,407,000
Cumberland, Md.	11,642,000	12,383,000	11,587,000
Danville, Va.	15,916,000	10,010,000	19,763,000
Durham, N. C.	41,440,000	40,041,000	50,026,000
Greensboro, N. C.	29,756,000	27,019,000	33,682,000
Greenville, S. C.	29,945,000	25,229,000	41,127,000
Hagerstown, Md.	12,120,000	12,325,000	12,521,000
Huntington, W. Va.	25,562,000	26,337,000	29,774,000
Lynchburg, Va.	24,090,000	27,578,000	21,891,000
Newport News, Va.	12,404,000	12,069,000	10,771,000
Norfolk, Va.	80,714,000	71,024,000	*92,793,000
Portsmouth, Va.	6,404,000	5,917,000
Raleigh, N. C.	28,539,000	27,920,000	28,796,000
Richmond, Va.	179,827,000	185,986,000	192,669,000
Roanoke, Va.	32,920,000	34,261,000	33,266,000
Spartanburg, S. C.	21,650,000	16,579,000	21,015,000
Washington, D. C.	321,248,000	326,769,000	274,954,000
Wilmington, N. C.	23,918,000	19,388,000	25,047,000
Winston-Salem, N. C.	49,603,000	48,984,000	56,368,000
District Totals.....	\$1,606,601,000	\$1,585,620,000	\$1,681,125,000

* This Norfolk figure contains debits for Portsmouth also.

SAVINGS DEPOSITS—Total deposits in twelve mutual savings banks in Baltimore at the end of October this year totaled \$186,476,148, compared with \$184,837,715 on deposit at the end of September this year and \$172,489,175 at the end of October 1927. On November 14, 1928, eighty-four regularly reporting member banks in leading cities of the Fifth reserve district had time deposits aggregating \$243,460,000, compared with \$247,445,000 on October 10th this year and \$243,887,000 on November 16th last year.

BUSINESS FAILURES—In reviewing the business mortality record for October, *Dun's Review* of November 3rd says, "In keeping with the normal seasonal trend, the number of commercial failures in the United States increased during October, totaling 2,023. The liabilities, moreover, also were higher than in the immediately preceding month, aggregating \$34,990,474. The foregoing figures reflect a considerable numerical expansion, although it should be pointed out in this connection that such a tendency invariably appears in the closing months of a year. The number of defaults for October is 23.7 per cent above the 1,635 insolvencies of the shorter month of September, but the rise in the indebtedness is only 3.0 per cent. When comparison is made with the returns for a year ago, it is seen that the present number is larger by 13.2 per cent than the 1,787 defaults of October 1927, whereas the indebtedness for last month is 3.4 per cent under the \$36,235,872 of the earlier year. The exhibit as to the liabilities of last month's insolvencies is, therefore, quite satisfactory, in view of the increased number of failures."

In the Fifth reserve district, commercial failures in October 1928 numbered 106, compared with 119 in September this year and 104 in October last year. The aggregate liabilities reported for October totaled \$1,633,885, a lower amount than either the \$2,700,752 reported for September 1928 or \$1,761,672 for October 1927. The Fifth district record for October is therefore contrary to the seasonal and the national trend, both the number of failures and the total of liabilities involved being less last month than in September.

LABOR—Employment conditions appear to be distinctly better than they were at this time last year or earlier in 1928. Industrial plants are generally operating at or near full time in the Fifth district, building construction is more active than in the fall of 1927, coal mines are seasonally busy, textile mills are securing more orders than a few months ago, and tobacco factories are working to capacity on holiday business.

COAL—The total production of bituminous coal in the United States in October 1928 amounted to 50,360,000 net tons, as against 41,301,000 tons mined in September this year and 43,827,000 tons in October 1927, according to the November 17th report of the Bureau of Mines, Department of Commerce. The average daily rate of production in October was 1,863,000 tons, an increase of 10 per cent over the September rate. Total production during the present calendar year to November 10th (approximately 266 working days) amounted to 419,050,000 net tons, compared with 452,492,000 tons mined during the same period in 1927. West Virginia continued to lead all states in production dur-

ing October. Activity in the steel, automobile and other industries during recent weeks accounts for part of the increase in production figures in comparison with October last year. The increase over September figures is largely seasonal, but was larger this year than in October 1927. Retail coal yards have full stocks of all sizes in their bins, but the mild weather of October and most of November materially retarded retail sales of coal.

TEXTILES—Textile mill authorities continue to view the prospects in their business more favorably than they did two or three months ago, and output of manufactured cotton goods in the Fifth district increased sharply in October in comparison with September. Cotton consumption by Fifth District mills totaled 271,094 bales in October this year, a higher figure than 213,069 bales used in September this year and 260,114 bales consumed in October 1927. North Carolina mills used 142,653 bales last month, South Carolina mills consumed 119,346 bales, and Virginia mills used 9,095 bales, higher figures in each case than consumption figures for September and also higher in the two Carolinas than the figures for October last year. Department of Agriculture cotton crop estimates this fall have led to the conclusion that the year's yield will not be larger than the mills need for a working margin, and interest in cotton goods has therefore been stimulated. Cotton prices, and prices of textiles, are somewhat lower than a year ago, but the important factor in the present market seems to be the element of stability which was absent earlier in the season before fairly accurate predictions as to the size of the 1928 cotton crop could be made.

BUILDING OPERATIONS FOR THE MONTHS OF OCTOBER 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.....	389	298	1,238	740	\$ 1,720,100	\$ 815,800	\$ 622,000	\$ 185,000	\$ 1,341,300	134.0%	1
2	Cumberland, Md...	8	22	10	4	44,165	25,338	1,950	805	19,972	76.4	2
3	Frederick, Md.....	4	7	6	0	470	43,050	5,535	0	37,045	86.1	3
4	Hagerstown, Md...	24	28	16	10	25,950	551,320	45,225	6,125	486,270	87.2	4
5	Danville, Va.....	27	16	9	14	51,635	47,078	3,073	3,115	4,515	9.0	5
6	Lynchburg, Va.....	22	16	28	27	120,780	35,881	11,080	88,171	7,808	6.3	6
7	Norfolk, Va.....	70	85	98	97	425,500	181,710	58,985	77,035	225,740	87.2	7
8	Petersburg, Va.....	9	5	10	7	61,450	15,035	55,650	5,550	96,515	468.9	8
9	*Portsmouth, Va.....	*27		*37		*233,320		*21,090				9
10	Richmond, Va.....	90	105	73	77	277,087	635,619	43,923	58,847	373,456	53.8	10
11	Roanoke, Va.....	54	61	24	49	145,805	139,432	9,680	35,669	19,616	11.2	11
12	Bluefield, W. Va...	5	17	4	7	3,780	43,080	1,615	1,975	39,660	88.0	12
13	Charleston, W. Va.	57	50	11	8	176,185	103,048	78,750	32,813	119,074	87.6	13
14	Clarksburg, W. Va.	35	31	15	6	55,368	77,620	6,560	2,250	17,942	22.5	14
15	Huntington, W. Va.	37	53	5	4	60,030	99,056	2,000	3,450	40,476	39.5	15
16	Parkersburg, W. Va.	24	27	8	4	69,350	71,100	8,600	1,000	5,850	8.1	16
17	Asheville, N. C.....	29	25	43	49	171,790	176,260	21,519	29,175	12,126	5.9	17
18	Charlotte, N. C.....	90	58	36	31	427,386	339,325	37,545	364,445	238,839	33.9	18
19	Durham, N. C.....	55	60	2	4	206,200	289,840	1,200	6,050	88,490	29.9	19
20	Greensboro, N. C.....	48	60	46	87	351,706	299,210	11,843	96,487	32,148	8.1	20
21	High Point, N. C.....	37	42	7	9	170,400	137,200	4,370	2,840	34,730	24.8	21
22	Raleigh, N. C.....	33	31	18	10	136,100	247,185	14,995	5,685	101,775	40.2	22
23	Rocky Mount, N. C.	14	14	6	4	23,385	17,960	3,575	4,100	4,900	22.2	23
24	Salisbury, N. C.....	4	15	6	12	9,925	53,540	6,585	4,100	41,130	71.4	24
25	Wilmington, N. C.....	16	9	7	11	41,600	23,200	13,650	20,700	11,350	25.9	25
26	Winston-Salem, N. C.	97	97	102	94	270,090	303,250	32,794	39,598	39,964	11.7	26
27	Charleston, S. C.....	21	16	24	26	196,025	25,060	8,588	17,685	161,868	378.7	27
28	Columbia, S. C.....	20	19	64	49	60,300	77,800	19,485	12,750	10,765	11.9	28
29	Greenville, S. C.....	16	10	36	27	82,900	57,200	10,435	9,615	26,520	39.7	29
30	Spartanburg, S. C.	19	35	32	17	46,390	82,285	4,625	3,710	34,980	40.7	30
31	Washington, D. C.	203	180	546	422	2,519,415	1,907,885	385,605	364,795	632,340	27.8	31
	Totals.....	1,557	1,492	2,530	1,906	\$ 7,951,267	\$ 6,921,367	\$1,531,440	\$1,483,540	\$ 1,077,800	12.8%	

— Denotes decrease. * Portsmouth figures not included in totals.

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.

Although 16 of 30 leading cities in the Fifth Federal reserve district reported lower valuation figures for building permits issued in October 1928 than in 1927, the aggregate valuation figure for the 30 cities last month was 12.8 per cent above the total for October last year, most of the increase being accounted for by an unusually low figure reported last year for Baltimore. The number of permits for new construction issued by the 30 cities in the district last month was 1,557, compared with 1,277 issued in September this year and 1,492 issued in October 1927. Valuation figures for new work totaled \$7,951,267 for October 1928, \$13,018,049 for September 1928, and \$6,921,367 for October 1927. The high figure for September was due to permits totaling over \$6,000,000 in Baltimore and nearly \$4,000,000 in Washington, the aggregate for October outside of these two cities exceeding

the aggregate for September. Alteration and repair permits totaled 2,530 last month, compared with 2,183 in September this year and 1,906 in October last year, while valuation figures for alteration and repair work totaled \$1,531,440 for October 1928, \$1,290,940 for September 1928, and \$1,483,540 for October 1927. Valuation figures for all classes of work last month totaled \$9,482,707, an increase of \$1,077,800, or 12.8 per cent, over total valuation of \$8,404,907 for October 1927. Baltimore, Petersburg and Charleston, S. C., reported valuation figures for October more than 100 per cent above those of October 1927, but in each case the large percentage gain was due to small figures a year ago rather than to exceptionally large totals this year.

Contracts awarded in October for construction work in the Fifth district, including both rural and urban projects, totaled \$40,328,757, compared with \$29,552,455 awarded in October 1927, according to figures collected by the F. W. Dodge Corporation. Of the awards in October this year, \$13,605,592 was for residential work.

COTTON—In this *Review* last month we quoted the average spot cotton price on ten Southern markets on October 19th, when the price was 18.74 cents per pound. After that date the price sagged to 18.16 cents on October 26th, but rose gradually during the first half of November, averaging 18.49 cents per pound on November 16th, the latest date for which figures are available. On the corresponding date last year the average price was 19.32 cents per pound.

The Department of Agriculture's fourth cotton condition report on the 1928 crop estimated this year's probable yield at 14,133,000 bales, based on the November 1st condition. This compares with 13,993,000 bales indicated on October 1st, and final ginnings of 12,955,000 bales in 1927. The November 1st estimate showing an increase of 140,000 bales over the October 1st estimate did not materially affect cotton prices, being offset by higher domestic consumption and export figures for October 1928 than for October 1927.

The Bureau of the Census ginning report to November 1st showed 10,160,997 bales ginned prior to that date this year, compared with 9,920,846 bales ginned to the same date in 1927 and 11,253,873 bales ginned before November 1st in 1926.

Cotton consumption in American mills in October totaled 618,788 bales, according to the report of the Bureau of the Census made public on November 14th. This figure, which is the highest on record for any October, shows a decided increase over 492,221 bales consumed during the month of September this year, and is also above 613,520 bales consumed in October 1927. Total consumption during the three months of the present cotton year amounted to 1,637,738 bales, compared with 1,875,823 bales consumed during the three months ended October 31, 1927. Cotton on hand at manufacturing establishments on October 31st this year totaled 1,194,961 bales, compared with 719,981 bales held on September 30th this year and 1,323,703 bales held on October 31st last year. Bales in public warehouses and compresses numbered 4,635,981 at the end of October against 2,645,977 at the end of September, and 5,419,193 on October 31, 1927. Exports of cotton totaled 1,240,702 bales in October, compared with 814,569 bales sent abroad in September this year and 1,126,509 bales in October 1927. Imports last month totaled 27,840 bales, compared with 18,508 bales imported in September this year and 19,235 bales in October last year. Consumption of cotton in the growing states totaled 474,267 bales in October, compared with 449,297 bales used in October last year. Last month's consumption in the cotton growing states amounted to 76.64 per cent of National consumption, compared with 73.23 per cent of National consumption used in the cotton growing states in October last year. Of the 474,267 bales consumed in cotton growing states last month, Fifth reserve district states used 271,094 bales, or 57.16 per cent.

The November 1st crop estimates for North and South Carolina and Virginia show further the disastrous effects of the September storms and floods. In its November 8th forecasts, the Department of Agriculture estimated the North Carolina cotton crop for this year at 885,000 bales, a reduction of 40,000 bales from the October 1st estimate. South Carolina's probable yield was given as 735,000 bales this year, a reduction of 85,000 bales under the October 1st figure. Virginia's expected production of 43,000 bales shows a reduction of 2,000 bales from the October figure. The weather during the first half of November was very favorable for cotton picking, however, and it is possible that final ginning figures may slightly exceed the November 1st estimates. Apparently all three cotton growing states in the Fifth district will make slightly more cotton this year than they made in 1927, but on account of lower prices this year the 1928 crop promises to be less profitable.

TOBACCO—SOUTH CAROLINA tobacco markets sold 8,109,043 pounds of producers' tobacco in October, practically cleaning up this year's crop. With sales in August and September totaling 73,537,821 pounds, total production for the year is approximately 81,646,864 pounds, an increase of 5,067,497 pounds over 76,579,367 pounds sold in 1927. Prices for the 1928 crop were very unsatisfactory, the larger crop this year bringing to the growers approximately \$5,000,000 less than the smaller crop of 1927. The average price this year was only \$12.81 per hundred pounds, compared with \$20.20 per hundred pounds realized for last year's crop.

NORTH CAROLINA markets sold 142,564,950 pounds of tobacco for growers in October 1928, compared with 133,620,441 pounds sold in October 1927. The average price advanced materially during October in comparison with September, but was lower than the average for October last year. In

October this year the tobacco sold brought an average of \$20.45 per hundred pounds, compared with \$15.05 per hundred in September 1928 and \$22.81 per hundred in October 1927. Wilson led in October sales with 25,462,848 pounds, Greenville ranking second with 21,004,116 pounds and Winston-Salem third with 15,163,870 pounds. North Carolina's total production of tobacco this year was forecast on November 1st as 464,750,000 pounds, compared with 468,000,000 pounds grown in 1927. The smaller crop this year, with lower prices, will make the 1928 crop considerably below the 1927 crop in cash value.

VIRGINIA tobacco markets opened in October, and sold 22,542,741 pounds of producers' tobacco, compared with 26,034,387 pounds sold in October last year. The average price in October was \$16.07 per hundred pounds, compared with \$19.26 realized in October 1927, but prices improved somewhat during the latter part of October and for the best grades were higher than last year. The quality of the tobacco sold in October was generally very poor, warehousemen estimating it as 18 per cent good, 35 per cent medium and 47 per cent common, compared with October 1927 figures of 31 per cent good, 36 per cent medium and 33 per cent common. Danville sold 10,390,321 pounds of tobacco last month and ranked first, South Boston ranking second with 4,854,780 pounds. All tobacco sold in October was flue-cured, or bright, tobacco. Virginia's total crop this year is estimated at 111,852,000 pounds, compared with 127,971,000 pounds harvested in 1927.

AGRICULTURAL NOTES—MARYLAND weather in October was favorable for outdoor farm operations and for growing crops. Wheat is up in most sections of the State and making good progress. Late truck and fruit crops were benefitted by the favorable weather conditions and seasonal farm work is well advanced. The corn crop will total 19,929,000 bushels, in contrast to 22,660,000 bushels a year ago. Estimates on the potato crop indicate a smaller production than a year ago, the figures being 4,916,000 bushels in comparison with a crop of 5,246,000 bushels in 1927. Late blight has been discovered in the western part of the State and may cause some losses. The sweet potato crop is expected to total 1,470,000 bushels in comparison with 1,584,000 bushels in 1927, and this year's tobacco crop at 19,840,000 pounds compares with 26,176,000 pounds a year ago. Most of the major crops in Maryland were effected unfavorably in one or more ways this year. The corn crop was reduced in yield and quality by heavy rains and storms during the growing period. Tobacco was similarly injured, yields being lowered and quality reduced. The potato crop faced unsatisfactory market conditions. The pack of canned goods in the State is probably below normal. Livestock producers and dairymen, however, have had little cause for complaint this season.

VIRGINIA farm work progressed seasonally during October, and by November 1st practically all crops had been harvested and most of the fall grain had been sown. Pastures were good and at the end of October were still furnishing good grazing. The corn crop was harvested later than usual, and growers were unable on November 1st to estimate the year's yield with accuracy. Growers report only 72 per cent of the corn to be of merchantable quality, compared with 83 per cent last year. The total production is expected to be 41,760,000 bushels, compared with 47,967,000 bushels last year. The white potato crop was severely injured by the heavy rains of August and September, but the year's estimated yield of 21,593,000 bushels is larger than 19,760,000 bushels dug in 1927. The sweet potato crop turned out fairly well, but the yield of 5,050,000 bushels was below 5,805,000 bushels harvested in 1927. Wet weather was also unfavorable for this crop. The apple crop turned out slightly better than was expected earlier in the season, the large size of the fruit raising the production in bushels and barrels. The quality of the apple crop is reported to be better than last year, but not as good as in 1926. The commercial crop of 3,060,000 barrels is slightly more than double the 1,500,000 barrels harvested last year, but is less than 3,700,000 barrels gathered in 1926. The peanut crop showed a considerable range in yield, crops on light sandy soils turning out quite well while the yield on heavy clay soil was rather poor. The forecast of production is 127,680,000 pounds this year, compared with 116,128,000 pounds last year.

NORTH CAROLINA experienced favorable weather for crop gathering in October, and no serious frost damage occurred prior to the middle of November except in western counties. The 1928 corn crop, forecast at 44,232,000 bushels, is the smallest for the State since 1909. The trouble was primarily wet weather and storm damage since August. Last year's production was 53,626,000 bushels, or 27 per cent more than this year's crop. It appears likely that many farmers will have to purchase additional corn supplies this year, a situation further aggravated by the short hay crop. Sweet potatoes are expected to yield about 7,680,000 bushels, compared with 10,146,000 bushels dug in 1927. Potatoes declined steadily after August 1st. The frequent changes from dry to wet weather was harmful, and reports of souring in the ground have been received. The white potato crop yielded 7,395,000 bushels, compared with 7,368,000 bushels in 1927. The peanut crop is considerably better than last year, and the quality appears to be good. Production of peanuts is forecast at 222,525,000 pounds, compared with 189,900,000 pounds harvested a year ago. This year's hay crop is not yet cured, but is expected to be less than 845,000 tons cured in 1927.

WHOLESALE TRADE, OCTOBER 1928

Percentage increase in October 1928 sales, compared with sales in October 1927:					
<i>32 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>15 Hardware</i>	<i>5 Furniture</i>	<i>13 Drugs</i>
5.5	—16.5	—11.3	— 9.0	—10.4	— 5.4
Percentage increase in October 1928 sales, compared with sales in September 1928:					
6.9	— 6.7	— 9.0	11.4	— 5.7	11.0
Percentage increase in total sales since Jan. 1, 1928 compared with sales in the first ten months of 1927:					
1.3	—19.6	— 6.8	—13.4	—22.2	— 3.7
Percentage increase in stock on October 31, 1928, compared with stock on October 31, 1927:					
.2(11*)	— 7.2(4*)	.7(4*)	.2(8*)
Percentage increase in stock on October 31, 1928, compared with stock on September 30, 1928:					
10.3(11*)	— 4.3(4*)	—10.2(4*)	2.4(8*)
Percentage of collections in October to total accounts receivable on October 1, 1928:					
67.5(19*)	37.7(7*)	37.1(5*)	37.2(12*)	31.1(3*)	56.8(9*)

— Denotes decreased percentage.

* Number of reporting firms.

Wholesale trade reports from 80 firms in 6 lines showed slightly larger sales in October than in October last year in groceries, but dry goods, shoe, hardware, furniture and drug sales decreased during the 1928 month. Dry goods showed the greatest decline, part of which was perhaps due to lower prices for some textiles this year. In comparison with sales in September this year, sales in October increased in groceries, hardware and drugs, but declined in dry goods, shoes and furniture. In total sales since January 1st this year, all lines except groceries show a falling off from aggregate sales during the first ten months of 1927.

Stocks reported by the co-operating firms at the end of October were larger than stocks on hand on September 30, 1928, in groceries and hardware, but dry goods and shoe stocks declined during the month. On October 31, 1928, dry goods stocks were smaller than on October 31, 1927, but grocery, shoe and hardware stocks were slightly larger.

The percentage of outstanding receivables as of October 1, 1928, which were collected during the month was higher than the October 1927 percentage in groceries, dry goods, shoes and drugs, but collections in hardware and furniture were slower during the 1928 month.

FIGURES ON RETAIL TRADE

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

Percentage increase in October 1928 sales, compared with sales in October 1927:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
— 4.8	5.0	9.1	— 4.8	1.5
Percentage increase in total sales since January 1st, over sales during the first ten months of 1927:				
— 1.5	3.4	3.7	— 6.0	.5
Percentage increase in October 1928 sales over average October sales during the three years 1923-1925, inc.:				
— 5.6	8.8	15.8	—11.2	2.7
Percentage increase in stock on hand October 31, 1928, over stock on October 31, 1927:				
1.7	— 6.4	— 5.7	— 3.9	— 2.6
Percentage increase in stock on hand October 31, 1928, over stock on September 30, 1928:				
15.1	9.4	14.2	9.1	13.4
Percentage of sales in October 1928 to average stock carried during that month:				
28.8	31.8	35.0	20.3	30.1
Percentage of total sales since January 1st to average stock carried during each of the ten elapsed months:				
245.8	283.9	275.8	191.1	252.9
Percentage of collections in October 1928 to total accounts receivable on October 1st:				
24.8	32.5	33.4	31.4	28.9

— Denotes decreased percentage.

Retail sales in October in the Fifth reserve district, as reflected by sales of thirty leading department stores, increased approximately 30 per cent over September, and averaged 1.5 per cent above sales in October 1927. Reporting stores in Baltimore and the Other Cities averaged lower sales last month than in October a year ago, but the Richmond and Washington stores brought the district average above the 1927 level. Mild weather in October delayed retail trade to some extent. Cumulative sales since January 1st averaged one-half of 1 per cent above total sales in the first ten months of 1927, and October 1928 sales were 2.7 per cent above average October sales during the three years 1923-1925, inclusive.

Stocks of goods on the shelves of the reporting stores rose seasonally last month with the receipt of winter and holiday merchandise, increasing 13.4 per cent during October, but on October 31st stocks averaged 2.6 per cent below those on hand on October 31, 1927.

The rate of turnover increased seasonally in October. The percentage of sales in October to average stock carried that month was 30.1 per cent, and the percentage of total sales since January 1st to average stocks carried during each of the ten months was 252.9 per cent, indicating an annual rate of turnover of 3.03 times.

Collections in October totaled 28.9 per cent of receivables outstanding on the first of the month, a higher figure than either 24.5 per cent attained in September 1928 or 27.8 per cent in October last year.

(Compiled November 21, 1928)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industry continued active in October and the distribution of commodities was in large volume. Wholesale commodity prices declined sharply owing chiefly to decreased prices of farm products. Member bank credit in use increased in October and November, while reserve bank credit outstanding showed little change. Conditions in the money market were somewhat easier.

PRODUCTION. Industrial production continued in October at the high level of September and considerably above the level of a year ago. Output of minerals increased over September while the production of manufactures declined slightly. Factory employment and payrolls increased to the highest level since early in 1927. The production of pig iron was particularly large in October and the first half of November, and the output of steel continued in record volume. Automobile production declined considerably in October after exceptional activity in September, and showed further reduction in November, as is usual at this season. Activity increased in October in meat packing and in the textile industries, with the exception of silk. Copper mining and smelting continued at a high level, and the output of coal and petroleum increased by more than the seasonal amount, while the production of zinc declined. There was also a decline in the output of lumber and building materials. Building contracts awarded continued to increase in October and were larger than in that month of any previous year, but declined sharply during the first two weeks of November. The increase in October was due principally to large contracts for engineering and industrial projects. The November cotton crop estimate of the Department of Agriculture was slightly larger than the October estimate and indicated a yield of 14,133,000 bales, 1,178,000 more than the production of 1927. Ginnings of the current crop prior to November 14th totaled 11,320,302 bales, compared with 10,894,912 bales in the similar period of a year ago. Indicated yields of wheat, corn, oats, potatoes and tobacco were larger than the 1927 crops, while estimates of hay, rye and flax seed were smaller.

TRADE. Department store sales in October were in about the same volume as in the same period in the preceding year, but showed somewhat less than the seasonal increase from the high level of September. Inventories of these stores increased during the month, but continued smaller than a year ago. The volume of distribution at wholesale was larger than in September and showed a substantial gain over October 1927. Freight car loadings continued larger in October and November than a year ago, reflecting chiefly large loadings of miscellaneous freight.

PRICES. Wholesale commodity prices declined in October after a continuous increase for three months, and the Bureau of Labor Statistics index for October, at 97.8 per cent of the 1926 average, was over 2 per cent below that for September. This decline reflected chiefly large decreases in prices of farm and food products and hides and leather. Prices of industrial commodities increased slightly, with small gains recorded in metals, building materials, chemicals and drugs. The principal increases occurred in prices of iron and steel, copper, and raw silk. During the first three weeks of November prices of cotton, pig iron, copper and petroleum increased, and prices of most farm and food products, except corn, pork and sugar, recovered somewhat after the October decline.

BANK CREDIT. Between October 24th and November 21st there was a considerable increase in loans and investments of member banks in leading cities, but at the end of this period the total was still below the large volume outstanding at the middle of the year. Loans chiefly for commercial purposes remained at a high level during the period and loans on securities showed further growth, reflecting a marked increase in the volume of loans to brokers and dealers in securities. Investments showed a further decline. During the four weeks ended November 21st there was little change in the volume of reserve bank credit in use. Reserve bank holdings of acceptances increased further and discounts for member banks declined. During the last week of October and the first three weeks of November conditions in the money market were somewhat easier; the rate on four to six months commercial paper declined from a level of $5\frac{1}{2}$ per cent to a range of from $5\frac{1}{4}$ to $5\frac{1}{2}$ per cent, and rates on call and time loans in the open market also declined slightly.