

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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**DISTRICT SUMMARY.** Business in the Fifth Federal reserve district in August and early September showed a seasonal advance over business during the preceding month and compared quite favorably with that of August 1928. Increased demand for commercial and agricultural credit at reporting member banks and at the reserve bank between August 15th and September 15th, and a growth in Federal reserve note circulation, together with seasonal increases in retail and wholesale trade and coal production, indicate that fall trade opened up normally. Debits to individual accounts in the four weeks ended September 11, 1929, while seasonally below debits in the preceding four weeks this year, were more than 11 per cent greater than debits in the four weeks ended September 12, 1928. Business failures in the district were more numerous last month than a year ago, but August liabilities were lower than those of either July 1929 or August 1928. Employment is about at seasonal levels, and is distinctly better than a year ago. Coal production in August not only showed a seasonal increase over the July output, but exceeded production in August last year. The situation in the textile field improved only slightly last month, but at the middle of September prospects appear to be considerably better than a year ago. Building permits issued in August in the leading Fifth district cities totaled somewhat higher in estimated valuation than in August last year. Agricultural prospects on the whole are better in the Fifth district than a year ago. The estimate of the cotton crop for the district is approximately 400,000 bales above the 1928 yield, and the price is about the same as last year. The tobacco crops of South Carolina and Virginia are larger than in 1928, and the North Carolina yield is not materially lower. Truck crops were profitable as a whole this year, and a good yield of potatoes brought much higher prices. Tobacco prices are considered poor, but on the whole the probable income to farmers in the Fifth district appears certain to be considerably above the 1928 income, chiefly due to the greater value of the 1929 cotton crop.

**RESERVE BANK OPERATIONS.** The usual increase in the demand for reserve bank credit occurred between the middle of August and the middle of September in the Fifth reserve district, chiefly due to opening of tobacco markets, early marketing of other farm products, and discounting of bills for fall merchandise. Rediscounts for member banks held by the Federal Reserve Bank of Richmond rose from \$59,006,000 on August 15th to \$66,691,000 on September 15th, and the circulation of Federal reserve notes increased between the same dates from \$78,864,000 to \$82,983,000. Total earning assets of the Richmond bank, which totaled \$62,992,000 on August 15th, rose to \$74,873,000 on September 15th, the increase being composed of \$7,685,000 in rediscounts and approximately \$4,000,000 in holdings of bankers acceptances purchased from member banks and in the open market. Member bank reserve deposits rose during the month under review from \$64,779,000 to \$66,288,000, but the several changes previously mentioned in the statement, with others of less importance, reduced the cash reserves of the Richmond bank from \$94,419,000 at the middle of August to \$83,960,000 at the middle of September and lowered the ratio of cash reserves to note and deposit liabilities combined from 63.77 per cent on August 15th to 56.08 per cent on September 15th.

Reserve bank credit was in greater use in the Fifth district on September 15, 1929, than a year earlier. On September 15th last year, rediscounts for member banks held by the Richmond reserve bank totaled \$58,371,000, compared with \$66,691,000 on September 15th this year. Total earning assets a year ago amounted to \$70,134,000, and to \$74,873,000 at the middle of September this year. Federal reserve notes in actual circulation totaled only \$60,406,000 on September 15, 1928, compared with \$82,983,000 on September 15, 1929. Member bank reserve deposits declined during the year from \$71,958,000 to \$66,288,000. On September 15, 1928, the cash reserves of the Federal Reserve Bank of Richmond totaled \$72,866,000, compared with \$83,960,000 on September 15, 1929, and the ratio of cash reserves to note and deposit liabilities combined rose from 53.42 per cent to 56.08 per cent during the year.

## CONDITION OF SIXTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

| ITEMS   | September 11, 1929 | August 14, 1929 | September 12, 1928 |
|---|--------------------|-----------------|--------------------|
| Loans on Stocks & Bonds (including Government)..... | \$201,260,000      | \$201,232,000   | \$189,106,000      |
| All Other Loans & Discounts.....                    | 319,500,000        | 317,943,000     | 332,583,000        |
| Total Loans & Discounts.....                        | 520,760,000        | 519,175,000     | 521,689,000        |
| Total Investments in Bonds and Securities.....      | 157,704,000        | 158,012,000     | 156,676,000        |
| Reserve Balance with Federal Reserve Bank.....      | 38,974,000         | 39,669,000      | 39,699,000         |
| Cash in Vaults.....                                 | 12,829,000         | 12,326,000      | 11,872,000         |
| Net Demand Deposits.....                            | 349,563,000        | 350,879,000     | 358,800,000        |
| Time Deposits.....                                  | 243,782,000        | 242,923,000     | 245,405,000        |
| Borrowed from Federal Reserve Bank.....             | 29,083,000         | 27,758,000      | 26,054,000         |

The accompanying table shows the principal items of condition of sixty-one regularly reporting member banks as of three dates, September 11th and August 14th this year and September 12, 1928, thus affording an opportunity for comparison of the latest available figures with those of the preceding month and year, respectively. It should be understood that the figures shown 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 August 14th and September 11th, both this year, the reporting banks increased their outstanding loans by \$1,585,000, of which \$28,000 was in loans on stocks and bonds and \$1,557,000 in all other loans, the latter chiefly of a commercial or agricultural nature. Investments of the sixty-one banks in bonds and stocks declined \$308,000 during the month, and their reserve balances at the Federal reserve bank decreased \$695,000. Increased activity in crop marketing and the opening of fall trade caused a greater demand for currency and the reporting banks increased their cash in vaults by \$503,000. Net demand deposits declined \$1,316,000 between August 14th and September 11th, but time deposits rose \$859,000. The increased demand for credit at the reporting banks, together with the decline in deposits, caused them to increase their borrowing at the reserve bank by \$1,325,000 during the past month.

In comparison with the figures in the statement for September 12, 1928, those for September 11th this year show an increase of \$12,154,000 in loans on stocks and bonds, but a decline of \$13,083,000 in all other loans, a net decrease in loans and discounts of \$929,000 during the year. Investments in stocks and bonds rose \$1,028,000 during the year. On September 11, 1929, the reserve balances of the sixty-one reporting banks at the reserve bank totaled \$725,000 less than a year earlier, but the amount of cash in vaults was \$957,000 greater on the 1929 date. Deposits declined \$10,860,000 during the year, demand deposits decreasing \$9,237,000 and time deposits dropping \$1,623,000. On September 11th this year the reporting banks were borrowing \$3,029,000 more from the Federal reserve bank than on September 12, 1928.

### DEBITS TO INDIVIDUAL ACCOUNTS

| CITIES                    | TOTAL DEBITS DURING THE FOUR WEEKS ENDED |                 |                    |
|---------------------------|--|-----------------|--------------------|
|                           | September 11, 1929                       | August 14, 1929 | September 12, 1928 |
| Asheville, N. C. ....     | \$ 22,222,000                            | \$ 23,376,000   | \$ 24,528,000      |
| Baltimore, Md. ....       | 375,521,000                              | 430,482,000     | 287,436,000        |
| Charleston, S. C. ....    | 19,421,000                               | 17,400,000      | 22,433,000         |
| Charleston, W. Va. ....   | 34,952,000                               | 36,751,000      | 30,968,000         |
| Charlotte, N. C. ....     | 48,316,000                               | 47,021,000      | 44,283,000         |
| Columbia, S. C. ....      | 17,036,000                               | 18,683,000      | 17,500,000         |
| Cumberland, Md. ....      | 8,874,000                                | 9,572,000       | 8,226,000          |
| Danville, Va. ....        | 6,868,000                                | 6,552,000       | 7,022,000          |
| Durham, N. C. ....        | 26,557,000                               | 26,615,000      | 27,410,000         |
| Greensboro, N. C. ....    | 18,936,000                               | 19,776,000      | 19,293,000         |
| Greenville, S. C. ....    | 17,587,000                               | 16,744,000      | 15,391,000         |
| Hagerstown, Md. ....      | 9,305,000                                | 11,188,000      | 8,282,000          |
| Huntington, W. Va. ....   | 19,774,000                               | 19,617,000      | 18,670,000         |
| Lynchburg, Va. ....       | 16,501,000                               | 17,364,000      | 15,896,000         |
| Newport News, Va. ....    | 9,639,000                                | 10,181,000      | 8,180,000          |
| Norfolk, Va. ....         | 55,167,000                               | 55,797,000      | 52,299,000         |
| Portsmouth, Va. ....      | 3,731,000                                | 4,872,000       | 5,054,000          |
| Raleigh, N. C. ....       | 15,257,000                               | 17,976,000      | 16,689,000         |
| Richmond, Va. ....        | 134,413,000                              | 129,997,000     | 131,278,000        |
| Roanoke, Va. ....         | 28,499,000                               | 29,103,000      | 25,228,000         |
| Spartanburg, S. C. ....   | 10,152,000                               | 10,633,000      | 10,022,000         |
| Washington, D. C. ....    | 212,670,000                              | 224,210,000     | 199,396,000        |
| Wilmington, N. C. ....    | 14,210,000                               | 12,478,000      | 13,464,000         |
| Winston-Salem, N. C. .... | 31,881,000                               | 31,346,000      | 33,095,000         |
| District Totals.....      | \$1,157,489,000                          | \$1,227,734,000 | \$1,042,043,000    |

Debits to individual, firm and corporation accounts in the leading trade centers of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of four weeks each, ended September 11, 1929, August 14, 1929, and September 12, 1928. The figures for the latest available four weeks period, ended September 11th, may be compared with those reported for the preceding four weeks ended August 14th this year and with those for the corresponding four weeks ended September 12, 1928.

Aggregate debits in the banks of the reporting cities totaled \$1,157,489,000 during the four weeks ended September 11, 1929, a decrease of \$70,245,000, or 5.7 per cent, under the total of \$1,227,734,000 reported for the preceding four weeks, ended August 14, 1929. The decrease was general throughout the district, only eight of the twenty-four reporting cities showing higher figures for the later period. These eight cities were Charleston and Greenville, S. C., Charlotte, Wilmington and Winston-Salem, N. C., Danville and Richmond, Va., and Huntington, W. Va.

In comparison with total debits aggregating \$1,042,043,000 reported for the four weeks ended September 12, 1928, debits for the four weeks ended September 11th this year totaling \$1,157,489,000 show an increase of \$115,446,000, or 11.1 per cent. Fifteen of the twenty-four reporting cities show higher figures for the 1929 period, including all of the larger cities except Winston-Salem. Five cities, Charlotte, Greenville, Huntington, Richmond and Wilmington, reported higher figures for the four weeks ended September 11, 1929, than for either the preceding four weeks this year or the corresponding four weeks last year.

**SAVINGS DEPOSITS.** Mutual savings banks in Baltimore had time deposits totaling \$188,715,330 at the close of business August 31, 1929, a lower figure than \$189,209,209 on July 31st this year but materially above \$183,521,480 on August 31, 1928. Sixty-one regularly reporting member banks in the Fifth reserve district had time deposits totaling \$243,782,000 on September 11th this year, compared with \$242,923,000 on August 14th and \$245,405,000 on September 12, 1928.

**BUSINESS FAILURES.** In commenting upon business failures in August, *Dun's Review* for September 7th said, "A distinctive feature of the insolvency returns for recent months has been the small variation in number of commercial failures in the United States. Thus, from the beginning of June through August, the largest numerical fluctuation has been 15, which marks the difference between the total in June and that of July. That alteration represents a decrease, and the August defaults numbered 1,762, an increase of 10 insolvencies over the July total, but a year ago the August number rose to 1,852, from 1,723 in July. Hence, the present record is favorable, with a decrease of 4.9 per cent from last year's August total. In considering that reduction, some allowance should be made for the larger number of firms and individuals now engaged in business, so that the showing is better than appears on the surface. With a few more failures last month than in July, the liabilities were moderately higher. At \$33,746,452, the August 1929 indebtedness increased slightly more than 4 per cent over \$32,425,519 for July, but a contraction of about 42 per cent is shown in comparison with the \$58,201,830 of August 1928. For eight elapsed months of the present calendar year the number of defaults has fallen about 4 per cent from the total for the corresponding period of last year, while the liabilities have been smaller this year by at least 12 per cent."

In the Fifth Federal reserve district, failures in August 1929 numbered 122, compared with 98 in July this year and 114 in August a year ago, the district numerically making a relatively poor showing in comparison with the United States. Last month's liabilities aggregated \$2,453,641, a lower figure than \$2,698,274 reported in July this year or \$2,546,548 in August last year.

**EMPLOYMENT.** Labor is seasonally employed in the Fifth reserve district. Industrial plants are generally on full time schedules in the district, with sufficient labor to meet their requirements, but there does not appear to be a burdensome surplus of workers. The subject of labor is almost entirely absent in letters and reports received from leading industrialists, bankers, merchants, lumbermen, and agriculturists throughout the district, which is indicative of reasonably satisfactory conditions. Eighteen months ago comments on extensive unemployment were numerous, but the labor surplus seems to have been absorbed.

**COAL.** Bituminous coal production in the United States in August 1929 totaled 43,889,000 net tons, as against 40,635,000 tons mined in July this year and 41,108,000 tons in August 1928. Total production during the present calendar year to September 7th (approximately 212 working days) amounts to 347,137,000 net tons, compared with 319,900,000 tons mined during the first 212 working days of 1928. West Virginia continues to lead in tonnage. The Bureau of Mines, Department of Commerce, issued a summary of 1928 coal statistics for West Virginia on September 7th, and reported 132,952,159 net tons mined, with a total value at the mines of \$211,480,000. This coal was dug by 64,045 miners, 16,589 haulers and 15,197 others working under-ground, while 15,902 workers were employed on the surface, making a total of 111,733 people actually working at West Virginia coal mines. The average number of days worked was 223, and each miner dug an average of 5.35 tons of coal per day. The total number of mines of commercial size that produced coal in West Virginia in 1928 was 980.

**TEXTILES.** The situation in the textile field of the Fifth reserve district changed little during the past month, but there was some seasonal increase in activity of the mills and movement of manufactured goods. The mills of the district consumed 236,772 bales of cotton in August, North Carolina mills using 125,711 bales, South Carolina mills 102,104 bales, and Virginia mills 8,957 bales. Fifth district consumption in July this year was 226,714 bales, and in August 1928 the mills used 222,987 bales. Consumption of cotton in the Fifth district amounted to 42.4 per cent of National consumption this year, with consequent price advances, has somewhat improved prospects for textile mills, since buyers place more forward orders on a rising than on a falling cotton market. Labor troubles at one or two points in the district are local and have had no appreciable effect upon total output of the mills.

### BUILDING OPERATIONS FOR THE MONTHS OF AUGUST 1929 AND 1928.

| No.         | CITIES               | Permits Issued |       |         |       | New Construction |              | Alterations  |              | Increase or Decrease of Total Valuation | Per Cent of Increase or Decrease | No. |
|-------------|----------------------|----------------|-------|---------|-------|------------------|--------------|--------------|--------------|---|----------------------------------|-----|
|             |                      | New            |       | Repairs |       | 1929             | 1928         | 1929         | 1928         |   |                                  |     |
|             |                      | 1929           | 1928  | 1929    | 1928  |                  |              |              |              |   |                                  |     |
| 1           | Baltimore, Md.....   | 513            | 387   | 1,249   | 985   | \$ 2,976,840     | \$ 1,419,100 | \$ 599,520   | \$ 978,880   | \$ 1,178,380                            | 49.1%                            | 1   |
| 2           | Cumberland, Md....   | 16             | 12    | 9       | 3     | 43,480           | 25,092       | 9,464        | 1,200        | 26,652                                  | 101.4                            | 2   |
| 3           | Frederick, Md.....   | 10             | 6     | 3       | 2     | 179,618          | 11,730       | 745          | 5,080        | 163,553                                 | 973.0                            | 3   |
| 4           | Hagerstown, Md....   | 19             | 17    | 2       | 10    | 106,166          | 28,575       | 250          | 4,100        | 73,741                                  | 225.7                            | 4   |
| 5           | Salisbury, Md.....   | 18             | 15    | 7       | 12    | 31,483           | 15,225       | 4,150        | 5,650        | 14,758                                  | 70.7                             | 5   |
| 6           | Danville, Va.....    | 7              | 6     | 11      | 13    | 770              | 80,185       | 7,765        | 17,100       | 88,750                                  | 91.2                             | 6   |
| 7           | Lynchburg, Va.....   | 33             | 24    | 24      | 30    | 65,600           | 83,155       | 21,618       | 15,625       | 11,562                                  | 11.7                             | 7   |
| 8           | Norfolk, Va.....     | 80             | 46    | 62      | 65    | 88,275           | 73,105       | 133,375      | 81,600       | 66,945                                  | 43.3                             | 8   |
| 9           | Petersburg, Va.....  | 8              | 2     | 4       | 8     | 60,150           | 5,800        | 3,400        | 7,735        | 50,015                                  | 369.5                            | 9   |
| 10          | Portsmouth, Va....   | 11             | 18    | 20      | 32    | 13,535           | 24,435       | 22,808       | 17,679       | 5,771                                   | 13.7                             | 10  |
| 11          | Richmond, Va.....    | 87             | 100   | 95      | 82    | 131,136          | 618,337      | 102,411      | 264,862      | 649,652                                 | 73.6                             | 11  |
| 12          | Roanoke, Va.....     | 44             | 38    | 24      | 25    | 433,910          | 123,643      | 8,795        | 28,152       | 290,910                                 | 191.6                            | 12  |
| 13          | Bluefield, W. Va..   | 5              | 8     | 5       | 3     | 18,010           | 34,925       | 865          | 650          | 16,700                                  | 46.9                             | 13  |
| 14          | Charleston, W. Va.   | 57             | 39    | 23      | 14    | 217,238          | 236,660      | 93,142       | 11,000       | 62,720                                  | 25.3                             | 14  |
| 15          | Clarksburg, W. Va.   | 38             | 19    | 12      | 23    | 55,618           | 17,865       | 3,660        | 16,835       | 24,578                                  | 70.8                             | 15  |
| 16          | Huntington, W. Va.   | 22             | 39    | 6       | 7     | 21,320           | 164,010      | 15,000       | 8,150        | 135,840                                 | 78.9                             | 16  |
| 17          | Parkersburg, W. Va.  | 19             | 15    | 13      | 11    | 30,050           | 74,250       | 6,475        | 9,700        | 47,425                                  | 56.5                             | 17  |
| 18          | Asheville, N. C....  | 5              | 21    | 56      | 44    | 79,825           | 125,460      | 13,903       | 14,890       | 46,622                                  | 33.2                             | 18  |
| 19          | Charlotte, N. C....  | 33             | 90    | 50      | 30    | 273,050          | 548,175      | 66,259       | 9,707        | 218,573                                 | 39.2                             | 19  |
| 20          | Durham, N. C.....    | 12             | 38    | 16      | 6     | 62,850           | 177,000      | 47,975       | 18,850       | 85,025                                  | 43.4                             | 20  |
| 21          | Greensboro, N. C.    | 25             | 55    | 27      | 67    | 153,005          | 369,845      | 77,153       | 46,556       | 186,243                                 | 44.7                             | 21  |
| 22          | High Point, N. C...  | 20             | 34    | 4       | 9     | 107,450          | 128,075      | 3,550        | 6,900        | 23,975                                  | 17.8                             | 22  |
| 23          | Raleigh, N. C.....   | 19             | 26    | 17      | 10    | 53,440           | 164,510      | 51,385       | 6,750        | 66,435                                  | 38.8                             | 23  |
| 24          | Rocky Mount, N.C.    | 26             | 22    | 3       | 2     | 85,650           | 75,115       | 3,060        | 11,200       | 2,395                                   | 2.8                              | 24  |
| 25          | Salisbury, N. C....  | 4              | 7     | 2       | 8     | 9,700            | 8,950        | 1,050        | 5,450        | 3,650                                   | 25.3                             | 25  |
| 26          | Wilmington, N. C.    | 15             | 9     | 11      | 9     | 36,600           | 42,200       | 16,200       | 19,800       | 9,200                                   | 14.8                             | 26  |
| 27          | Winston-Salem, N. C. | 23             | 67    | 106     | 110   | 677,234          | 337,940      | 34,041       | 50,850       | 322,485                                 | 82.9                             | 27  |
| 28          | Charleston, S. C.... | 33             | 11    | 38      | 31    | 93,905           | 17,105       | 5,133        | 9,690        | 72,243                                  | 269.6                            | 28  |
| 29          | Columbia, S. C.....  | 16             | 26    | 43      | 57    | 49,200           | 119,900      | 13,370       | 16,940       | 74,270                                  | 54.3                             | 29  |
| 30          | Greenville, S. C.... | 23             | 30    | 36      | 37    | 78,400           | 159,800      | 33,630       | 16,131       | 63,901                                  | 36.3                             | 30  |
| 31          | Rock Hill, S. C....  | 10             | 11    | 14      | 20    | 19,525           | 141,300      | 14,695       | 3,900        | 110,980                                 | 76.4                             | 31  |
| 32          | Spartanburg, S. C.   | 24             | 18    | 24      | 38    | 101,669          | 136,420      | 5,775        | 10,090       | 39,066                                  | 26.7                             | 32  |
| 33          | Washington, D. C.    | 174            | 195   | 398     | 453   | 1,897,670        | 2,062,525    | 375,210      | 339,905      | 129,550                                 | 5.4                              | 33  |
| Totals..... |                      | 1,449          | 1,451 | 2,414   | 2,256 | \$ 8,252,372     | \$ 7,650,412 | \$ 1,795,832 | \$ 2,061,607 | \$ 336,185                              | 3.5%                             |     |

— Denotes decrease.

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 inspectors in thirty-three Fifth district cities issued 1,449 permits for new construction work in August 1929, a decrease of 2 under 1,451 permits issued in August 1928. However, estimated valuation figures for new work totaled \$8,252,372 last month, an increase of \$601,960 over permits for \$7,650,412 in new construction in August 1928. Alteration and repair permits issued in August numbered 2,414, compared with 2,256 permits in August last year, but valuation figures for this class of work totaled only \$1,795,832 last month in comparison with \$2,061,607 in August 1928. Total valuation for all classes of permits issued in August 1929 amounted to \$10,048,204, an increase of \$336,185, or 3.5 per cent, over the total of \$9,712,019 issued in August a year ago. Only thirteen of thirty-three reporting cities showed higher figures for the 1929 month, but the district total was brought above that of August 1928 by material gains in Baltimore, Frederick, Roanoke and Winston-Salem, and smaller gains in other cities, while Richmond reported the only large decrease. A new city, Salisbury, Maryland, appears in the table this month.

Contracts awarded in August for construction work in the Fifth district, including both rural and urban projects, totaled \$29,414,061, compared with \$30,171,855 awarded in August 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in August this year, \$14,329,776 was for residential work, a larger percentage of the total than in August 1928.

**COTTON.** Spot cotton prices fluctuated through a range of 1 cent per pound between the middle of August and the middle of September, on the latter date being slightly more than half a cent a pound higher than a month earlier. From an average of 17.44 cents per pound for upland cotton, middling basis, paid on ten Southern markets on August 16th, the price rose to 18.44 cents on August 30th, but then declined to 18.30 cents on September 6th and further to 18.15 cents on September 13th, the latest date for which official figures are available.

The second cotton condition report of the year, issued by the Department of Agriculture on September 9th, estimated probable production in 1929 at 14,825,000 bales, based on the September 1st condition of 55.4 per cent of a normal on 46,594,000 acres remaining in cultivation. This figure compares with a forecast on August 1st of 15,543,000 bales and a crop in 1928 of 14,478,000 bales. The report estimated Virginia's 1929 crop at 48,000 bales, compared with 46,000 bales forecast on August 1st and final ginnings of 44,000 bales in 1928. North Carolina's probable production was given as 942,000 bales, compared with 787,000 bales forecast on August 1, 1929, and 836,000 bales grown last year. South Carolina's September 1st estimate of 1,014,000 bales compares with the August 1st forecast of 909,000 bales and a 1928 crop of 726,000 bales. The Department of Agriculture's report, while lowering the forecast of National production, raised the figures for the Fifth district states to a total of 2,004,000 bales, an increase of 262,000 bales over the August 1st forecast and 398,000 bales above final production in 1928.

Cotton consumption in American mills in August showed a seasonal increase over July consumption, and was also above that of August 1928. The Bureau of the Census reported 558,113 bales of lint consumed last month, compared with 546,457 bales used in July this year and 526,340 bales consumed in August 1928. Cotton on hand at manufacturing establishments on August 31st this year totaled 802,200 bales, compared with 1,051,535 bales held on July 31st this year and 781,470 bales held on August 31st last year. Bales in public storage numbered 1,387,187 at the end of August, 986,439 bales at the end of July, and 1,141,283 bales on August 31, 1928. Exports of cotton totaled 226,018 bales in August, compared with 252,627 bales sent abroad in August last year, and imports last month totaled 24,793 bales, compared with 25,258 bales imported in August 1928. Consumption of cotton in the growing states totaled 428,382 bales in August, compared with 403,431 bales used in August last year. Last month's consumption in the cotton growing states amounted to 76.76 per cent of National consumption, compared with 76.65 per cent of National consumption reported for the cotton growing states in August last year.

The Bureau of the Census ginning report, issued on September 9th and including ginnings to September 1st, indicates that this year's crop is earlier than the 1928 crop. Ginnings this year prior to September 1st totaled 1,570,930 bales, compared with 956,577 bales ginned before the corresponding date last year. In the Fifth district, 11,379 bales were ginned in August this year, all in South Carolina, compared with only 3,193 bales ginned in the district during the same period last year.

**TOBACCO.** **South Carolina** tobacco markets opened late in July, and by August 31st had sold 58,588,509 pounds of producers' tobacco for a total of \$9,122,735, an average of \$16.47 per hundred pounds. Last year 51,107,075 pounds were sold prior to September 1st, for \$6,687,540, or an average of \$13.20 per hundred pounds. In August 1929 sales, Mullins led with 14,557,208 pounds, Lake City with 9,886,964 pounds ranking second and Timmons ville with 5,969,857 pounds ranking third. South Carolina's production of tobacco is forecast at 90,573,000 pounds, compared with 82,288,000 pounds grown in 1928 and a five-year average of 64,904,000 pounds. **North Carolina** markets in the South Carolina Belt, which opened at the end of July, sold 29,197,856 pounds of growers' tobacco to September 1st, compared with 23,090,202 pounds sold to the same date in 1928. The average price in August this year was \$17.55 per hundred pounds, compared with \$14.42 per hundred in August a year ago, but early in September the price paid this year declined to the lowest average in 14 years, according to the report of the Agricultural Statistician for North Carolina. The tobacco this year is of better color but is light in weight, and this year's probable production of 481,572,000 pounds is less than 499,608,000 pounds grown in North Carolina in 1928. **Virginia** auction markets open early in October, and the state is expected to grow 125,280,000 pounds this year, compared with 104,894,000 pounds grown in 1928. **West Virginia** expects a yield of 7,632,000 pounds of tobacco in 1929, in comparison with 5,100,000 pounds in 1928 and a five-year average production of 6,581,000 pounds.

**AGRICULTURAL NOTES.** **Maryland** agricultural prospects changed relatively little in August, but the prolonged drought did further damage in some sections. Tomato growers have good canning crops and the green wrapped tomato industry was very successful, some high prices having been obtained. The Eastern Shore early cantaloupe crop suffered from mildew and was of poor quality, but the later crop in both western Maryland and on the Eastern Shore has a very satisfactory yield with exceptionally good quality. Fruit crops in general were adversely affected by dry weather and peaches in many sections have been badly infested with the Oriental peach moth. The dry weather reduced prospects for corn last month, especially the sweet corn yield for the canning industry.

**Virginia** crops declined during August as a result of the dry weather which prevailed over a large part of the state. Northern and Eastern counties suffered most from the lack of rain, and crop conditions in these sections were very poor on September 1st. The September 1st forecast of production was lower than a month earlier for corn, sweet potatoes, Irish potatoes, peaches and late hay crops, but cotton and apple prospects improved slightly. The condition of corn declined considerably in August, and in many sections in Northern Virginia the weather was so unfavorable that some crops are practically failures. Corn is very good in some Central counties and in most of the section south of the James River and in the Southwest. The September 1st forecast of 36,810,000 bushels compares unfavorably with 44,715,000 bushels harvested in 1928. Peanut prospects indicate about an average yield this year. The early season was too wet and in some sections there was insufficient rainfall during August. The Virginia crop is forecast at 145,120,000 pounds, compared with 138,320,000 pounds last year. Late hay crops will be much less than usual, but early hay crops were unusually good. The total production, while slightly less than last year, will be considerably above the average. Hot, dry weather has retarded the growth of late Irish potatoes and the crop is not expected to yield well. The early crop yielded better than the average, but not as well as during the past two years. Total production of both early and late potatoes is estimated to be 16,266,000 bushels, compared with 21,593,000 bushels last year. The condition of sweet potatoes declined in August, and the September forecast of 5,205,000 bushels is much less than last year's crop of 6,336,000 bushels but larger than the average production of 4,931,000 bushels for the previous five years. Oats did not turn out well, due to rust and unfavorable weather conditions. The Virginia commercial apple crop of about 3,000,000 barrels compares with 3,700,000 barrels in 1928. The size of the fruit is about average, but the quality of the fruit is not as good as last year and the percentage that will pack No. 1 grade is expected to be much lower than a year ago, when the crop packed out unusually well. Nearly all Virginia crops have matured earlier than usual and on September 1st the demand for farm labor was above normal, with workers available in most sections to meet all needs.

**North Carolina** crops are good, on the whole. The September 1st condition of corn indicates a yield of 47,235,000 bushels, a larger crop than was gathered in 1928. Hay yields have been good in most sections, and a September 1st forecast of 807,000 tons is larger than the yield for several years. The sweet potato crop of 7,792,000 bushels is below the average. Plants look good, but it is claimed that the crop was light late in August. The North Carolina peanut crop is forecast to be 233,541,000 pounds, and the forecast for Irish potatoes this year is 7,044,000 bushels.

**South Carolina** crops on September 1st were better than last year and somewhat above the ten-year average, according to the report of the United States Department of Agriculture. Corn, sweet potatoes and tobacco show increases over last year, and the cotton crop is expected to be the largest since 1920. Hay yields are considerably below those of 1928, and fruit prospects are very poor. The condition of corn on September 1st indicates a probable yield of 22,624,000 bushels, compared with 17,061,000 bushels last year. Sweet potato prospects improved in August and a crop of 4,634,000 bushels is indicated, compared with 4,214,000 bushels produced in 1928. Hay prospects declined somewhat during August and on September 1st the forecast was for a yield of 261,000 tons, compared with 376,000 tons cut in 1928. The prospects for peanuts were slightly better on September 1st than a year earlier.

**West Virginia** crop prospects decreased sharply during August, weather being cool and dry for the entire month. Corn prospects on September 1st indicated a yield of 13,926,000 bushels this year, compared with 16,524,000 bushels last year. The oat crop yielded 5,300,000 bushels, compared with 5,712,000 bushels in 1928 and a five-year average of 4,885,000 bushels. West Virginia's Irish potato yield is the lowest per acre since 1925, and total production of 5,666,000 bushels compares unfavorably with 7,500,000 bushels last year, but is better than the five-year average of 5,020,000 bushels. The dry weather affected sweet potatoes comparatively little, and a yield of 219,000 bushels is higher than 204,000 bushels last year. Most of the hay crops were made before the damage from dry weather became serious and good yields were reported. A crop of 1,131,000 tons is slightly below 1,182,000 tons cured in 1928 but is better than the five-year average production of 1,080,000 tons. The apple crop appears to be only two-thirds as large as last year's crop, 5,700,000 bushels this year comparing with 8,750,000 bushels in 1928.

## FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty Representative Department Stores for the Month of August 1929

| Percentage increase in August 1929 sales, compared with sales in August 1928:                                   | <i>Baltimore</i> | <i>Washington</i> | <i>Other Cities</i> | <i>District</i> |
|---|------------------|-------------------|---------------------|-----------------|
|   | 4.7              | 4.4               | 2.2                 | 4.1             |
| Percentage increase in total sales since January 1st, over sales during the first eight months of 1928:         | 2.6              | 4.3               | .5                  | 2.8             |
| Percentage increase in August 1929 sales over average August sales during the three years 1923-1925, inclusive: | 14.2             | 30.1              | 8.4                 | 18.8            |
| Percentage increase in stock on hand August 31, 1929, over stock on August 31, 1928:                            | — 7.4            | 2.6               | — 5.3               | — 3.3           |
| Percentage increase in stock on hand August 31, 1929, over stock on July 31, 1929:                              | — .9             | 2.0               | 2.5                 | 1.0             |
| Percentage of sales in August 1929 to average stock carried during that month:                                  | 24.3             | 24.9              | 20.5                | 23.7            |
| Percentage of total sales since January 1st to average stock carried during each of the eight elapsed months:   | 210.9            | 221.4             | 170.2               | 206.6           |
| Percentage of collections in August 1929 to total accounts receivable on August 1st:                            | 22.0             | 27.5              | 28.1                | 24.5            |

— Denotes decreased percentage.

Retail trade in the Fifth Federal reserve district in August showed slightly more than the usual seasonal increase over July trade, and in addition averaged 4.1 per cent above the business done in August last year, according to reports from thirty leading department stores in the district. Total sales this year, through August 31st, were 2.8 per cent above total sales from January 1st through August a year ago, and August 1929 sales were 18.8 per cent greater than average August sales in the three years 1923-1925, inclusive.

Stock on the shelves of the thirty reporting stores increased 1.0 per cent during August, but on August 31st was 3.3 per cent less in retail selling value than stock on hand on August 31, 1928. The percentage of sales to average stock carried during August was 23.7 per cent, and the percentage of total sales since January 1, 1929, to average stock carried during each of the eight elapsed months was 206.6 per cent, indicating an annual turnover of 3.099 times. The rate of turnover during the first eight months of 1928 was 2.978 times.

Collections during August in twenty-nine of the thirty reporting stores averaged 24.8 per cent of receivables outstanding on August 1st, a slightly higher figure than 24.5 per cent collected in August a year ago. Baltimore and the Other Cities reported slightly better collections this year, but Washington showed a decline from 28.5 per cent last year to 27.5 per cent this year.

## WHOLESALE TRADE, AUGUST 1929

| Percentage increase in August 1929 sales, compared with sales in August 1928:                                 | <i>29 Groceries</i> | <i>10 Dry Goods</i> | <i>5 Shoes</i> | <i>14 Hardware</i> | <i>12 Drugs</i> |
|---|---------------------|---------------------|----------------|--------------------|-----------------|
|   | .8                  | — 7.4               | — 6.2          | 3.5                | .9              |
| Percentage increase in August 1929 sales, compared with sales in July 1929:                                   | 3.9                 | 63.3                | 48.4           | 10.0               | 5.6             |
| Percentage increase in total sales since Jan. 1, 1929, compared with sales in the first eight months of 1928: | — 3.0               | — 7.4               | — 5.5          | — 2.8              | .8              |
| Percentage increase in stock on August 31, 1929, compared with stock on August 31, 1928:                      | 2.2 (11*)           | — 17.0 (4*)         | — 14.3 (4*)    | — 1.0 (7*)         | .....           |
| Percentage increase in stock on August 31, 1929, compared with stock on July 31, 1929:                        | 6.3 (11*)           | — 8.7 (4*)          | — 4.3 (4*)     | — .5 (7*)          | .....           |
| Percentage of collections in August to total accounts receivable on August 1, 1929:                           | 61.9 (18*)          | 35.3 (7*)           | 21.2 (5*)      | 33.1 (11*)         | 60.6 (9*)       |

— Denotes decreased percentage.

\* Number of reporting firms.

There was a seasonal increase in wholesale trade in August in the Fifth reserve district, sales in groceries, dry goods, shoes, hardware and drugs all being larger than sales in July, with especially large gains in dry goods and shoes. In comparison with sales in August 1928, however, sales in groceries, dry goods and shoes were less last month, but hardware and drug sales increased during the year. In cumulative sales from January 1st through August, drugs showed the only increase over corresponding 1928 figures, the other four lines for which information is available reporting lower 1929 figures.

Stock on hand at the end of August 1929 was lower than stock on hand on either July 31, 1929, or August 31, 1928, in dry goods, shoes and hardware, but grocery stocks at the end of August were

larger than stocks at the end of the preceding month and on August 31, 1928.

Collections in dry goods, hardware and drugs were better in August this year than collections in August 1928, but grocery and shoe collections were slightly slower during the 1929 month.

(Compiled September 20, 1929)

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## BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Production in basic industries increased somewhat in August as compared with July, but the increase was less than is usual at this season, with the consequence that the Board's index of industrial production, which makes allowance for usual seasonal changes, showed a decline. Wholesale prices declined slightly. Credit extended by member banks increased between the middle of August and the middle of September, reflecting chiefly a growth in commercial loans.

**PRODUCTION.** During the month of August there was a reduction in the output of iron and steel and copper, and a slight decline in the production of automobiles. Meat-packing establishments were also somewhat less active during the month, while seasonal increases were reported in the production of textiles and shoes, coal and cement, flour and sugar, and petroleum output continued to expand. A slight increase in the number of workers employed in factories was accompanied by a substantial increase in payrolls. This increase was especially notable in industries manufacturing products for the Autumn retail trade, such as clothing and furniture. For the first two weeks of September reports indicate further decline in steel operations, reduction in lumber output resulting in part from the Labor Day holiday, and a continued seasonal rise in coal production. In the construction industry contracts awarded in August were 25 per cent less than in July, reflecting a sharp decline in the residential group as well as in contracts for public works and utilities which were unusually large in July. As compared with last year, contracts were 5 per cent lower in August, but in the first two weeks of September they were in approximately the same volume as in 1928. The September report of the Department of Agriculture indicates a corn crop of 2,456,000,000 bushels, 13 per cent less than in 1928 and 11 per cent under the five-year average. The estimated wheat crop of 786,000,000 bushels is substantially below last year, but only slightly less than the five-year average. Cotton production, estimated on August 1st at 15,543,000 bales, is now expected to total 14,825,000 bales, slightly above last year.

**DISTRIBUTION.** Freight car loadings increased seasonally in August, as a consequence of larger shipments of all classes of freight except grains, which moved in smaller volume than in July, when shipments of wheat were unusually large. In comparison with 1928, total car loadings showed an increase of 5 per cent. Sales of department stores in leading cities were larger than in July and about 5 per cent above the total of August 1928.

**PRICES.** Wholesale prices showed a slight downward movement in August, according to the index of the United States Bureau of Labor Statistics. This reflected chiefly declines in the prices of farm products, especially grains and flour, and livestock and meats. Woolens and worsteds also decreased in price, while silk and rayon materials were higher. There were declines in prices of iron and steel and automobiles, and further decreases in prices of petroleum and its products, especially gasoline. Coal prices advanced during the month. In the middle of September the prices of grains, beef, raw sugar, silk and coal were higher than at the end of August, while prices of hogs, pork and cotton were somewhat lower.

**BANK CREDIT.** Between the middle of August and the middle of September, there was a further rapid increase in loans for commercial and agricultural purposes at member banks in leading cities. Security loans also increased, while investments continued to decline. During the first half of September the volume of reserve bank credit outstanding was about \$120,000,000 larger than in the middle of the year. The increase was for the most part in the reserve banks' acceptance holdings and reflected chiefly growth in the demand for currency, partly seasonal in character. Discounts for member banks, following the increase over the holiday period early in September, declined at the time of the Treasury financial operations around the middle of the month, and on September 18th were at a lower level than at any time since last June. Open market rates on prime commercial paper increased from a range of 6-6 $\frac{1}{4}$  per cent to a prevailing level of 6 $\frac{1}{4}$  per cent during the first week in September, while acceptance rates remained unchanged.