

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

APRIL 30, 1927

**DISTRICT SUMMARY.** It is difficult to compare the aggregate volume of business done in March with that of March 1926, some barometers of trade showing less and others more activity than a year ago. The greatest decline was in construction work. Building permits issued in March totaled 46.3 per cent less in valuation than permits issued in March 1926, last month being the sixth consecutive month in which the work provided for fell below that of the corresponding month of the preceding year. Retail trade in March, as reflected by department store sales, was approximately 8 per cent below March 1926 trade, and the volume of sales during the first quarter of 1927 was nearly 4 per cent below aggregate sales during the first quarter of 1926. Wholesale trade was not more than fair last month. Labor is not so well employed as in April 1926, except in the textile and coal mining industries. Fertilizer sales are lower than a year ago. Business failures have recently been more numerous and liabilities have been higher than those of the early months last year. Finally, many bank failures during the past winter in the district tied up deposits and left many communities without adequate credit facilities for this year's agricultural operations.

In spite of the evidences of weakness in the present situation, however, favorable factors are not lacking. Member banks in the fifth district are rediscounting only about half as much with the reserve bank as in April 1926, yet debits to individual accounts in clearing house banks during the five weeks ended April 13th slightly exceeded debits in the corresponding five weeks last year, and both time and demand deposits in member banks are considerably higher than a year ago. Coal production in West Virginia is benefiting from the suspension of operations in union fields. The textile industry is operating full time, as is indicated by record cotton consumption figures for March. Finally, the weather this Spring has been favorable on the whole for agricultural work, and at the present time prospects for good crops are apparently better than they were in April 1926.

**RESERVE BANK OPERATIONS**—Changes in the statement of condition of the Federal Reserve Bank of Richmond between March 15th and April 15th, both this year, were seasonal, and showed some expansion in credit needs as crop planting began. The increase in credit demand was moderate, rediscounts for member banks held by the Richmond reserve bank rising from \$20,313,000 on March 15th to \$22,973,000 on April 15th, an increase of only \$2,660,000. During the same period the member banks reduced their reserve deposits at the reserve bank from \$68,920,000 to \$66,542,000, a decrease of \$2,378,000. Total bill holdings of the Federal Reserve Bank of Richmond rose during the month under review from \$30,015,000 to \$33,395,000. The volume of Federal reserve notes in actual circulation declined from \$72,542,000 at the middle of March to \$69,917,000 at the middle of April, a seasonal drop at this time of the year when book credit rather than cash is needed for fertilizer purchasing and other agricultural purposes. The changes in the statement caused a decline in the total cash reserves of the Federal Reserve Bank of Richmond from \$111,173,000 on March 15th to \$108,536,000 on April 15th, and reduced the ratio of cash reserves to note and deposit liabilities combined from 77.99 per cent to 75.02 per cent.

Comparing the latest available condition figures for this year with those of a year ago, a marked decline in the demand for reserve bank credit is noted, rediscounts for member banks having dropped from \$45,673,000 on April 15, 1926, to \$22,973,000 on April 15, 1927. The volume of Federal reserve notes in actual circulation also declined during the year, falling from \$74,118,000 outstanding on April 15th last year to \$69,917,000 on April 15th this year. Member banks increased their reserve deposits from \$64,804,000 last year to \$66,542,000 this year. Total bill holdings of the Federal Reserve Bank of Richmond declined between the dates compared from \$56,211,000 to \$33,395,000, decreasing in approximately the same proportion that member banks reduced their borrowing. As a result of the marked decrease in credit demands this year, the cash reserves of the Richmond bank on April 15, 1927, totaled \$108,536,000 in comparison with \$84,630,000 on the corresponding date a year ago, and the ratio of cash reserves to note and deposit liabilities combined was 75.02 per cent on the 1927 date in comparison with 58.65 per cent a year earlier.

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

| ITEMS  | April 13, 1927 | March 9, 1927  | April 14, 1926 |
|--|----------------|----------------|----------------|
| 1. Total Loans and Discounts (including all rediscounts) ..... | \$ 520,300,000 | \$ 516,929,000 | \$ 519,859,000 |
| 2. Total Investments in Bonds and Securities .....             | 142,674,000    | 140,599,000    | 131,220,000    |
| 3. Reserve Balance with Federal Reserve Bank .....             | 40,470,000     | 41,847,000     | 39,638,000     |
| 4. Cash in Vaults.....   | 14,143,000     | 13,839,000     | 13,898,000     |
| 5. Demand Deposits .....                                       | 381,082,000    | 379,938,000    | 365,947,000    |
| 6. Time Deposits .....   | 217,321,000    | 214,489,000    | 206,946,000    |
| 7. Borrowed from Federal Reserve Bank....                      | 7,278,000      | 10,844,000     | 19,270,000     |

The figures in the accompanying table show totals of the principal items of condition reported by 67 member banks in 13 of the leading cities of the Fifth reserve district. Figures are shown for three dates, April 13th and March 9th this year, and April 14th last year, thus affording an opportunity for comparison of the latest available figures with those of the preceding month and the preceding year.

An examination of the April 13, 1927, figures in contrast with those of the preceding month this year shows a seasonal increase in loans to customers amounting to \$3,371,000 during the month. At the same time the reporting banks increased their investments in bonds and securities by \$2,075,000, raised their cash in vaults by \$304,000, and reduced their borrowing at the Federal reserve bank by \$3,566,000. During the month the aggregate reserve balance of the reporting banks at the Federal Reserve Bank of Richmond declined \$1,377,000. Demand deposits rose \$1,144,000 and time deposits increased \$2,832,000 during the month under review.

During the year between April 14, 1926, and April 13, 1927, loans to customers by the 67 reporting banks changed very little, increasing by only \$441,000, while deposits rose \$25,510,000 in the same period. Demand deposits rose \$15,135,000 during the year, and time deposits rose \$10,375,000. With these increased deposits available for use, the reporting banks increased their investments in bonds and securities by \$11,354,000, their reserve balances at the reserve bank by \$832,000, and their cash in vaults by \$245,000. At the same time they reduced their borrowing at the Federal reserve bank by \$11,992,000.

### DEBITS TO INDIVIDUAL ACCOUNTS

| CITIES                    | TOTAL DEBITS DURING THE FIVE WEEKS ENDED |                        |                        |
|---------------------------|--|------------------------|------------------------|
|                           | April 13, 1927                           | March 9, 1927          | April 14, 1926         |
| Asheville, N. C.....      | \$ 45,443,000                            | \$ 42,165,000          | \$ 47,104,000          |
| Baltimore, Md. ....       | 476,313,000                              | 456,406,000            | 501,203,000            |
| Charleston, S. C. ....    | 33,436,000                               | 33,767,000             | 32,315,000             |
| Charleston, W. Va. ....   | 44,291,000                               | 40,069,000             | 43,319,000             |
| Charlotte, N. C. ....     | 63,928,000                               | 58,524,000             | 61,148,000             |
| Columbia, S. C. ....      | 28,561,000                               | 25,942,000             | 23,703,000             |
| Cumberland, Md. ....      | 10,275,000                               | 9,831,000              | 10,492,000             |
| Danville, Va. ....        | 10,580,000                               | 12,125,000             | 9,523,000              |
| Durham, N. C. ....        | 32,507,000                               | 29,657,000             | 29,241,000             |
| Greensboro, N. C. ....    | 27,879,000                               | 28,525,000             | 28,321,000             |
| Greenville, S. C. ....    | 26,559,000                               | 26,094,000             | 29,492,000             |
| Hagerstown, Md. ....      | 13,527,000                               | 11,597,000             | 13,229,000             |
| Huntington, W. Va. ....   | 28,801,000                               | 28,091,000             | 29,544,000             |
| Lynchburg, Va. ....       | 21,902,000                               | 22,092,000             | 24,574,000             |
| Newport News, Va. ....    | 12,233,000                               | 11,908,000             | 11,402,000             |
| Norfolk, Va. ....         | 81,448,000                               | 86,728,000             | 86,866,000             |
| Raleigh, N. C. ....       | 24,963,000                               | 25,268,000             | 19,496,000             |
| Richmond, Va. ....        | 151,510,000                              | 151,136,000            | 152,144,000            |
| Roanoke, Va. ....         | 33,466,000                               | 32,077,000             | 31,107,000             |
| Spartanburg, S. C. ....   | 18,763,000                               | 14,891,000             | 18,439,000             |
| Washington, D. C. ....    | 301,054,000                              | 269,608,000            | 284,549,000            |
| Wilmington, N. C. ....    | 24,189,000                               | 21,880,000             | 27,258,000             |
| Winston-Salem, N. C. .... | 55,315,000                               | 43,289,000             | 45,977,000             |
| <b>Totals .....</b>       | <b>\$1,566,943,000</b>                   | <b>\$1,481,670,000</b> | <b>\$1,560,446,000</b> |

One of the best business barometers is the total of all checks drawn against depositors' accounts in clearing house banks in the leading cities of the district, regardless of whether or not the checks pass through the clearing houses. The accompanying table shows aggregate debits to individual, firm and corporation accounts in twenty-three leading cities of the fifth reserve district for three equal

periods of five weeks, ended April 13, 1927, March 9, 1927, and April 14, 1926.

Debits during the five weeks ended April 13th this year amounted to \$1,566,943,000, in comparison with a total of \$1,481,670,000 reported for the preceding five weeks ended March 9th, an increase of \$85,273,000, or 5.8 per cent. An increase during the later period is seasonal, since the March 15th income tax payment and April 1st quarterly settlements occurred during those five weeks. Seventeen of the twenty-three cities reported higher figures during the April 13th period.

In spite of the generally lower price level prevailing this year in comparison with April 1926, aggregate debits during the five weeks ended April 13, 1927, amounting to \$1,566,943,000, exceeded the total (\$1,560,446,000) reported by the same cities for the corresponding period ended April 14, 1926, by \$6,497,000, or four-tenths of 1 per cent. Thirteen cities reported higher figures and ten reported lower figures for the 1927 period, the increases and decreases being evenly distributed throughout the district.

**SAVING DEPOSITS**—Total deposits in thirteen mutual savings banks in Baltimore amounted to \$163,378,458 at the close of business March 31, 1927, in comparison with deposits aggregating \$161,981,216 on February 28th this year and \$154,032,967 on March 31st last year. At the close of business April 13th this year, sixty-seven regularly reporting member banks, located in thirteen leading cities of the fifth reserve district, had time deposits aggregating \$217,321,000, compared with \$214,489,000 on March 9th this year and \$206,946,000 on April 14, 1926.

**BUSINESS FAILURES**—Business failures in the United States in March numbered 2,143, compared with 2,035 insolvencies in February this year and 1,984 in March 1926. Some increase over the February figure was natural on account of the larger number of business days in March, but the increase over the March 1926 figure indicates a real increase in defaults. The liability figures are even more unfavorable, those for March totaling \$57,890,905, compared with \$46,940,716 in February 1927 and only \$30,622,547 in March 1926. Last month's liabilities were the largest for a single month since March 1924. At \$156,121,853, the total indebtedness for the first quarter of the present year is materially in excess of the \$108,450,339 of the corresponding period of 1926; it is larger, in fact, than the amount for the first quarter of all years excepting 1924, 1922 and 1921.

Failures in the fifth district in March numbered 147, with liabilities aggregating \$3,585,847, compared with 156 failures and liabilities totaling \$4,248,597 in February this year and 124 failures and liabilities of \$2,004,057 in March last year. On the whole, the district record for March compares favorably with the national record, especially in comparison with the February figures.

**LABOR**—Labor conditions have improved somewhat since the middle of March, as a result of the beginning of spring activities in construction work and the greater need for farm help. The weather has been favorable for outdoor work in most sections, and prospects for future employment appear reasonably good. The closing of bituminous coal mines in union fields on April 1st is keeping the demand for coal unseasonably high in the non-union fields of the fifth district, and is therefore giving the miners more work than they usually have at this time of a year, when demand for coal for heating purposes has practically ceased. Textile mills are running full time, and tobacco factories are using their normal number of workers. A very large hydro-electric development and some railroad building in the lower section of the district, increased road construction in several states, and a large volume of work at the shipyard in Newport News will require the labor of many workers. City construction work is being undertaken in smaller volume than a year or two ago, but there is still a large amount of work under way to give employment to workmen in the building trades. On the whole, the surplus of labor does not appear to be unusually large, and is probably confined chiefly to the floaters and the less efficient workers.

**COAL**—Production of bituminous coal in March totaled approximately 60,181,000 net tons, a gain of 7,277,000 tons over the production of February and an increase of 14,044,000 tons over the production of March 1926. Mining was stimulated by prospects of a suspension of operations in many union fields, and the seasonal decrease in production which normally occurs in March did not develop. The suspension of operations in leading union fields began as expected on April 1st, and production during the week ended April 9th totaled 8,258,000 net tons in comparison with a total of 13,373,000 tons dug during the week ended March 26th, indicating a tie-up of about 38 per cent as a result of the suspension. Coal in storage on April 1st was the largest amount on record for that date, according to the Bureau of Mines, Department of Commerce, and with non-union fields working full time the public has taken very little interest in the suspension of operations in the union fields. Bituminous coal mined during the coal year ended March 31st this year amounted to approximately 601,881,000 net tons, compared with 538,603,000 tons mined during the preceding year, ended March 31, 1926. The past year was relatively favorable for the coal industry, on account of large domestic demand as a result of industrial activity and the exceptional demand for export coal while the British coal strike was under way last summer and fall. At retail, coal prices were reduced on April 1st, and yards had sufficient coal on hand to fill all orders.

**TEXTILES**—All reports indicate a gradual improvement in conditions in the textile industry in the fifth reserve district. Mills are running full time, and new mills and additions to existing mills continue to be started. A report from a large firm dealing in cotton mill machinery and supplies says that business since January 1st has been exceptionally good. Cotton consumption in the district in March totaled 287,436 bales, breaking all former records for a single month. Of this number of bales consumed last month, North Carolina mills used 156,414 bales, South Carolina mills 118,782 bales, and Virginia mills 12,440 bales. Consumption of cotton in the district last month amounted to 41.4 per cent of National consumption, a slightly smaller percentage than that consumed in February this year (42.6 per cent), but larger than the percentage (40.1 per cent) used in the fifth district in March 1926.

**BUILDING OPERATIONS FOR THE MONTHS OF MARCH 1927 AND 1926.**

| No. | CITIES                | Permits Issued |              |              |              | New Construction    |                     | Alterations        |                    | Increase or Decrease of Total Valuation | Per Cent of Increase or Decrease | No. |
|-----|-----------------------|----------------|--------------|--------------|--------------|---------------------|---------------------|--------------------|--------------------|---|----------------------------------|-----|
|     |                       | New            |              | Repairs      |              | 1927                | 1926                | 1927               | 1926               |   |                                  |     |
|     |                       | 1927           | 1926         | 1927         | 1926         |                     |                     |                    |                    |   |                                  |     |
| 1   | Baltimore, Md.....    | 548            | 580          | 1,346        | 1,071        | \$ 2,572,800        | \$ 6,276,480        | \$ 222,172         | \$ 936,720         | \$-4,418,228                            | - 61.3%                          | 1   |
| 2   | Cumberland, Md...     | 29             | 23           | 9            | 8            | 76,286              | 18,341              | 8,640              | 1,530              | 65,055                                  | 327.4                            | 2   |
| 3   | Frederick, Md.....    | 16             | 10           | 1            | 7            | 232,715             | 23,250              | 2,500              | 7,772              | 204,193                                 | 658.2                            | 3   |
| 4   | Hagerstown, Md...     | 42             | 29           | 11           | 9            | 51,770              | 22,530              | 16,850             | 4,395              | 41,695                                  | 154.9                            | 4   |
| 5   | Danville Va.....      | 16             | 11           | 11           | 20           | 81,475              | 53,045              | 6,762              | 17,277             | 17,915                                  | 25.5                             | 5   |
| 6   | Lynchburg, Va.....    | 26             | 28           | 39           | 34           | 129,676             | 88,186              | 53,508             | 29,651             | 65,347                                  | 55.5                             | 6   |
| 7   | Norfolk, Va.....      | 87             | 68           | 82           | 80           | 177,529             | 185,339             | 64,987             | 37,182             | 19,995                                  | 9.0                              | 7   |
| 8   | Petersburg, Va....    | 8              | 7            | 4            | 11           | 23,860              | 40,950              | 705                | 6,450              | — 22,835                                | - 48.2                           | 8   |
| 9   | Richmond, Va.....     | 102            | 126          | 81           | 67           | 509,570             | 886,904             | 91,076             | 173,266            | — 459,524                               | - 43.3                           | 9   |
| 10  | Roanoke, Va.....      | 91             | 109          | 36           | 55           | 278,775             | 271,125             | 14,755             | 24,580             | — 2,175                                 | - .7                             | 10  |
| 11  | Bluefield, W. Va...   | 27             | 17           | 5            | 3            | 108,475             | 70,434              | 12,300             | 850                | 49,491                                  | 69.4                             | 11  |
| 12  | Charleston, W. Va.    | 45             | 43           | 17           | 39           | 151,433             | 129,055             | 7,975              | 32,590             | — 2,237                                 | - 1.4                            | 12  |
| 13  | Clarksburg, W. Va     | 29             | 22           | 15           | 21           | 38,992              | 72,780              | 59,650             | 9,850              | 16,012                                  | 19.4                             | 13  |
| 14  | Huntington, W.Va.     | 60             | 88           | 1            | 1            | 441,230             | 210,380             | 1,500              | 75                 | 232,275                                 | 110.4                            | 14  |
| 15  | Parkersburg, W.Va     | 19             | 44           | 9            | 14           | 73,250              | 353,220             | 4,775              | 7,250              | — 282,445                               | - 78.4                           | 15  |
| 16  | Asheville, N. C. ...  | 43             | 98           | 90           | 48           | 390,389             | 661,690             | 27,868             | 60,165             | — 303,598                               | - 42.1                           | 16  |
| 17  | Charlotte, N. C. ...  | 59             | 64           | 18           | 15           | 331,165             | 1,257,125           | 33,673             | 11,650             | — 903,937                               | - 71.2                           | 17  |
| 18  | Durham, N. C. ....    | 44             | 45           | 14           | 18           | 207,000             | 119,714             | 16,115             | 13,075             | 90,326                                  | 68.0                             | 18  |
| 19  | Greensboro, N. C.     | 57             | 107          | 36           | 35           | 897,062             | 1,506,998           | 41,428             | 42,270             | — 610,778                               | - 39.4                           | 19  |
| 20  | High Point, N. C...   | 59             | 107          | 10           | 9            | 362,550             | 554,130             | 16,475             | 13,410             | — 188,515                               | - 33.2                           | 20  |
| 21  | Raleigh, N. C.....    | 30             | 45           | 17           | 14           | 183,465             | 149,287             | 11,575             | 11,350             | 34,403                                  | 21.4                             | 21  |
| 22  | Salisbury, N. C. ...  | 14             | 13           | 8            | 15           | 48,605              | 60,600              | 6,575              | 4,540              | — 9,960                                 | - 15.3                           | 22  |
| 23  | Wilmington, N. C.     | 11             | 11           | 5            | 8            | 25,400              | 33,800              | 4,800              | 19,600             | — 23,200                                | - 43.4                           | 23  |
| 24  | Winston-Salem, N. C.  | 97             | 90           | 36           | 37           | 778,635             | 1,056,800           | 29,260             | 20,055             | — 268,960                               | - 25.0                           | 24  |
| 25  | Charleston, S. C. ... | 12             | 14           | 26           | 28           | 71,510              | 14,977              | 11,615             | 8,900              | 59,248                                  | 248.1                            | 25  |
| 26  | Columbia, S. C. ...   | 13             | 7            | 43           | 45           | 48,950              | 517,826             | 17,190             | 16,926             | — 468,612                               | - 87.6                           | 26  |
| 27  | Greenville, S. C....  | 12             | 11           | 45           | 24           | 119,700             | 51,050              | 4,775              | 6,470              | 66,955                                  | 116.4                            | 27  |
| 28  | Spartanburg, S. C.    | 23             | 31           | 21           | 30           | 147,225             | 55,600              | 4,491              | 8,240              | 87,876                                  | 137.7                            | 28  |
| 29  | Washington, D. C.     | 291            | 408          | 441          | 503          | 2,967,400           | 7,228,450           | 458,475            | 316,760            | —4,119,335                              | - 54.6                           | 29  |
|     | <b>Totals.....</b>    | <b>1,910</b>   | <b>2,256</b> | <b>2,477</b> | <b>2,269</b> | <b>\$11,526,892</b> | <b>\$21,970,066</b> | <b>\$1,252,470</b> | <b>\$1,842,849</b> | <b>-\$11,033,553</b>                    | <b>- 46.3%</b>                   |     |

— 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 permit reports covering the month of March received from building inspectors in twenty-nine leading cities of the fifth reserve district show a marked decline in comparison with the permits issued in March 1926. The twenty-nine cities issued 1,910 permits for new construction in March this year, with an estimated valuation of \$11,526,892, compared with 2,256 permits and total valuation of \$21,970,066 for the same class of work in March last year. The three largest cities, Baltimore, Washington and Richmond, reported very large decreases in valuation figures, and some declines in the actual number of permits issued. Alteration and repair permits issued last month totaled 2,477, estimated to cost \$1,252,470, compared with 2,269 permits and \$1,842,849 valuation in March 1926. The aggregate value of all permits issued in March 1927 was \$12,779,362, compared with a total value of \$23,812,915 for March 1926 permits, a decline this year of \$11,033,553, or 46.3 per cent. Fourteen cities reported higher figures this year, however, while fifteen reported lower totals. Increases of more than 100 per cent were shown by Cumberland, Frederick and Hagerstown, Md., Huntington, W. Va., and Charleston, Greenville and Spartanburg, S. C., but the large percentage gains in some cases were due to small figures in March 1926 rather than to unusually large amounts of work provided for in this year's permits.

Contracts actually awarded during March for construction work in the fifth district totaled \$34,693,900, of which \$16,605,210 was for residential work, according to statistics collected by the F. W. Dodge Corporation. These figures include suburban and rural construction in addition to the city work covered by building permit figures.

**COTTON**—Spot cotton prices fluctuated around 13.50 cents per pound during the past month, varying from 13.39 cents as the average paid growers in the Carolinas during the week ended March 19th up to 13.64 cents for the week ended April 2nd and back down to an average of 13.54 cents for the week ended April 9th. These prices are nominal, as little cotton is now being sold, but they serve to show how the near future is regarded by the consumers of cotton. The figures quoted represent actual sales in Carolina markets by growers.

The final ginning report for last year, issued by the Bureau of the Census late in March, showed a 1926 cotton crop of 17,687,607 running bales ginned and still to be ginned. This is equivalent to 17,910,258 bales of 500 pounds, which is 1,806,579 bales above the crop of 1925 but is approximately 700,000 bales below the Department of Agriculture's final crop estimate, issued last December. It is quite probable that the low prices caused a considerable amount of low grade cotton to be left in the fields, thus accounting in part for the lower yield than the December forecast figure. In the cotton growing states of the fifth district, the Carolinas gathered larger crops in 1926 than in 1925, but the Virginia yield last year was smaller than that of the preceding year. North Carolina's yield last year was 1,238,180 running bales, compared with 1,147,340 bales in 1925, South Carolina's yield was 1,014,682 bales, compared with 929,040 bales the preceding year, and Virginia's yield was 51,095 bales, compared with 54,016 bales in 1925. South Carolina reached the million bale mark in 1926 for the first time since the appearance of the boll weevil in that state about ten years ago.

Cotton consumed in American mills during March 1926 reached a record figure, 694,193 bales used during that month comparing with 590,447 bales consumed during the short month of February and 635,896 bales consumed in March 1926. Total consumption for the eight months of the season to date—August 1, 1926, to March 31, 1927—amounted to 4,718,680 bales compared with 4,381,448 bales consumed during the corresponding period ended March 31, 1926. According to the Bureau of the Census report of April 15th, consuming establishments held 1,980,103 bales of cotton in their warehouses on March 31st, compared with 1,771,897 bales so held on the corresponding date a year earlier. Public warehouses and compresses held 4,491,955 bales in storage on March 31st, compared with 4,164,062 bales a year ago. Exports totaled 1,129,537 bales in March this year, compared with 519,732 bales shipped abroad during the same month of 1926, and total exports for the eight months ended March 31st amounted to 8,829,056 bales against 6,506,362 bales exported during the eight months ended March 31, 1926. Imports last month totaled 41,267 bales, compared with 45,726 bales brought in during March last year. The cotton growing states consumed 497,169 bales in March this year, or 71.6 per cent of National consumption, compared with 439,838 bales, or 69.2 per cent of National consumption, used in cotton growing states during March 1926.

**TOBACCO**—VIRGINIA tobacco sales during the month of March amounted to 8,103,729 pounds, according to warehouse reports to the Commissioner of Agriculture. All markets in the Flue-cured district closed during the month, but the Fire-cured markets will stay open until the latter part of April, although the amount of tobacco remaining in the farmers' hands is very small. Total sales for the season to April 1st amounted to 144,428,619 pounds, which is slightly greater than the estimated sales for the season. Last year the warehouse sales and receipts of the Tobacco Growers Cooperative Association amounted to 135,942,098 pounds. Sales of Flue-cured tobacco in March totaled only 463,341 pounds, but sales of 7,057,413 pounds of Fire-cured tobacco were unusually large. Sales of Sun-cured on the Richmond market totaled 582,975 pounds, and cleaned up the crop for this year. Lynchburg led all markets during the month with sales totaling 2,015,835 pounds of Fire-cured tobacco. Farmville with 1,590,448 pounds ranking second. In season sales to April 1st, Danville led all markets by a wide margin with sales totaling 44,328,490 pounds, South Boston ranked second with 18,305,639 pounds, and Lynchburg ranked third for all types and led the Fire-cured markets with sales aggregating 10,969,832 pounds. The quality of tobacco sold during March was very poor and graded 14 per cent good, 30 per cent medium, and 56 per cent common, compared with March 1926 grades of 19 per cent good, 43 per cent medium, and 38 per cent common.

NORTH CAROLINA tobacco markets have closed for the season. Producers' sales this year totaled 370,820,184 pounds, and it is officially estimated that about 12,000,000 pounds of North Carolina grown tobacco are sold outside of that state, thus making the year's yield 382,820,184 pounds as compared with 341,903,793 pounds grown in 1925 and only 231,877,358 pounds in 1924. Prices for last year's crop averaged \$25.53 per hundred pounds, an increase of 13.5 per cent over the 1925 average of \$22.50 per hundred pounds. The highest average prices were paid on the markets in the New Bright Belt, but an Old Belt market, Fuquay Springs, led the state with an average of \$28.87 per hundred pounds. Greenville, in the New Belt, ranked second in average price with \$28.24. Wilson maintained its leadership in quantity with sales amounting to 61,825,130 pounds, followed by Greenville with 44,636,306 pounds.

**AGRICULTURAL NOTES**—Spring weather has been favorable for farm work, and good progress has been made in preparing for this year's operations. Temperatures during the first half of March were mild, and a considerable amount of plowing was done. Corn and cotton planting is well

under way in the lower half of South Carolina, and spring grains have been planted in other fifth district states. Fall sown grains came through the winter safely in most localities, and prospects for grain yields are more favorable than might have been expected in view of late planting last fall. Pastures are unusually good, mild temperatures having brought out grasses early in March. Apple prospects are good, although there is still danger from late frosts. Some other fruits were considerably damaged by cold and frost which followed the mild period early in March. According to official reports, most farmers in the fifth district, especially in the cotton growing sections, are planning to increase acreages of food and feed crops, and some increase in tobacco acreage is also expected. No official information on prospective acreage to be planted to cotton is available, but our correspondents in cotton growing sections do not expect much reduction this year. Fertilizer prices are comparatively low this season, but the manufacturers and agents are pressing for cash sales and farmers appear to be planning to use a much smaller tonnage of fertilizer this year. Farmers are making a strong effort to raise this year's crop economically, and an increasing number of them are attempting to make their farms self-sustaining, thus reducing to a minimum the outlay for supplies with which to make their money crops.

### FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty-One Representative Department Stores for the Month of MARCH, 1927

| Percentage increase in March 1927 sales, over sales in March 1926:  |                 |                   |                     |                 |
|---|-----------------|-------------------|---------------------|-----------------|
| <i>Baltimore</i>  | <i>Richmond</i> | <i>Washington</i> | <i>Other Cities</i> | <i>District</i> |
| —10.8   | — .03           | — 5.7             | — 7.0               | — 7.6           |
| Percentage increase in total sales since Jan. 1st, over sales during the same three months in 1926:           |                 |                   |                     |                 |
| — 5.6   | 3.4             | — 3.0             | — 4.3               | — 3.7           |
| Percentage increase in March 1927 sales over average March sales during the three years 1923-1925, inclusive: |                 |                   |                     |                 |
| — 5.8   | 17.0            | 8.0               | 1.0                 | 1.3             |
| Percentage increase in stock on hand March 31, 1927, over stock on March 31, 1926:                            |                 |                   |                     |                 |
| — 3.8   | 1.7             | 1.4               | 4.1                 | — .6            |
| Percentage increase in stock on hand March 31, 1927, over stock on February 28, 1927:                         |                 |                   |                     |                 |
| 9.0   | 8.1             | 11.0              | 10.1                | 9.8             |
| Percentage of sales in March 1927 to average stock carried during that month:                                 |                 |                   |                     |                 |
| 26.0  | 29.2            | 26.9              | 20.9                | 26.0            |
| Percentage of total sales since Jan. 1st, to average stock carried during each of the three months:           |                 |                   |                     |                 |
| 70.7  | 76.3            | 75.5              | 59.1                | 71.6            |
| Percentage of outstanding orders on March 31st to total purchases of goods in 1926:                           |                 |                   |                     |                 |
| 5.7   | 5.0             | 4.5               | 6.1                 | 5.2             |
| Percentage of collections in March to total accounts receivable on March 1st:                                 |                 |                   |                     |                 |
| 27.3  | 26.9            | 29.9              | 32.4                | 28.5            |

— Denotes decreased percentage.

The date of Easter occurring so late this year tended to retard spring trade in retail circles, and March sales in thirty-one leading department stores in the fifth reserve district averaged 7.6 per cent below aggregate sales in March 1926. Total sales for the first quarter of this year averaged 3.7 per cent less than sales during the same period last year. March sales this year were 1.3 per cent higher than average March sales during the three years 1923-1925, inclusive, during one of which years Easter was on April 1st, which threw most of the seasonal trade for that festival into March.

Stocks of goods on the shelves of the reporting stores in Baltimore at the end of March were smaller than on March 31, 1926, but Richmond, Washington and the group of Other Cities showed higher figures this year. The district average showed a decline of six-tenths of 1 per cent. During March stocks increased seasonally, in anticipation of the increased demand just preceding Easter, and on March 31st stocks averaged 9.8 per cent above those on the shelves on February 28th.

The percentage of sales to average stocks carried during March was 26.0 per cent for the district as a whole, and the percentage of total sales during the first three months of this year to average stocks carried during each of the three months was 71.6 per cent, indicating an annual turnover of 2.86 times.

Collections by the reporting stores during March totaled 28.5 per cent of outstanding receivables as of March 1st, all cities except Richmond showing some improvement over the February percentages, but the percentages this year were lower in all cities except Baltimore than those of March, 1926.

## WHOLESALE TRADE, MARCH 1927

| Percentage increase in March 1927 sales, compared with sales in March 1926:                                      |                     |                |                    |                    |                 |
|--|---------------------|----------------|--------------------|--------------------|-----------------|
| <i>34 Groceries</i>  | <i>12 Dry Goods</i> | <i>6 Shoes</i> | <i>16 Hardware</i> | <i>5 Furniture</i> | <i>13 Drugs</i> |
| — 6.1  | 3.7                 | —14.5          | 6.6                | 16.9               | — 2.2           |
| Percentage increase in March 1927 sales, compared with sales in February 1927:                                   |                     |                |                    |                    |                 |
| 11.6   | 3.4                 | 10.1           | 14.8               | 39.3               | 16.3            |
| Percentage increase in total sales since Jan. 1, 1927, compared with sales during the same three months in 1926: |                     |                |                    |                    |                 |
| — 6.6  | — 1.8               | 3.8            | 2.5                | —15.0              | — 5.4           |
| Percentage increase in stock on March 31, 1927, compared with stock on March 31, 1926:                           |                     |                |                    |                    |                 |
| 1.4(11)  | —13.5(5)            | 36.4(4)        | — 6.3(7)           | .....              | .....           |
| Percentage increase in stock on March 31, 1927, compared with stock on February 28, 1927:                        |                     |                |                    |                    |                 |
| — .5(11)   | 5.4(5)              | 1.8(4)         | .7(8)              | .....              | .....           |
| Percentage of collections in March to accounts receivable on March 1, 1927:                                      |                     |                |                    |                    |                 |
| 67.1(21)   | 29.1(8)             | 26.8(5)        | 36.1(12)           | 39.5(3)            | 60.7(8)         |

— Denotes decreased percentage.

NOTE: The number of firms report stock and collection data in each group is shown immediately following the percentages.

Eighty-six wholesale firms, representing six leading lines of trade, sent reports to the Federal Reserve Bank of Richmond on their March business. Sales by dry goods, hardware and furniture firms exceeded sales in March 1926, but grocery, shoe and drug sales declined last month. March sales in all six lines increased seasonally over February 1927 sales, both because of increased demand as a result of spring requirements and on account of the longer month. In total sales during the first quarter of this year, sales of shoes and hardware exceeded sales by the same firms during the first quarter of 1926, but this year's sales in groceries, dry goods, furniture and drugs were lower than sales in the same lines during the first three months of last year. The decline in dry goods sales this year is probably due to lower prices on all cotton goods.

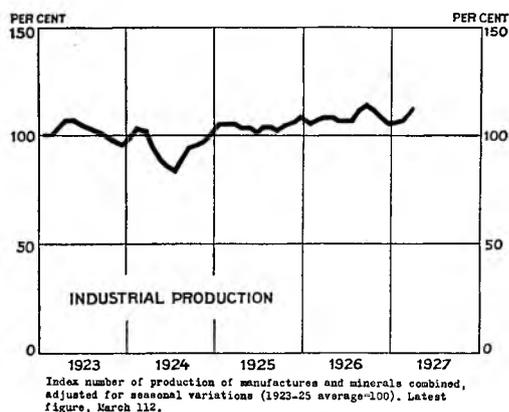
Stocks on hand in the reporting firms at the end of March 1927 were larger in groceries and shoes than on March 31, 1926, but were less in dry goods and hardware. Grocery stocks declined during March from those on hand at the end of February this year, but dry goods, shoe and hardware stocks increased somewhat during the past month.

Collections in groceries during March totaled 67.1 per cent of outstanding receivables as of March 1st. Drugs averaged 60.7 per cent of outstanding receivables collected during the month, while furniture averaged 39.5 per cent, hardware 36.1 per cent, dry goods 29.1 per cent, and shoes 26.8 per cent. These percentages are approximately the same as those of March 1926 except in groceries, which averaged 72.7 per cent last year.

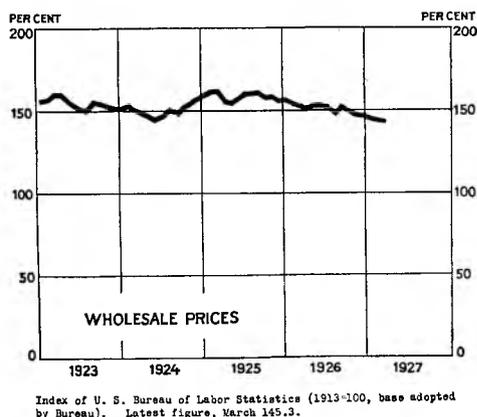
(Compiled April 20, 1927)

# BUSINESS CONDITIONS IN THE UNITED STATES.

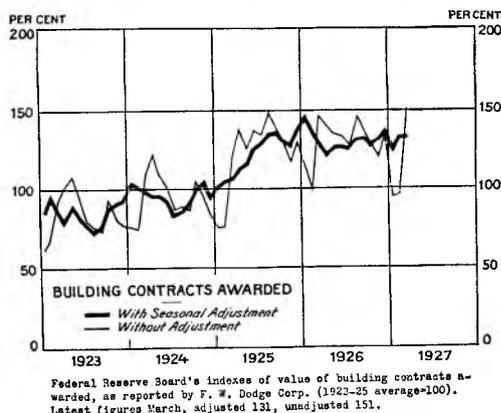
(Compiled by the Federal Reserve Board)



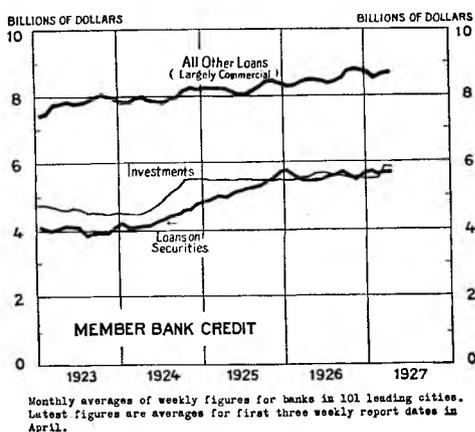
Industrial activity increased further in March and was larger than a year ago, while the general level of prices continued to decline. Distribution of commodities at wholesale and retail was somewhat smaller than a year ago.



**PRODUCTION.** Industrial production, after increasing continuously for three months, was larger in March, when allowance is made for usual seasonal changes, than in any month since last September. Output of bituminous coal, crude petroleum and steel ingots, and mill consumption of raw cotton in March were larger than in any previous month. Since April 1st, however, steel mill operations have been somewhat curtailed, and bituminous coal output has been reduced by about 40 per cent since the beginning of the miners' strike on April 1st. The consumption of silk and wool, sugar meltings, flour production, and the output of rubber tires increased in March. Production of automobiles has shown seasonal increases since the first of the year but has been in smaller volume than a year ago. The value of building contracts awarded in March was larger than at any previous time, and the production of building materials has increased considerably in recent weeks. The largest increases in contracts, as compared with last year, were in the middle western states, while the largest decreases occurred in southwestern states. In the first half of April contracts awarded were in slightly smaller volume than in the same period of last year.



**TRADE.** Sales of department stores increased less than usual in March and were slightly smaller than last year, owing in part to the lateness of Easter. Sales of mail order houses and chain stores, however, were somewhat larger than a year ago. Inventories of department stores increased slightly more than is usual in March in anticipation of the expansion in retail trade before the Easter holidays, and at the end of the month they were in about the same volume as a year ago. Wholesale trade in March continued slightly smaller than in the corresponding period a year ago. Stocks of merchandise carried by wholesale firms were seasonally larger at the end of March than in February, but in most lines continued smaller than last year. Freight car loadings, which showed seasonal increases in March, declined in the first ten days of April, owing to the smaller shipments of coal, but continued larger than in the corresponding period of the previous year. Loadings of miscellaneous freight and of merchandise in less-than-car-load lots were in larger volume.



**PRICES.** The general level of wholesale commodity prices declined further in March, reflecting decreases in most of the important groups of commodities. Prices of non-agricultural commodities as a group declined to the lowest level since the war, while the average for agricultural products, which advanced somewhat from November to February, remained practically unchanged in March. During the first half of April, prices of winter wheat, sugar, cotton, silk, bituminous coal and hides advanced, while those of hogs, crude petroleum, gasoline and non-ferrous metals declined.

**BANK CREDIT.** There was some decline in the volume of loans for commercial purposes and in loans on securities at member banks in leading cities between the middle of March and the middle of April. Member bank holdings of United States securities, which had increased considerably in the middle of March in connection with the operations of the Treasury, have declined by more than \$100,000,000 since that time, but are still about \$200,000,000 larger than in the early months of the year. At the Reserve banks total bills and securities, which have fluctuated near the \$1,000,000,000 level since the end of January, showed little change during the six weeks ending April 20th. Discounts for member banks were in about the same volume on that date as on March 9th, while acceptances showed a decrease and holdings of United States securities a slight increase. During the first three weeks of April quoted rates on prime commercial paper and on acceptances were the same as in the latter part of March, while call money averaged somewhat higher.