

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

OCTOBER 31, 1927

DISTRICT SUMMARY.—September trade in the Fifth reserve district, while perhaps somewhat less in volume than in September last year, was probably up to the average for several seasons. A marked decrease in construction work in most sections of the district, a considerably larger amount of unemployment, and an exceedingly poor cotton crop in southern, eastern and central South Carolina are unfavorable elements in the present situation, but favorable factors outnumber the unfavorable ones. On the whole, returns from agricultural operations this year are better than those of 1926, better prices compensating for decreased yields in some crops and abundant supplies of food and feed stuffs making the farmer more nearly independent of money crops than in other recent years. An increase in the demand for reserve bank credit during September indicates that fall trade is developing normally, and higher deposits in member banks show a continuation of good aggregate purchasing power on the part of the banking public. Debits to individual accounts totals for four weeks ended October 12, 1927, exceeded totals for the preceding four weeks this year by 17 per cent and were nearly 5 per cent above the totals reported for the corresponding four weeks in 1926. Insolvencies in the Fifth district were fewer in number in September than in any other month since September last year. West Virginia mines continued to lead the United States in coal output during September. The outlook in the textile industry is better than a year ago, with forward orders much easier to obtain. Retail trade in September was seasonally in larger volume than in August, and except in Baltimore was also in larger amount than in September 1926, while wholesale trade last month was larger in four of six reporting lines than during the corresponding month last year. On the whole, the outlook for a normal volume of business during the fall and early winter seems to be better than it was at this time a year ago, when the collapse of cotton prices had unsettled the business structure of the district.

RESERVE BANK OPERATIONS.—Some further seasonal expansion in reserve bank credit occurred between September 15th and October 15th. Rediscounts for member banks at the Federal Reserve Bank of Richmond rose during the month from \$26,837,000 to \$29,176,000, and the volume of reserve notes in actual circulation increased from \$63,296,000 to \$71,151,000. Temporary investment in bills and government securities purchased from member banks and in the open market raised the total earning assets of the Richmond bank from \$71,614,000 on September 15th to \$91,732,000 on October 15th. Member bank reserve deposits declined last month, from \$75,249,000 at the middle of September to \$71,403,000 at the middle of October. The changes in the statement enumerated lowered the cash reserves of the Federal Reserve Bank of Richmond from \$82,794,000 on September 15th to \$61,794,000 on October 15th, and reduced the ratio of cash reserves to note and deposit liabilities combined from 59.42 per cent to 42.11 per cent.

On October 15, 1927, bills discounted for member banks in the Fifth district were approximately 40 per cent less than a year earlier, and the circulation of Federal reserve notes was also less on the 1927 date, but increased purchases of acceptances and government securities increased the total earning assets of the Federal Reserve Bank of Richmond by approximately 35 per cent during the year. On October 15th last year rediscounts for member banks at the Richmond bank totaled \$47,864,000, compared with \$29,176,000 this year, and the circulation of reserve notes was \$80,081,000 on October 15, 1926, compared with \$71,151,000 on October 15, 1927. On the other hand, total earning assets of the Federal Reserve Bank of Richmond rose during the year from \$68,212,000 to \$91,732,000 as a result of increases in holdings of acceptances and Government securities. Reserve deposits of member banks, which aggregated \$68,812,000 last year, totaled \$71,403,000 at the middle of October this year. The cash reserves of the Richmond bank totaled \$94,556,000 on October 15, 1926, and \$61,794,000 on the corresponding date this year, while the ratio of cash reserves to note and deposit liabilities combined declined during the year from 61.57 per cent to 42.11 per cent.

CONDITION OF SIXTY-SEVEN REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Oct. 12, 1927	Sept. 14, 1927	Oct. 13, 1926
Total Loans and Discounts (including all rediscounts)	\$ 536,452,000	\$ 528,853,000	\$ 529,272,000
Total Investments in Bonds and Securities..	170,257,000	162,765,000	139,294,000
Reserve Balance with Federal Reserve Bank	42,179,000	44,288,000	40,649,000
Cash in Vaults.....	14,244,000	13,725,000	15,020,000
Demand Deposits	395,299,000	397,788,000	388,682,000
Time Deposits	241,835,000	236,414,000	209,133,000
Borrowed from Federal Reserve Bank.....	15,664,000	9,012,000	22,698,000

The accompanying table shows the principal items of condition of sixty-seven regularly reporting member banks as of three dates, October 12, 1927, September 14, 1927, and October 13, 1926, thus affording an opportunity for comparing the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

An expansion in loans of the sixty-seven reporting banks to customers totaling \$9,599,000 occurred between September 14th and October 15th, both this year, and the banks increased their investments in bonds and securities by \$7,492,000 during the same period. A seasonal increase in the need for currency caused a rise of \$519,000 in cash in vaults, and time deposits rose \$5,421,000 during the month, but demand deposits declined \$2,489,000. These changes necessitated the acquisition of additional funds, which the reporting banks secured by reducing their reserves at the reserve bank by \$2,109,000 and increasing their rediscounts at the reserve bank by \$6,652,000.

In comparison with the items of condition reported on October 13, 1926, the figures for October 12, 1927, show an increase in loans to customers of \$7,180,000 and a gain in investments in bonds and securities of \$30,963,000 during the year. On the other hand, the reporting banks were borrowing \$7,034,000 less at the reserve bank on the 1927 date. Deposit figures show substantial gains during the year, demand deposits having risen \$6,617,000 and time deposits \$32,702,000. The increased deposits caused a rise of \$1,530,000 in reserve balances of the reporting banks at the reserve bank.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	October 12, 1927	September 14, 1927	October 13, 1926
Asheville, N. C.	\$ 36,870,000	\$ 28,469,000	\$ 31,245,000
Baltimore, Md.	407,623,000	356,764,000	376,970,000
Charleston, S. C.	29,456,000	22,979,000	27,262,000
Charleston, W. Va.	37,644,000	33,311,000	33,709,000
Charlotte, N. C.	56,596,000	46,128,000	50,521,000
Columbia, S. C.	21,451,000	20,083,000	21,732,000
Cumberland, Md.	8,482,000	8,004,000	8,326,000
Danville, Va.	9,770,000	8,840,000	9,216,000
Durham, N. C.	34,934,000	33,979,000	30,667,000
Greensboro, N. C.	24,368,000	19,311,000	23,584,000
Greenville, S. C.	26,948,000	21,665,000	21,143,000
Hagerstown, Md.	10,003,000	8,994,000	10,110,000
Huntington, W. Va.	22,376,000	20,407,000	24,408,000
Lynchburg, Va.	21,757,000	15,852,000	20,548,000
Newport News, Va.	9,246,000	8,313,000	11,022,000
Norfolk, Va.	65,351,000	56,459,000	76,350,000
Raleigh, N. C.	21,255,000	15,752,000	21,160,000
Richmond, Va.	140,814,000	129,790,000	145,336,000
Roanoke, Va.	29,398,000	25,293,000	27,370,000
Spartanburg, S. C.	14,174,000	11,232,000	13,170,000
Washington, D. C.	228,282,000	191,281,000	222,219,000
Wilmington, N. C.	20,874,000	15,242,000	22,258,000
Winston-Salem, N. C.	47,768,000	34,083,000	37,905,000
District Totals	\$ 1,325,440,000	\$ 1,132,231,000	\$ 1,266,231,000

Aggregate debits to individual, firm and corporation accounts in twenty-three leading cities in the Fifth reserve district amounted to \$1,325,440,000 during the four weeks ended October 12, 1927, an increase of 17.1 per cent over \$1,132,231,000 reported for the preceding four weeks ended September 14th. All of the twenty-three cities reported higher figures for the more recent period. The gains were seasonal, and were due to quarterly payments around October 1st, to increased marketing

of tobacco and cotton, to the growth of fall retail trade, and to the fact that the more recent period under review contained one more business day than the earlier period.

Debits totaling \$1,325,440,000 during the four weeks ended October 12, 1927, exceeded the total of \$1,266,231,000 reported for the corresponding period ended October 13, 1926, by \$59,209,000, or 4.7 per cent. Sixteen of the twenty-three cities reported higher figures this year, while seven cities reported lower totals. Among the larger centers Baltimore, Washington, Charlotte and Winston-Salem figures exceeded those of the corresponding period last year, but Richmond and Norfolk figures were lower this year.

SAVINGS DEPOSITS—Total deposits in thirteen mutual savings banks in Baltimore at the end of September this year amounted to \$169,873,170, compared with \$168,271,415 on deposit at the end of August this year and \$156,201,833 at the end of September 1926. The amount on deposit on September 30th was the highest on record. On October 12th this year, sixty-seven regularly reporting member banks in leading cities of the Fifth district had time deposits aggregating \$241,835,000, compared with \$236,414,000 on September 14th this year and \$209,133,000 on October 13th last year.

BUSINESS FAILURES—The month of September, which closed the third quarter, was marked by a further contraction in the business mortality, in keeping with the seasonal trend. That month usually has the lowest commercial death rate, and the latest returns show 1,573 failures in the United States, with liabilities of \$32,786,125. In both instances, these totals represent the minimums for the present year, and disclose a numerical decrease of 7.9 per cent from the 1,708 defaults of August and a reduction of about 16.3 per cent from the \$39,195,953 of indebtedness reported to R. G. Dun and Co. for that month. When comparison is made with the high points for this year—namely, the 2,465 insolvencies of last January and the \$57,890,905 of March—declines of fully 36 per cent in number of failures and 45 per cent in amount of liabilities are revealed. On the other hand, both the number of failures and the total of liabilities were larger in September this year than in September 1926, when there were 1,437 insolvencies with liabilities totaling \$29,898,817.

In the Fifth reserve district, September 1927 bankruptcies numbered 104, with aggregate liabilities of \$3,740,473, compared with 85 failures and liabilities totaling \$1,604,500 reported for September last year, but the number of insolvencies last month was the lowest in the district for any month since the corresponding month a year ago. September's liabilities exceeded those of August, June, March and January.

LABOR—Labor conditions continue unsatisfactory in the Fifth reserve district, but unemployment did not broaden beyond seasonal expectations during the past month. In Baltimore many workers in building and automobile trades are idle, and in Richmond the American Locomotive Company is still shut down, a number of garage men are idle, railroad shop workers are mostly on part time, and several other less important industries are either closed or running part time. In Newport News the ship yard is using only a part of its full quota of employees. The tobacco and textile industries are both operating full time, and coal mines in West Virginia are seasonally busy. There is some shortage of farm and dairy workers, and in the women's division there is a scarcity of domestic servants. It is interesting to note that practically all unemployment is among men workers, about the only idle women being among clerical and stenographic help. Recent surveys by Federal agencies appear to indicate prospects for improvement in employment conditions in the near future.

COAL—The total production of soft coal in the month of September amounted to 41,950,000 net tons, as against 41,705,000 tons in August. The average daily rate of output in September was 1,652,000 tons, an increase of 6.9 per cent over the August rate. In September 1926 production of soft coal totaled 48,976,000 net tons, only about 14 per cent more than production in September this year when output was restricted by the strike in the central competitive field. West Virginia continues a production of approximately three and a quarter million tons per week, with Pennsylvania ranking second and Kentucky third, the last named exceeding Illinois because of the strike in that state. Retail coal prices have not advanced materially since August, when the first fall increase was put into effect. All retail yards have full stocks and fill orders promptly. Mild weather to the middle of October retarded the coal business.

TEXTILES—The textile mills of the Fifth reserve district continue full time operations, but the unfilled orders have recently declined somewhat and buyers have again adopted a cautious attitude. Fifth district mills consumed 270,050 bales of cotton in September, of which North Carolina mills used 145,163 bales, South Carolina mills 112,717 bales, and Virginia mills 12,170 bales. September consumption figures in the district exceeded 261,638 bales used in August and 240,748 bales consumed in September last year.

COTTON—Influenced by numerous, and in some cases conflicting, private and official reports on the condition of the cotton crop, cotton prices fluctuated nervously during the past month, the up and down movements resulting in a decline of approximately a cent a pound between the middle of September and the middle of October. In our *Review* last month we quoted the average price paid on Carolina markets for upland short staple cotton as 21.41 cents per pound for the week ended Sep-

tember 17th. The following week, ended September 24th, the average price paid the growers declined to 20.36 cents, but the average rose again to 21.20 cents for the week ended October 1st. The week ended October 8th witnessed another drop to 20.86 cents, and during the second week in October the average further declined to 20.47 cents, slightly more than 2 cents, or \$10 a bale, below the highest weekly average of the present season, the week ended September 10th, when the price reached 22.56 cents per pound.

The third condition report of the year, issued by the Department of Agriculture on October 8th, reduced the September 8th estimate by 14,000 bales. The probable yield for this year was estimated as 12,678,000 bales, compared with 17,977,374 bales grown in 1926. The estimate for this year was considerably lower than the trade expected, and temporarily stimulated a rise in cotton prices, but the gain was not maintained, the price settling back during the week following the report.

The Bureau of the Census ginning report to October 1st showed 5,945,167 running bales ginned prior to that date this year, compared with 5,643,139 bales ginned to the same date in 1926 and 7,126,248 bales ginned before October 1st in 1925. The cotton crop matured very late last year, which doubtless accounts for the larger ginning figures this year.

Cotton consumption in American mills in September totaled 627,321 bales, according to the report of the Bureau of the Census made public on October 14th. This figure shows a slight decline from 633,434 bales consumed during the longer month of August this year, but is approximately 10 per cent above 570,270 bales consumed in September 1926. Total consumption during the two months of the present cotton year amounted to 1,260,755 bales, compared with 1,070,823 bales consumed during the two months ended September 30, 1926. Cotton on hand at manufacturing establishments on September 30th this year totaled 1,118,776 bales, compared with 1,122,059 bales held on August 31st this year and 936,441 bales held on September 30th last year. Bales in public warehouses and compresses numbered 3,964,680 at the end of September, 2,172,945 at the end of August, and 3,287,285 on September 30, 1926. Exports of cotton totaled 631,041 bales in September, compared with 340,311 bales sent abroad in August this year and 794,584 bales in September 1926. Imports last month totaled 28,346 bales, compared with 28,041 bales imported in August this year and 10,007 bales in September last year. Consumption of cotton in the growing states totaled 462,213 bales in September, compared with 411,213 bales used in September last year. Last month's consumption in the cotton growing states amounted to 73.68 per cent of National consumption, compared with 72.10 per cent of National consumption used in the cotton growing states in September last year.

Prospects for this year's cotton crop deteriorated in the two Carolinas in September, but Virginia prospects remained unchanged. The Department of Agriculture's forecast of production for North Carolina dropped from 911,000 bales on September 1st to 845,000 bales on October 1st. Practically all bolls that will open were mature by October 1st, the weevil having checked the development of a top and middle crop. The weevil infestation this season is the worst on record for North Carolina, and in addition to killing many bolls, they have damaged the locks of many other bolls. In South Carolina a crop of 750,000 bales is forecast on the basis of the October 1st condition. This decline of 34,000 bales from the September 1st estimate was due mostly to dry weather in the Piedmont counties during September. The Virginia crop is estimated to be 37,000 bales. There was little change in the condition of the cotton in Virginia during September. Weather conditions on the whole were favorable, and the crop made progress, but much of it is still late and will require several weeks of growing weather before all bolls mature. The weevil has appeared in the southern part of the counties bordering on North Carolina, but the damage from this pest has not been great.

TOBACCO—SOUTH CAROLINA'S tobacco crop of approximately 74,000,000 pounds has been nearly all sold at good prices, the crop bringing considerably larger returns than in 1926.

NORTH CAROLINA, with a production of 417,648,000 pounds, has the second largest tobacco crop on record for that state, but prices are considerably lower this year and the crop will probably return less to the growers than they realized for a smaller crop in 1926. North Carolina auction markets sold 108,684,096 pounds of producers' tobacco in September, at an average of \$16.31 per hundred pounds, compared with 72,859,038 pounds sold for an average of \$24.80 in September 1926. Wilson led in September sales with 20,589,102 pounds, but Windsor led in price, selling 691,676 pounds for \$19.88 per hundred.

VIRGINIA tobacco markets opened on October 3rd and receipts were heavy during the first week, but prices were lower than the growers had expected. The October 1st forecast for the Virginia crop is 124,662,000 pounds. Leaf spot and wild fire reduced the estimate about 7,000,000 pounds under the forecast made a month earlier. The flue-cured crop is yielding well and the quality is unusually good. The fire-cured crop, owing to an acreage reduction, is expected to be about 25 per cent less than the 1926 crop. Sun-cured tobacco yielded well and cured nicely, and is reported to be of good quality. The burley crop will be less than in 1926, due to unfavorable weather in Southwest Virginia.

BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER 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.....	714	581	939	1,117	\$ 1,768,500	\$ 3,863,016	\$ 494,600	\$ 568,860	\$ -2,168,776	- 48.9%	1
2	Cumberland, Md....	19	32	5	10	21,730	64,862	3,240	7,850	— 47,742	— 65.7	2
3	Frederick, Md.....	5	4	0	5	13,675	20,060	0	5,400	— 11,785	— 46.3	3
4	Hagerstown, Md....	17	33	11	3	17,685	60,160	4,225	1,400	— 39,650	— 64.4	4
5	Danville Va.....	20	12	16	17	60,824	6,760	3,940	8,265	49,739	331.0	5
6	Lynchburg, Va.....	18	39	42	36	72,350	69,207	21,372	22,723	1,792	1.9	6
7	Norfolk, Va.....	62	67	70	70	73,962	129,141	36,650	39,610	— 58,139	— 34.5	7
8	Petersburg, Va.	2	5	6	4	3,000	31,600	2,568	1,095	— 27,127	— 83.0	8
9	Richmond, Va.....	108	144	69	110	735,244	378,448	54,170	76,563	334,403	73.5	9
10	Roanoke, Va.....	63	108	38	34	289,663	228,325	10,366	6,995	64,709	27.5	10
11	Bluefield, W. Va....	13	19	3	5	31,820	54,670	4,050	4,012	— 22,812	— 38.9	11
12	Charleston, W. Va.	41	40	26	7	109,547	73,698	9,840	9,725	35,964	43.1	12
13	Clarksburg, W. Va	34	22	16	5	33,804	47,235	14,500	1,950	— 881	— 1.8	13
14	Huntington, W. Va.	49	51	2	3	100,250	57,298	1,500	500	43,952	76.0	14
15	Parkersburg, W. Va	38	36	12	2	118,925	60,620	4,850	1,000	62,155	100.9	15
16	Asheville, N. C.	30	67	45	51	409,935	2,617,984	21,750	32,460	-2,218,759	- 83.7	16
17	Charlotte, N. C.	66	53	22	13	509,705	626,450	35,640	12,975	— 94,080	— 14.7	17
18	Durham, N. C.	58	42	3	4	307,425	237,320	4,725	4,350	70,480	29.2	18
19	Greensboro, N. C.	54	61	66	32	161,345	335,458	44,764	43,843	— 173,192	— 45.7	19
20	High Point, N. C....	58	76	6	17	215,035	258,575	2,500	13,275	— 54,315	— 20.0	20
21	Raleigh, N. C.....	33	38	13	17	320,535	208,186	4,400	43,279	73,470	29.2	21
22	Salisbury, N. C.	12	11	6	8	32,925	43,225	6,400	2,105	— 6,005	— 13.2	22
23	Wilmington, N. C.	8	10	11	9	18,800	76,000	8,500	10,400	— 59,100	— 68.4	23
24	Winston-Salem, N. C.	123	86	71	70	531,182	757,390	38,475	22,185	— 209,918	— 26.9	24
25	Charleston, S. C. ...	20	30	27	25	86,339	29,945	33,885	17,695	72,584	152.4	25
26	Columbia, S. C.	24	11	64	38	76,500	52,125	25,495	10,145	39,725	63.8	26
27	Greenville, S. C....	14	9	42	57	49,200	55,200	32,060	26,445	— 385	— 0.5	27
28	Spartanburg, S. C.	23	31	14	17	53,645	160,125	1,700	4,235	— 109,015	— 66.3	28
29	Washington, D. C.	212	396	481	497	1,534,030	4,216,780	240,190	533,430	-2,975,990	- 62.6	29
Totals.....		1,938	2,114	2,126	2,283	\$ 7,757,580	\$14,819,863	\$1,166,355	\$1,532,770	-\$ 7,428,698	- 45.4%	

— 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.

The aggregate value of building permits for new construction issued in twenty-nine Fifth district cities in September totaled \$7,757,580, the lowest figure reported for any month since January of this year. Last month 1,938 permits for new work were issued, valued as above at \$7,757,580, compared with 2,114 permits, valued at \$14,819,863, for new work issued in September 1926. Repair and alteration permits numbering 2,126 were issued in September this year, with estimated valuation of \$1,166,355, compared with 2,283 permits valued at \$1,532,770 issued during the corresponding month last year. Total valuation figures last month for all classes of work amounted to \$8,923,935, a decrease of \$7,428,698, or 45.4 per cent, below the total of \$16,352,633 of September 1926. Last month was the twelfth consecutive month in which the volume of work provided for was less than the volume provided for during the corresponding month of the preceding year. Among the larger cities of the district, Richmond showed an increase in September figures over those of September last year, but Baltimore, Norfolk, Charlotte, Winston-Salem and Washington reported lower 1927 totals. Baltimore reported a material increase in the number of permits last month over September 1926 but residential construction made up the bulk of the work. In Richmond fewer permits were issued last month, but several large projects were included. If the size of the city be taken into consideration, Asheville shows the greatest relative decline in building operations under the corresponding period last year.

Building contracts awarded in the Fifth district in September totaled \$57,464,280, including both urban and rural construction. Of this amount, \$9,560,150 was for residential work, according to statistics collected by F. W. Dodge Corporation.

AGRICULTURAL NOTES—MARYLAND weather during the month of September was unusually favorable for crop growth and the many warm days, accompanied by warm nights, undoubtedly served to give the corn crop the finish it needed. There will be less soft corn than was previously expected. The weather this year was erratic, but crops have been for the most part good, yields have been from fair to good, and the quality of products has been up to average. Truck crops for the most part were in good supply with prices ranging around normal. The canning crops produced well but there was no more than a very moderate demand from canning houses. The peach crop was small and Maryland will have few apples in comparison with last year. Good pastures probably reduced

the feed bills of dairy farmers during the summer, and some new dairying territory was opened up in recent months.

VIRGINIA crop yields will be less than last year in most instances, according to the October report of the Virginia Crop Reporting Service. Higher prices for many farm products, however, may prevent the total farm income falling below 1926. Wheat and other small grains were disappointing in yield this year, and all fruit crops were greatly reduced by frosts. The corn crop improved during September, and a final production of 45,858,000 bushels is predicted. The late hay crop was unusually heavy and weather conditions were favorable for curing these crops. The production of hay is estimated to be 1,396,000 tons. Pastures declined in all districts as a result of dry weather in September, but grazing is still fairly good in all districts except in the Northern district where the long drought seriously injured all pastures. Peanuts improved last month, but the yield per acre is low, owing to poor stands and grassy fields. The October 1st condition indicates a production of 133,912,000 pounds. Late white potatoes declined slightly during September, but owing to the heavy yield of the early crop, the total production of 23,439,000 bushels is considerably above the average. Prospects for sweet potatoes improved slightly in September. Owing to the low prices growers on the Eastern Shore delayed digging and consequently potatoes continued to grow. The total crop is estimated at 5,299,000 bushels.

NORTH CAROLINA made a fine corn crop in 1926, and this year promises to be equally as good. The forecast of 49, 866,000 bushels is a little better than the average crop for the past five years. The preliminary estimate of 5,985,000 bushels of oats is 12 per cent below the crop harvested last year, but is about 8 per cent better than the five year average. Late Irish potatoes have suffered from drought this year. However, the condition is considerably better than the prospects last October. Sweet potatoes experienced rather favorable weather conditions this season, which is evidenced by a prospective production of 9,279,000 bushels compared with 7,560,000 bushels harvested in 1926. There was an increase of about 5 per cent this year in the acreage of sweet potatoes. Farmers report that the yield of tame hay is averaging about 9/10ths tons per acre, which will produce a crop of 781,000 tons as compared with 686,000 tons in 1926. The peanut crop, in spite of unusually poor stands, seems to promise a good outturn on an acreage 21 per cent larger than last year. Only one-fourth of a normal apple crop is being harvested this year in North Carolina, 1,761,000 bushels comparing with 5,986,000 bushels harvested in 1926. The commercial crop is estimated at 88,000 barrels, compared with 345,000 barrels last year. The decrease was due to heavy freezes and cold weather during the spring.

SOUTH CAROLINA crops on October 1st averaged 10.4 per cent below the ten year average, but this is due almost entirely to the very low condition of the cotton crop, all other crops ranging from fair to good. In view of the better cotton prices this fall the total income from this crop will likely exceed that of 1926. The corn crop of close to 24,000,000 bushels is the largest since 1923. A sweet potato crop of nearly 5,000,000 bushels is also the largest in years. Excellent crops of hay are being housed in good condition; a record crop of cowpeas has been grown; soy beans, velvet beans, peanuts and pecans are fair to good. Only fruit crops are materially less than in 1926. All these good yields added to full crops of wheat, oats and rye in the early summer round out a very satisfactory year in regard to production of food and feed crops in the state. The cumulative effects of two good years in succession for these crops puts the average South Carolina farmer in a very favorable position as far as home supplies are concerned.

WHOLESALE TRADE, SEPTEMBER 1927

Percentage increase in September 1927 sales, compared with sales in September 1926:					
32 Groceries	12 Dry Goods	5 Shoes	16 Hardware	5 Furniture	13 Drugs
— 5.2	.1	.6	3.0	— 3.8	2.5
Percentage increase in September 1927 sales, compared with sales in August, 1927:					
9.3	3.4	— 3.7	9.9	.2	7.6
Percentage increase in total sales since Jan. 1, 1927, compared with sales in the first nine months of 1926:					
— 5.5	.02	3.4	4.3	— 4.6	— 1.0
Percentage increase in stock on September 30, 1927, compared with stock on September 30, 1926:					
— .1 (11*)	4.6 (4*)	— 11.7 (4*)	— 1.8 (8*)
Percentage increase in stock on September 30, 1927, compared with stock on August 31, 1927:					
10.4 (11*)	— 6.6 (4*)	— 14.2 (4*)	1.9 (8*)
Percentage of collections in September to total accounts receivable on September 1, 1927:					
61.7 (19*)	29.9 (8*)	21.6 (5*)	37.3 (12*)	29.1 (3*)	55.1 (8*)

— Denotes decreased percentage.

* Number of reporting firms.

Eighty-three reports from wholesalers and jobbers in six important lines show that the usual expansion in trade occurred in September in comparison with August, increased sales being reported in all of the six lines except shoes, in which there was a decrease of 3.7 per cent. In comparison with sales in September 1926, sales last month were larger in dry goods, shoes, hardware and drugs,

but were smaller in groceries and furniture. Total sales during the first nine months of this year were larger in dry goods, shoes and hardware than during the like period of 1926, while grocery, furniture and drug sales were smaller.

Stocks of groceries and hardware increased during September, while dry goods and shoe stocks declined. At the end of September this year, stocks of dry goods were larger than on September 30th last year, but grocery, shoe and hardware stocks were smaller than a year ago. The increase in dry goods stocks is doubtless due to higher prices prevailing in textiles this year and not to increased yardage.

Collections in September were better than in August in dry goods, hardware and furniture, but grocery, shoe and drug collections were slightly slower. In comparison with September 1926 collections, those of September this year did not vary materially except in furniture, in which there was a marked decline during the year.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty Representative Department Stores for the Month of September 1927

	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in September 1927 sales, compared with sales in September 1926:					
	— 2.6	2.0	1.0	.6	— .4
Percentage increase in total sales since January 1st, over sales during the first nine months of 1926:					
	— 3.7	3.4	— 1.2	— .4	— 1.7
Percentage increase in September 1927 sales over average September sales during the three years 1923-1925, inclusive:					
	.9	20.8	12.2	3.7	7.1
Percentage increase in stock on hand September 30, 1927, over stock on September 30, 1926:					
	— 3.3	1.1	.9	5.6	— .3
Percentage increase in stock on hand September 30, 1927, over stock on August 31, 1927:					
	15.0	10.9	15.7	11.9	14.5
Percentage of sales in September 1927 to average stock carried during that month:					
	23.9	26.8	25.9	19.9	24.4
Percentage of total sales since January 1st to average stock carried during each of the nine elapsed months:					
	216.0	235.2	233.9	185.6	220.6
Percentage of outstanding orders on September 30th to total purchases of goods in 1926:					
	7.6	6.8	7.5	5.8	7.3
Percentage of collections in September 1927 to total accounts receivable on September 1st:					
	20.2	26.3	26.6	28.0	23.4

— Denotes decreased percentage.

Fall retail trade in the Fifth reserve district opened up normally in September, sales in thirty leading department stores in the district averaging approximately 14 per cent above sales in August. In the district as a whole sales in September were 4/10ths of 1 per cent below sales in September 1926, but the drop was due to a decrease of 2.6 per cent in Baltimore. Richmond, Washington, and most of the stores in the other cities group, reported slightly larger sales in September this year over the same month a year ago. Total sales during the first three-quarters of 1927 averaged 1.7 per cent less than sales during the corresponding period in 1926.

Stocks increased seasonally during September, rising 14.5 per cent above stocks on the shelves on August 31st, but on September 30th average stocks were 3/10ths of 1 per cent less than a year earlier, Baltimore stores again accounting for the decrease.

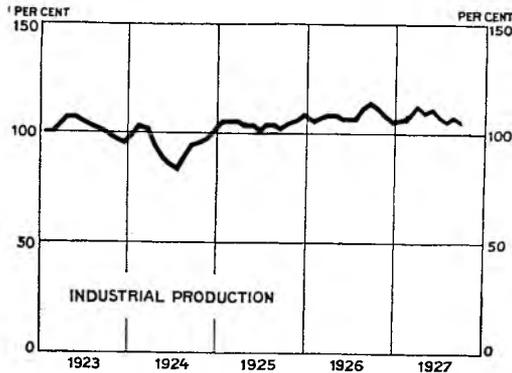
The rate of turnover increased seasonally in September. The percentage of sales in September to average stock carried that month was 24.4 per cent, and the percentage of total sales since January 1st to average stocks carried during each of the nine months was 220.6 per cent, indicating an annual rate of turnover of 2.94 times.

Collections in September totaled 23.4 per cent of receivables outstanding on the first of the month, a lower figure than 24.2 per cent attained in August and 23.9 per cent in September last year.

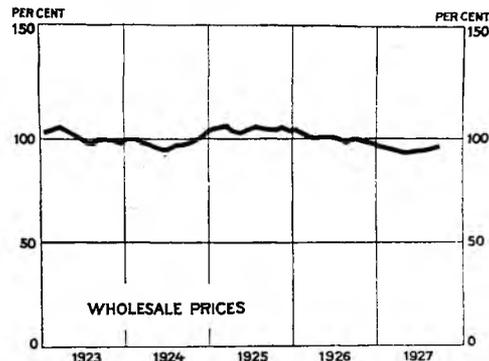
(Compiled October 20, 1927,)

BUSINESS CONDITIONS IN THE UNITED STATES.

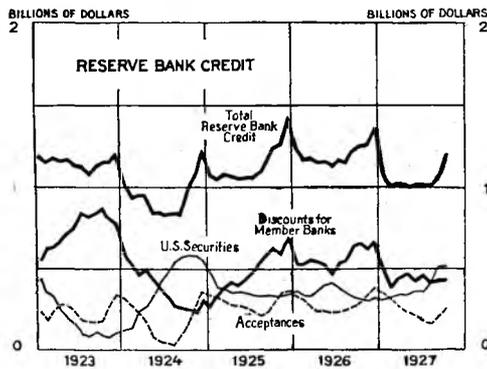
(Compiled by the Federal Reserve Board)



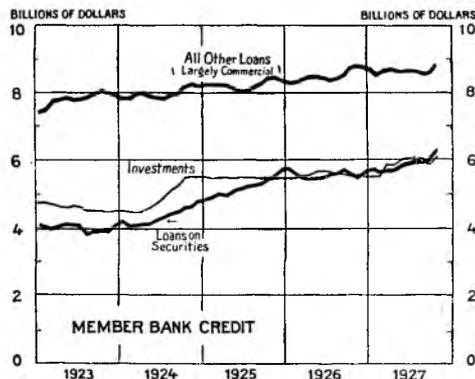
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, September 105.



Index of U. S. Bureau of Labor Statistics (1925=100, base adopted by Bureau). Latest figure, September 96.5.



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 22 days in October.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in October.

Industrial and trade activity increased less in September than is usual at this season of the year and continued to be in smaller volume than a year ago. The general level of wholesale commodity prices showed a further rise, reflecting chiefly price advances for agricultural commodities.

PRODUCTION. The Federal Reserve Board's indexes of both manufacturing and mineral production, in which allowance is made for usual seasonal variations, decreased between August and September. Production of iron and steel was in smaller volume in September than in any month since 1925. There were also decreases from August to September in the output of nonferrous metals, automobiles, and rubber tires, while the textile and shoe and leather industries continued active. The production of bituminous coal showed about the usual seasonal increase in September and October, but continued in smaller volume than during the same period of other recent years. The output of anthracite was considerably reduced during September and the first half of October following an increase in August, and the weekly output of crude petroleum has decreased slightly since the early part of August. The value of building contracts awarded continued somewhat smaller during September and the first three weeks of October than during the corresponding period of 1925 or 1926. Declines occurred in contracts for residential, commercial, industrial and educational buildings, while contracts for public works and public utilities were larger in September than in the corresponding month of any previous year. Crop conditions improved in September and the Department of Agriculture's estimates of October 1 indicate larger yields of most grain crops than were expected a month earlier. The estimate for the corn crop was increased by 146,000,000 bushels and was only 43,000,000 bushels smaller than the yield in 1926. Wheat production is expected to be 34,000,000 bushels larger than last year, while the estimated cotton crop of 12,678,000 bales is more than 5,000,000 bales below last year's yield.

DISTRIBUTION. Trade of wholesale and retail firms increased in September by somewhat less than the usual seasonal amount. Compared with a year ago, sales of wholesale firms in nearly all lines except shoes and drugs were smaller. Sales of department stores were in about the same volume, and those of mail order houses and chain stores were somewhat larger. Inventories of merchandise carried by reporting wholesale firms in leading lines were reduced in September and continued smaller than last year. Stocks of department stores, on the other hand, increased slightly more than is usual in September and at the end of the month were somewhat larger than a year ago. Freight car loadings were in smaller volume during September and the first week of October than in the corresponding period of last year for all groups of commodities except grain and grain products, of which loadings were larger than in the same period of any previous year since 1924.

PRICES. Wholesale commodity prices advanced in September for the fourth consecutive month, and the Bureau of Labor Statistics' all commodities index rose to the highest level since last January. There were large increases between August and September in the prices of livestock, meats, and cotton, and small advances in the prices of leather, coal and chemicals, while prices of grains, building materials, and rubber declined. During the first three weeks in October the prices of spring wheat, corn, cotton, coal, and iron and steel declined, while prices of livestock, raw wool, and rubber advanced.

BANK CREDIT. Total loans and investments of member banks in leading cities showed a further increase for the four weeks ended October 19 and on that date were about \$660,000,000 larger than in midsummer. Of this growth in member bank credit, about \$325,000,000 represented an increase in commercial loans, a considerably smaller increase than for the same period last year, and about \$335,000,000 an increase in investments and loans on securities. At the Reserve banks, total bills and securities increased during the four weeks ended October 19, as is usual at this season, but were on the average about \$60,000,000 below the level of the corresponding period last year. The increase, which was largely in the form of additions to the Banks' holdings of acceptances, reflected chiefly an increase in member bank reserve requirements and an export demand for gold. Some seasonal firmness in the money market in October was reflected in an increase from 3½ to 3¾ per cent in rates on 90 day bankers acceptances. The rate on commercial paper remained unchanged at 4 per cent.