

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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DISTRICT SUMMARY—September trade in the Fifth reserve district was in seasonal volume in most lines, and fall business about equals that of last year. In the case of the district's leading cash crops, the estimated production of cotton is larger than last year although the price to date has been somewhat lower and for tobacco both production and prices are smaller than in 1927. The textile situation is not as good this year as it was last year, but it improved distinctly in September and early October. Debits to individual accounts figures are approximately equal to those of 1927. Savings deposits are at record levels, and business failures compare favorably with recent years. Labor is better employed than last year, and with a building program larger than that of the past winter the prospects for employment during the next few months are good. Coal production is up to seasonal levels, and West Virginia continues to lead all states in output. Retail trade in September was in large volume, exceeding that of September 1927 by approximately 4.5 per cent, and inventories in department stores are lower than a year ago. Wholesale trade is not so good as retail trade.

RESERVE BANK OPERATIONS—Rediscounts for member banks at the Federal Reserve Bank of Richmond decreased from \$58,371,000 on September 15, 1928, to \$50,666,000 on October 15th, an unusual development at the season of fall crop marketing and discounting of bills for fall and winter merchandise. The increased need for cash incident to tobacco and cotton marketing raised the actual circulation of Federal reserve notes from \$60,406,000 at the middle of September to \$69,896,000 at the middle of October. In spite of the decrease in rediscounts.

held by the bank, the total earning assets of the Richmond institution rose from \$70,134,000 on September 15th to \$70,224,000 on October 15th, the figure for this item being raised by an increase in the holdings of bankers' acceptances purchased from member banks and in the open market. Member banks reduced their reserve balances last month, their deposits at the Federal Reserve Bank of Richmond declining from \$71,958,000 to \$67,799,000 between September 15th and October 15th. The several changes mentioned raised the cash reserves of the Richmond bank from \$72,866,000 to \$79,550,000 during the month under review, and also increased the ratio of cash reserves to note and deposit liabilities combined from 53.43 per cent to 56.04 per cent.

On October 15, 1928, bills discounted for member banks in the Fifth district were approximately 74 per cent more than a year earlier, but the circulation of Federal reserve notes was slightly less on the 1928 date. Although the bills discounted this year exceeded those of October 15, 1927, by more than \$21,000,000, reduced holdings of acceptances and Government securities in comparison with last year lowered the total of earning assets of the Richmond bank. On October 15th last year rediscounts for member banks totaled \$29,176,000, compared with \$50,666,000 this year, and the circulation of reserve notes was \$71,151,000 on October 15, 1927, compared with \$69,896,000 on October 15, 1928. Total earning assets of the Federal Reserve Bank of Richmond declined during the year from \$91,732,000 to \$70,224,000 as a result of decreases in holdings of acceptances and Government securities. Reserve deposits of member banks, which aggregated \$71,403,000 last year, totaled \$67,799,000 at the middle of October this year. The cash reserves of the Richmond bank totaled \$61,794,000 on October 15, 1927, but rose to \$79,550,000 on the corresponding date this year, while the ratio of cash reserves to note and deposit liabilities combined rose during the year from 42.11 per cent to 56.04 per cent.

Business Conditions in the United States will be found on page 8

CONDITION OF SIXTY-FOUR REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Oct. 10, 1928	Sept. 12, 1928	Oct. 12, 1927
Loans Secured by U. S. Government Obligations.....	\$ 2,553,000	\$ 2,997,000	\$ 4,698,000
Loans Secured by Other Stocks and Bonds.....	179,626,000	186,109,000	158,842,000
All Other Loans and Discounts, Largely Commercial.....	335,768,000	332,583,000	372,912,000
Total Loans and Discounts.....	517,947,000	521,689,000	536,452,000
Total Investments in Bonds and Securities.....	156,384,000	156,676,000	170,257,000
Reserve Balance with Federal Reserve Bank.....	40,832,000	39,699,000	42,179,000
Cash in Vaults.....	12,759,000	11,872,000	14,244,000
Demand Deposits	359,350,000	358,800,000	395,299,000
Time Deposits	247,445,000	245,405,000	241,835,000
Borrowed from Federal Reserve Bank.....	22,490,000	26,054,000	15,664,000

The accompanying table shows the principal items of condition of sixty-four regularly reporting member banks as of three dates, October 10, 1928, September 12, 1928, and October 12, 1927, thus affording an opportunity for comparing the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

Between September 12th and October 10th, both this year, loans secured by U. S. Government obligations decreased \$444,000, and loans on other stocks and bonds declined \$6,483,000, but all other loans and discounts rose seasonally by \$3,185,000. These changes resulted in a net decrease in total loans to customers amounting to \$3,742,000. The reporting banks reduced their investments in bonds and securities during the month by \$292,000, and raised their balance at the reserve bank by \$1,133,000. The fall season with its increased demand for cash raised the cash in vaults by \$887,000 between September 12th and October 10th. Demand deposits increased \$550,000 during the period under review, and time deposits rose \$2,040,000, a net deposit gain of \$2,590,000. The reductions in loans and investments and the gain in deposits enabled the reporting banks to reduce their rediscounts at the reserve bank by \$3,564,000 during the month.

In comparison with the figures reported on October 12, 1927, those reported on October 10, 1928, show a decrease of \$2,145,000 in loans on Government securities and a decline of \$37,144,000 in commercial, agricultural and industrial loans, but loans on stocks and bonds other than Government securities rose \$20,784,000. These changes give a net increase during the year in total loans to customers amounting to \$18,505,000. The sixty-four banks reduced their investments in bonds and securities by \$13,873,000 during the year, and their aggregate reserve deposits at the reserve bank declined \$1,347,000. Cash in vaults dropped \$1,485,000 during the twelve months under review. Aggregate deposits in reporting banks declined \$30,339,000 between October 12th last year and October 10th this year, demand deposits decreasing \$35,949,000 while time deposits rose \$5,610,000. The reporting member banks increased their rediscounts at the reserve bank by \$6,886,000 during the year.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	October 10, 1928	September 12, 1928	October 12, 1927
Asheville, N. C.	\$ 37,351,000	\$ 24,528,000	\$ 36,870,000
Baltimore, Md.	380,724,000	287,436,000	407,623,000
Charleston, S. C.	21,535,000	22,433,000	29,456,000
Charleston, W. Va.	34,882,000	30,968,000	37,644,000
Charlotte, N. C.	54,352,000	44,283,000	56,596,000
Columbia, S. C.	21,462,000	17,500,000	21,451,000
Cumberland, Md.	10,244,000	8,226,000	8,482,000
Danville, Va.	8,216,000	7,022,000	9,770,000
Durham, N. C.	30,625,000	27,410,000	34,934,000
Greensboro, N. C.	21,884,000	19,293,000	24,368,000
Greenville, S. C.	21,102,000	15,391,000	26,948,000
Hagerstown, Md.	10,513,000	8,282,000	10,003,000
Huntington, W. Va.	21,545,000	18,670,000	22,376,000
Lynchburg, Va.	23,212,000	15,896,000	21,757,000
Newport News, Va.	9,767,000	8,180,000	9,246,000
Norfolk, Va.	57,514,000	52,299,000	*65,351,000
Portsmouth, Va.	4,826,000	5,054,000	-----
Raleigh, N. C.	21,268,000	16,689,000	21,255,000
Richmond, Va.	152,740,000	131,278,000	140,814,000
Roanoke, Va.	27,624,000	25,228,000	29,398,000
Spartanburg, S. C.	13,774,000	10,022,000	14,174,000
Washington, D. C.	269,659,000	199,396,000	228,282,000
Wilmington, N. C.	15,980,000	13,464,000	20,874,000
Winston-Salem, N. C.	39,529,000	33,095,000	47,768,000
District Totals	\$1,310,328,000	\$1,042,043,000	\$1,325,440,000

* This Norfolk figure contains debits for Portsmouth also.

Debits to individual, firm and corporation accounts in the leading trade centers of the Fifth reserve district are shown in the accompanying table for three periods of four weeks each, ended October 10, 1928, September 12, 1928, and October 12, 1927. The figures for the latest available four weeks period, ended October 10th, may be compared with those reported for the preceding four weeks ended September 12th this year and with those for the corresponding four weeks ended October 12, 1927.

Aggregate debits in twenty-four leading cities in the Fifth reserve district amounted to \$1,310,328,000 during the four weeks ended October 10, 1928, an increase of 25.7 per cent over \$1,042,043,000 reported for the preceding four weeks ended September 12th. All of the twenty-four cities except two 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 \$1,310,328,000 during the four weeks ended October 10, 1928, were 1.1 per cent below the total of \$1,325,440,000 reported by the same cities for the four weeks ended October 12, 1927. Comparative figures for both years are available for twenty-three cities, of which only nine reported larger totals this year while fourteen cities reported smaller figures. Richmond and Washington figures during the 1928 period exceeded those for the corresponding four weeks last year, but the other large centers reported decreased totals this year.

SAVINGS DEPOSITS—Total deposits in twelve mutual savings banks in Baltimore at the end of September this year amounted to \$184,837,715, compared with \$183,521,480 on deposit at the end of August this year and \$169,718,412 at the end of September 1927. The amount on deposit on September 30th was the highest on record. On October 10th this year, sixty-four regularly reporting member banks in leading cities of the Fifth district had time deposits aggregating \$247,445,000, compared with \$245,405,000 on September 12th this year and \$241,835,000 on October 12, 1927.

BUSINESS FAILURES—Business failures in the United States numbered 1,635 in September 1928, compared with 1,852 failures in August this year and 1,573 in September 1927. Aggregate liabilities in September were \$33,956,686, compared with liabilities totaling \$58,201,830 in August 1928 and \$32,786,125 in September 1927. In both the number of insolvencies and in liabilities involved the September record showed a seasonal decline in comparison with the August record, but was slightly less favorable than in September a year ago. During the quarter closed on September 30th, insolvencies in the United States totaled 5,210, with liabilities totaling \$121,745,149, compared with 5,037 failures and liabilities amounting to \$115,132,052 reported for the third quarter of 1927.

In the Fifth reserve district, September 1928 failures numbered 119, compared with 114 failures in August this year and 104 in September 1927. Liabilities last month totaled \$2,700,752, compared with \$2,546,548 in August 1928 and \$3,740,473 in September 1927. During the quarter just closed, Fifth district failures totaled 355, with liabilities aggregating \$7,085,907, compared with 361 failures and liabilities totaling \$9,961,861 during the quarter ended September 30, 1927. According to *Dun's Review*, failures were fewer in the 1928 quarter in Virginia and West Virginia, and liabilities were lower in Maryland, District of Columbia, Virginia, and West Virginia.

LABOR—Accurate statistics on employment are difficult to secure, but the data which are available appear to indicate fairly satisfactory conditions in the Fifth district as a whole. There are a number of idle workers in the cities, but the excess of workmen over jobs is not particularly large. Tobacco factories in the district are running full time on advance holiday business, and textile mills have recently experienced a better demand for their products. Coal production is at seasonal levels, and building construction is in quite large volume. On the whole, the labor outlook seems to be more favorable than it was at the beginning of the fall and winter season a year ago.

COAL—The total production of soft coal in the United States in the month of September amounted to 41,301,000 net tons, as against 41,108,000 tons in August. The average daily rate of output in September was 1,693,000 tons, an increase of 11.2 per cent over the August rate. In September 1927 production of soft coal totaled 41,763,000 net tons, about 1.1 per cent more than production in September this year. Total production of bituminous coal during the present calendar year to October 6th (approximately 237 working days) amounted to 364,002,000 net tons, compared with 403,157,000 tons mined during the corresponding period in 1927. All retail coal yards have full stocks and fill orders promptly, but mild weather during the first three weeks of October so retarded the coal business that many yards are still advertising summer prices.

TEXTILES—The textile mills of the Fifth reserve district continue part time operations, but the outlook has improved since the middle of September. The Department of Agriculture's October 8th cotton condition report and forecast stimulated more interest in cotton and cotton goods, and advices from textile executives indicate a considerable improvement in the demand for textile products. Cotton consumption in September in the Fifth district was low, however, the mills having operated very cautiously to prevent the growth of surplus stocks in their warehouses. The mills consumed 213,069 bales of cotton in September, of which North Carolina mills used 113,164 bales,

South Carolina mills 93,253 bales, and Virginia mills 6,652 bales. September consumption figures compare with 222,987 bales used in August this year and 270,050 bales consumed in September last year.

BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER 1928 AND 1927.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1928	1927	1928	1927			
		1928	1927	1928	1927							
1	Baltimore, Md.....	290	714	1,034	939	\$ 6,054,400	\$ 1,768,500	\$ 551,100	\$ 494,600	\$ 4,342,400	191.9%	1
2	Cumberland, Md...	22	19	8	5	21,670	21,730	1,290	3,240	2,010	8.0	2
3	Frederick, Md.....	8	5	4	0	74,920	13,675	6,650	0	67,895	496.5	3
4	Hagerstown, Md...	16	17	7	11	39,130	17,685	20,230	4,225	37,450	170.9	4
5	Danville, Va.....	11	20	14	16	51,805	60,824	3,521	3,940	9,438	14.6	5
6	Lynchburg, Va....	15	18	26	42	17,125	72,350	38,286	21,372	38,311	40.9	6
7	Norfolk, Va.....	61	62	62	70	100,295	73,962	46,585	36,650	36,268	32.8	7
8	Petersburg, Va....	8	2	10	6	34,700	3,000	4,205	2,568	33,337	598.7	8
9	*Portsmouth, Va....	*10	.....	*22	.....	*17,000	.....	*11,225	.....	.....	.....	9
10	Richmond, Va.....	97	108	83	69	237,141	735,244	58,435	54,170	493,838	62.6	10
11	Roanoke, Va.....	54	63	26	38	156,871	289,663	5,993	10,366	137,165	45.7	11
12	Bluefield, W. Va..	5	13	4	3	6,950	31,820	1,800	4,050	27,120	75.6	12
13	Charleston, W. Va.	38	41	13	26	80,385	109,547	11,240	9,840	27,762	23.3	13
14	Clarksburg, W. Va.	23	34	11	16	88,500	33,804	21,600	14,500	61,796	127.9	14
15	Huntington, W. Va.	49	49	5	2	53,750	100,250	15,000	1,500	33,000	32.4	15
16	Parkersburg, W. Va.	15	38	15	12	107,150	118,925	15,415	4,850	1,210	1.0	16
17	Asheville, N. C....	15	30	47	45	141,620	409,935	9,385	21,750	280,680	65.0	17
18	Charlotte, N. C....	75	66	43	22	510,604	509,705	21,380	35,640	13,361	2.5	18
19	Durham, N. C.....	36	58	2	3	113,200	307,425	1,215	4,725	197,735	63.3	19
20	Greensboro, N. C..	60	54	63	66	309,820	161,345	47,899	44,764	151,610	73.6	20
21	High Point, N. C..	30	58	3	6	173,050	215,035	750	2,500	43,735	20.1	21
22	Raleigh, N. C.....	23	33	10	13	83,290	320,535	34,625	4,400	207,020	63.7	22
23	Rocky Mount, N.C.	17	15	4	5	43,860	163,615	1,975	4,125	121,905	72.7	23
24	Salisbury, N. C....	3	12	5	6	6,900	32,925	915	6,400	31,510	80.1	24
25	Wilmington, N. C..	11	8	5	11	54,200	18,800	14,300	8,500	41,200	150.9	25
26	Winston-Salem, N. C.	103	123	116	71	295,768	531,182	50,928	38,475	222,961	39.1	26
27	Charleston, S. C....	9	20	25	27	21,075	86,339	19,076	33,885	80,073	66.6	27
28	Columbia, S. C....	20	24	62	64	144,600	76,500	8,970	25,495	51,575	50.6	28
29	Greenville, S. C....	10	14	35	42	53,200	49,200	26,450	32,060	1,610	2.0	29
30	Spartanburg, S. C.	15	23	46	14	216,160	53,645	10,477	1,700	171,292	309.5	30
31	Washington, D. C.	138	212	395	481	3,725,910	1,534,030	241,245	240,190	2,192,935	123.6	31
Totals.....		1,277	1,953	2,183	2,131	\$13,018,049	\$ 7,921,195	\$1,290,940	\$1,170,480	\$ 5,217,314	57.4%	

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

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

The number of building permits for new construction issued in thirty Fifth district cities in September totaled only 1,277, compared with 1,953 permits for new work issued in September 1927, but the estimated valuation figure last month was \$13,018,049, compared with \$7,921,195 for September 1927. The large increase in valuation was due to higher figures this year in Baltimore and Washington, the former reporting over \$6,000,000 and the latter reporting nearly \$3,750,000. In total valuation for all classes of work, including alterations and repairs, the September 1928 total of \$14,308,989 shows an increase of \$5,217,314, or 57.4 per cent, over the total of \$9,091,675 reported for September 1927. Only eleven of the thirty reporting cities showed higher figures for September this year, while nineteen cities reported lower figures, but Baltimore and Washington increased 191.9 per cent and 123.6 per cent, respectively, and six other cities gained more than 100 per cent. Richmond reported a very small total for September this year, falling 62.6 per cent below the September 1927 figure.

Contracts awarded in September for construction work in the Fifth district, including both rural and urban projects, totaled \$39,842,583, compared with \$57,464,280 awarded in September 1927, according to figures collected by the F. W. Dodge Corporation. Of the awards in September this year, \$10,233,243 was for residential work.

COTTON—Spot cotton prices on ten designated markets in the South rose about 2 cents per pound between September 14th and October 19th. The average price for middling upland short staple cotton on September 14th was 16.88 cents per pound, but in the following weeks the price gradually recovered the ground lost in the week following the September 8th crop forecast of the Department of Agriculture. Following the October 8th forecast, which reduced the September 8th figure, there was a further rise in price, the average on ten markets on October 19th reaching 18.74 cents, which is only about three-quarters of a cent a pound below the corresponding 1927 price.

The third cotton condition report of the year was issued by the Department of Agriculture on Oc-

tober 8th. The report estimated probable production in 1928 at 13,993,000 bales, based on the October 1st condition of 54.4 per cent of a normal. This figure compares with a forecast on September 1st of 14,439,000 bales and a crop in 1927 of 12,955,000 bales. The report estimated Virginia's crop at 45,000 bales, compared with 46,000 bales forecast on September 1st and final ginnings of 31,000 bales in 1927. North Carolina's probable production was given as 925,000 bales, compared with 970,000 bales forecast on September 1, 1928, and 861,000 bales grown last year. South Carolina's October 1st estimate of 820,000 bales compares with the September 1st forecast of 890,000 bales and a 1927 crop of 730,000 bales. The reductions in the production forecasts of 45,000 bales in North Carolina and 70,000 bales in South Carolina show the extent of the damage done by the rains and storms of September.

The Bureau of the Census ginning report to October 1st showed 4,961,032 bales ginned prior to that date, compared with 5,944,739 bales ginned to the same date in 1927. The cotton crop is late this year, which doubtless accounts for the smaller ginning figures.

Cotton consumption in American mills in September totaled 492,221 bales, according to the report of the Census Bureau made public on October 15th. This figure shows a moderate decline from 526,729 bales consumed during the longer month of August this year, and is approximately 20 per cent below 627,784 bales consumed in September 1927. Total consumption during the two months of the present cotton year amounted to 1,018,950 bales, compared with 1,262,304 bales consumed during the two months ended September 30, 1927. Cotton on hand at manufacturing establishments on September 30th this year totaled 719,981 bales, compared with 782,068 bales held on August 31st this year and 1,116,093 bales held on September 30th last year. Bales in public warehouses and compresses numbered 2,645,977 at the end of September, 1,188,861 at the end of August, and 3,964,615 on September 30, 1927. Exports of cotton totaled 814,569 bales in September, compared with 259,489 bales sent abroad in August this year and 631,041 bales in September 1927. Imports last month totaled 18,508 bales, compared with 24,258 bales imported in August this year and 28,347 bales in September last year. Consumption of cotton in the growing states totaled 381,025 bales in September, compared with 462,378 bales used in September last year. Last month's consumption in the cotton growing states amounted to 77.41 per cent of National consumption, compared with 73.65 per cent of National consumption used in the cotton growing states in September last year.

TOBACCO—SOUTH CAROLINA tobacco warehouses, which opened for the season early in August, handled most of the year's crop in August and September, although a few markets remained open in October. During August and September the markets sold 73,537,821 pounds of producers' tobacco, at an average of \$12.71 per hundred pounds, compared with 73,955,196 pounds sold for an average of \$20.28 per hundred in August and September last year. The actual decrease in the cash returns for this year's sales during the two months was \$5,656,388.71, or approximately 37 per cent, under receipts in August and September 1927. Among the individual markets, Mullins led in sales during the two months with 17,234,349 pounds, Lake City ranking second with 11,501,270 pounds and Timmonsville third with 7,466,020 pounds. The total South Carolina crop this year is expected to be about 75,379,000 pounds, compared with 75,920,000 pounds grown in 1927.

NORTH CAROLINA markets opened in September, and during the month sold 104,990,763 pounds of tobacco for growers, at an average price of \$15.05 per hundred pounds. In September 1927 the same markets sold 108,684,096 pounds, for an average of \$17.87 per hundred. Wilson led in sales last month with 23,110,617 pounds, Greenville ranking second with 18,089,192 pounds and Kinston third with 11,270,775 pounds. The total crop of tobacco in North Carolina this year is estimated to be approximately 465,465,000 pounds, compared with 485,300,000 pounds grown in 1927. On the basis of this crop estimate and present prices, indications are that the cash returns to tobacco growers will probably be lower than the returns from the 1927 crop.

VIRGINIA tobacco markets opened on October 2nd, and no statistics on sales are yet available. Virginia tobacco suffered a heavy loss during September in both quantity and quality, the heavy rains causing firing and wild fire. Burley tobacco promises an excellent yield, but the yields of other types will be below the average. The total production this year is estimated at 111,777,000 pounds, compared with 127,971,000 pounds in 1927.

AGRICULTURAL NOTES—MARYLAND crops on the whole did not change materially during September. Gains in condition of apples and sweet potatoes were offset by slight declines in corn, tobacco and white potatoes. The rains during September delayed the preparation of wheat ground in some sections. Carlot shipments of apples ran about 16 per cent greater than usual up to October 1st. The production of 19,929,000 bushels of corn was indicated on October 1st, compared with 22,660,000 bushels harvested in 1927. Potatoes on October 1st indicated a production of 4,916,000 bushels, about 6 per cent below the 1927 yield. Low prices have affected the quantity of potatoes shipped, and Eastern Shore growers ran into very unfavorable market conditions as a result of the delayed season and the consequent over-lapping of crops from other states. Late potato fields felt the effects of the unfavorable weather which prevailed during September in some areas on the Eastern Shore.

VIRGINIA crops suffered further losses during September as a result of heavy rain and wind storms. Prospects for corn, tobacco and peanuts declined considerably during the month and the production of these crops will be much less than had been expected earlier in the season. Farm work was retarded by the frequent rains, so that farmers are nearly two weeks behind in their work. The harvesting of crops and the preparation of land for sowing fall grains was delayed, but favorable weather in October has enabled part of this delay to be caught up. The production of corn this year is expected to be 43,778,000 bushels, compared with 47,967,000 bushels harvested last year. Late hay crops made heavy growth in September, but weather conditions have been unfavorable for saving these crops, and a portion of the crop has been lost. The total production of hay is estimated to be 1,448,000 tons, compared with 1,469,000 tons last year. Pastures are in better condition than usual at this season, and fall grazing is very good in all parts of the State. The excessive rains during September caused a decline in peanut prospects. A wet season is generally unfavorable for this crop. The total production is estimated at 129,276,000 pounds, compared with 116,128,000 pounds harvested in 1927. The early commercial white potato crop was the largest on record, and approximately 27,000 cars have been shipped. The condition of late white potatoes declined in September, however. A few sections have fair yields, but generally the crop is quite disappointing. Prospects for sweet potatoes declined during September as wet weather caused a heavy growth of vines with a light set of tubers. The total production is estimated to be 5,166,000 bushels, compared with 5,805,000 bushels harvested last year. The yield of oats is considerably better than had been expected earlier in the season, and this year's yield of 4,514,000 bushels compares with 3,999,000 bushels grown in 1927.

WEST VIRGINIA estimates show increases over last year in the production of corn, oats, white potatoes, tobacco, all classes of fruits, and sorghum syrup, while decreases are shown for wheat, rye, buckwheat, hay and sweet potatoes. Corn has an estimated production of 16,196,000 bushels against last year's crop of 15,109,000 bushels. The oat crop of 5,908,000 bushels compares with 5,421,000 bushels harvested in 1927. Evidence still points to a record crop of potatoes and the State's crop is now forecast at 7,906,000 bushels, compared with 5,989,000 bushels dug last year. Tobacco production in West Virginia this year is estimated at 6,750,000 pounds, compared with 6,000,000 pounds last year. The season this year has been favorable for hay growing and pasturing.

NORTH CAROLINA crop conditions on October 1st showed the effects of excessive rains and storms during September, which was the wettest September on record in the State. High winds, resulting from tropical storms, blew down a large percentage of the crops. Many of these have recovered, but will be difficult to harvest. Flooded areas were general in the eastern half of the State, and lands along river courses suffered heavy damage. The condition of corn on October 1st indicated a yield of 41,764,000 bushels this year, compared with 53,626,000 bushels in 1927. The quality of hay crops was affected appreciably by the heavy rainfall. The October 1st condition indicated a production of 774,000 tons, compared with 845,000 tons cured last year. The early potato crop made good yields but suffered on the market for low prices. The late crop indicates 9,770,000 bushels for harvest, compared with 7,368,000 bushels in 1927. Sweet potato prospects are much below last October. The 7,980,000 bushels expected are about 21 per cent below the 10,146,000 bushels harvested in 1927. Growers complain that the peanut crop is light in yield but very good in quality thus far this season. October 1st condition reports indicate a total production of 208,744,000 pounds, compared with 157,527,000 pounds last year.

SOUTH CAROLINA crop prospects were further reduced in September by heavy rains and high winds, although the latter part of the month was favorable for late crops and harvesting operations. On the whole, the best crop prospects are found in the upper third of the State where weather conditions were more favorable. Of the major crops, corn shows about the greatest deterioration and is now expected to produce 18,928,000 bushels this year, compared with 25,449,000 bushels in 1927. Sweet potatoes, with a 1928 crop of approximately 4,095,000 bushels, are more than a million bushels below the 5,300,000 bushel yield of last year. The early and late white potato crops combined show a production of 4,277,000 bushels, compared with 3,034,000 bushels last year. The indicated production of peanuts this year is 7,330,000 pounds, compared with 8,525,000 pounds harvested in 1927.

WHOLESALE TRADE, SEPTEMBER 1928

Seventy-nine reports from wholesalers and jobbers in six important lines show rather less than the usual expansion in trade in September in comparison with August. Increased sales during September were reported in groceries, dry goods and furniture, but sales of shoes, hardware and drugs were less. In comparison with sales in September 1927, sales last month were less in every line for which figures are available, and cumulative sales during the first nine months of 1928 were lower in all lines except groceries than in the first three-quarters of 1927.

Stocks of groceries increased during September, but dry goods, shoe and hardware stocks declined. At the end of September this year, stocks of shoes were larger than on September 30th last year, but grocery, dry goods and hardware stocks were smaller than a year ago. The decreases in grocery and dry goods stocks were doubtless due in part to lower prices prevailing this year for some important items.

Collections in September were better than in August in hardware and furniture, but grocery dry goods, shoe and drug collections were slower. In comparison with September 1927, the collection percentages in September 1928 were lower in every line, hardware showing the greatest decline.

Percentage increase in September 1928 sales, compared with sales in September 1927:					
<i>32 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>15 Hardware</i>	<i>5 Furniture</i>	<i>12 Drugs</i>
— 1.6	—28.6	—20.4	—22.5	—10.9	—13.0
Percentage increase in September 1928 sales, compared with sales in August 1928:					
5.1	6.4	—14.5	— .9	6.7	— 1.7
Percentage increase in total sales since Jan. 1, 1928, compared with sales in the first nine months of 1927:					
.8	—20.0	— 6.3	—13.8	—23.6	— 4.1
Percentage increase in stock on September 30, 1928, compared with stock on September 30, 1927:					
— .1(11*)	— 5.2(4*)	7.0(4*)	— 3.3(8*)	.....	.....
Percentage increase in stock on September 30, 1928, compared with stock on August 31, 1928:					
3.4(11*)	— 9.6(4*)	— 2.8(4*)	— 9.3(8*)	.....	.....
Percentage of collections in September to total accounts receivable on September 1, 1928:					
60.7(19*)	27.6(7*)	18.9(5*)	28.3(12*)	25.8(3*)	50.2(8*)

— Denotes decreased percentage. *Number of reporting firms.

FIGURES ON RETAIL TRADE

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

Percentage increase in September 1928 sales, compared with sales in September 1927:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
4.0	6.9	6.5	— 2.5	4.6
Percentage increase in total sales since January 1st, over sales during the first nine months of 1927:				
— .9	3.2	2.9	— 6.2	.4
Percentage increase in September 1928 sales over average September sales during the three years 1923-1925, inc.:				
8.5	29.1	18.0	— 2.5	12.9
Percentage increase in stock on hand September 30, 1928, over stock on September 30, 1927:				
— 3.2	— 6.9	— 6.5	— 2.8	— 4.7
Percentage increase in stock on hand September 30, 1928, over stock on August 31, 1928:				
11.6	9.8	9.2	8.4	10.1
Percentage of sales in September 1928 to average stock carried during that month:				
24.9	30.6	28.9	19.2	26.1
Percentage of total sales since January 1st to average stock carried during each of the nine elapsed months:				
217.9	252.8	241.7	171.3	223.5
Percentage of collections in September 1928 to total accounts receivable on September 1st:				
21.5	28.0	27.6	25.5	24.5

— Denotes decreased percentage.

Fall retail trade in the Fifth reserve district opened up splendidly in September, sales in thirty leading department stores in the district averaging 23.6 per cent above sales in August. In the district as a whole, sales in September were 4.6 per cent above sales in September 1927. Baltimore, Richmond and Washington stores reported larger sales in September this year than in the same month a year ago, but the Other Cities showed an average decline last month amounting to 2.5 per cent. Total sales during the first nine months of 1928 averaged 4/10ths of 1 per cent above sales during the corresponding period in 1927, and September 1928 sales were 12.9 per cent larger than average September sales during the three years 1923-1925, inclusive.

Stocks increased seasonally during September, rising 10.1 per cent above stocks on the shelves on August 31st, but on September 30th average stocks were 4.7 per cent less than stocks on September 30, 1927, twenty-two of the thirty stores reporting smaller inventories this year.

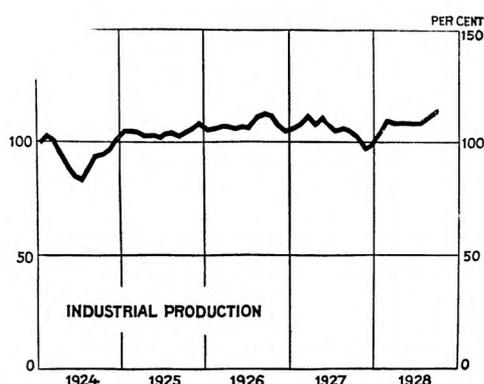
The rate of turnover increased seasonally in September. The percentage of sales in September to average stock carried that month was 26.1 per cent, and the total sales since January 1st to average stock carried during each of the nine elapsed months was 223.5 per cent, indicating an annual rate of turnover of 2.98 times. The turnover during the first nine months of 1927 indicated an annual rate of 2.94 times.

Collections in September totaled 24.5 per cent of receivables outstanding on the first of the month, exactly the same percentage attained in August this year, but better than 23.4 per cent of outstanding receivables collected in September 1927.

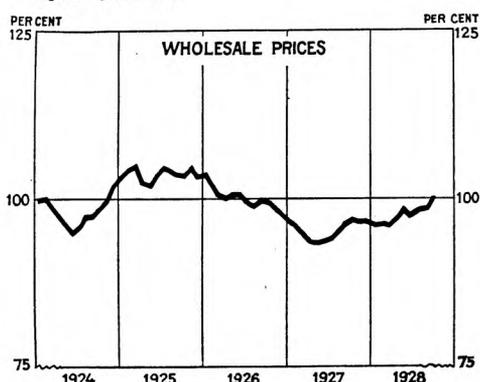
(Compiled October 20, 1928)

BUSINESS CONDITIONS IN THE UNITED STATES

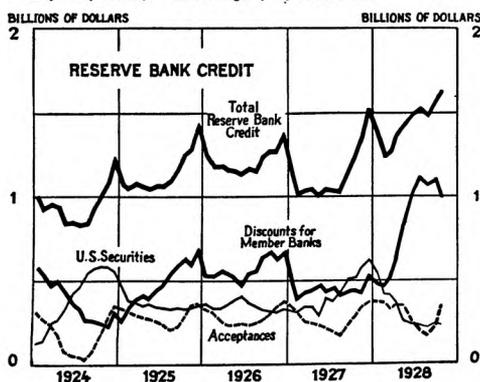
(Compiled by the Federal Reserve Board)



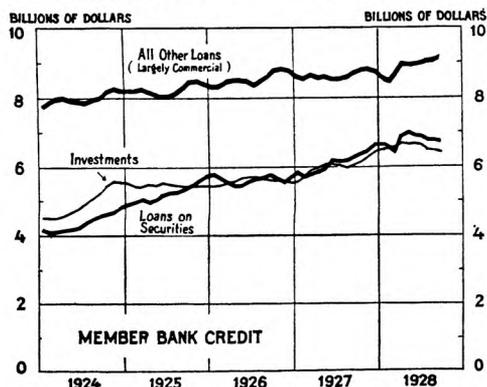
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-25 average = 100). Latest figure, September 114.



Index of United States Bureau of Labor Statistics (1926 = 100, base adopted by bureau). Latest figure, September 100.1.



Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages of first 23 days of October.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures, averages for first 3 weekly reports in October.

Volume of production and distribution of commodities increased seasonally in September, and was larger than a year ago. There was a further advance in the general price level. Loans of member banks in leading cities increased in September and October in response to the seasonal demand for commercial credit.

PRODUCTION. Industrial production increased further in September, and the output of manufactures was in larger volume than in any previous month. Factory employment and payrolls also increased. Production of iron and steel and of automobiles was unusually large during September and October, although there has recently been some curtailment of operations in these industries. There were also increases in September in the activity of the textile, meat packing, and tire industries, and in the output of coal, petroleum and copper, while lumber production showed a decline. Building contracts awarded, after declining in volume for three months, increased considerably in September, and exceeded all previous records for that month. The increase was due chiefly to certain large contracts for industrial plants and subway construction. During the first three weeks of October awards exceeded those for the same period last year, the excess being especially large in the Eastern districts. Department of Agriculture estimates of this year's crop yields indicate that the production of all crops in the aggregate will exceed last year's output by about 5 per cent. The corn crop is estimated at 2,903,000,000 bushels, or 5 per cent above last year's production. The October 8th estimate indicated a cotton crop of 13,993,000 bales, or 446,000 bales less than was forecast on September 8th, compared with a yield of 12,955,000 bales in 1927.

TRADE. Department store sales increased considerably in September and were larger than a year ago, reflecting in part the influence of cooler weather. Inventories of department stores at the end of the month were smaller than on the same date of last year. Wholesale distribution in all leading lines except meats was somewhat smaller than in September 1927. Freight car loadings showed more than a seasonal increase in September and continued large in October. Shipments of miscellaneous commodities in recent weeks have continued in larger volume than in previous years.

PRICES. Wholesale commodity prices increased further in September and the Bureau of Labor Statistics' index advanced to 100.1 per cent of the 1926 average. Increases, which were the largest in farm products and foods, occurred in nearly all groups except hides and leather and textiles, which showed slight declines. Since the latter part of September, there have been decreases in the prices of livestock and meats, grains, wool, and hides, and increases in cotton, silk, rubber, and iron and steel.

BANK CREDIT. Demand for bank credit for commercial purposes increased between the middle of September and the middle of October, reflecting seasonal activity in trade and the marketing of crops. There was also a growth in loans to brokers and dealers in securities, though total loans on securities by reporting member banks showed little change. During the four weeks ending October 24th, a growth of about \$40,000,000 in the total volume of reserve bank credit in use was due chiefly to continued increase in the demand for currency, offset in part by a small inflow of gold from abroad. Reserve bank holdings of acceptances increased by about \$140,000,000 during the period, while the volume of discounts for member banks declined by about \$100,000,000. United States security holdings remained practically unchanged. Open market rates on commercial paper and on bankers' acceptances remained unchanged between the middle of September and the latter part of October, while rates on security loans declined in October.