

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

JANUARY 31, 1929

STATISTICAL SUMMARY		1928	1927
Debits to Individual Accounts (24 Cities).....		\$16,324,326.00	\$16,392,202.00
Number of Commercial Failures, 5th District.....		1,518	1,611
Liabilities Involved in Failures, 5th District.....	\$	34,345,527	\$ 41,835,046
Cotton Consumption, 5th District Mills (Bales).....		2,839,836	3,128,933
Cotton Grown in Fifth District (Bales).....		1,608,000	1,622,000
Tobacco Grown in Fifth District (Pounds).....		693,828,000	719,678,000
Building Permits for New Work (30 Cities).....		17,577	19,363
Value of Permits for New Work (30 Cities).....	\$	142,554,376	\$ 114,279,872
Value of Contracts Awarded, 5th District.....	\$	451,030,185	\$ 409,009,712
Total Sales, 30 Department Stores, 5th District.....	\$	104,816,085	\$ 104,441,338
Total Sales, 79 Wholesalers in 6 Lines.....	\$	75,541,288	\$ 79,580,956
Bituminous Coal Production, U. S. (Tons).....		492,755,000	517,763,000

The volume of business transacted in the Fifth Federal reserve district in December and early January was at seasonal levels, and showed the usual advance over November business. The weather was favorable for the Christmas trade, and the stores appear to have disposed of most of their holiday stock. Retail trade as reflected in department store sales last month was a fraction of 1 per cent below the volume of business done in December a year earlier, which had one more business day than December 1928. Debits to individual, firm and corporation accounts in twenty-four leading cities during the four weeks ended January 9, 1929, set a record for four weeks, not only exceeding debits for the corresponding periods ended December 12, 1928, and January 11, 1928, but surpassing the previous record of the four weeks ended January 12, 1927. Loans and discounts of sixty-three regularly reporting member banks in the larger cities of the Fifth district decreased between December 12, 1928, and January 16, 1929, and these banks also reduced their rediscounts at the reserve bank. On the other hand, country banks more directly dependent on agriculture have not been able to liquidate their indebtedness at the reserve bank as promptly as the city banks, and last month additional accommodation was extended to the country banks in sufficient amount to increase slightly the Federal Reserve Bank of Richmond's holdings of member bank paper. On January 15, 1929, rediscounts held by the Richmond reserve bank totaled approximately 50 per cent more than rediscounts held on January 15, 1928, and the circulation of Federal reserve notes was also higher on the 1929 date. Deposits in member banks at the close of 1928 were materially lower than a year earlier, time deposits as well as demand deposits declining last year. Business failures in December in the United States

and in the Fifth district were fewer and liabilities were lower than in December 1927. The value of building permits issued in December for new work was more than double the amount reported for new work in December 1927. Coal production in December was below production in November 1928, but exceeded that of December 1927. Textile mills in the Fifth district used less cotton last month than in either November 1928 or December 1927. Cotton exports in December 1928 were about 30 per cent larger than exports in December 1927, and spot cotton prices showed an upward tendency after the New Year. Tobacco marketing continued in December, and prices for fire-cured and burley tobacco were higher than in December 1927, but flue-cured tobacco, which makes up the bulk of the crop in Virginia and all of the crop in the Carolinas, brought lower prices than in either November 1928 or December 1927.

An examination of the statistics at the top of this page will show that the volume of business transacted in the Fifth reserve district during 1928 was moderately below the level of 1927. The total value of agricultural products raised in the Fifth district in 1928 was considerably lower than the value of the 1927 crops, chiefly due to lower cotton, tobacco and potato prices in 1928, and the farmers' purchasing power in 1929 apparently will not equal their purchasing power last year. However, a more extensive building program is now under way than was the case a year ago, and if construction work holds up through the year the purchasing power of workmen in building trades may make up for the impaired purchasing power on the farms. Some of the banks in the district are less favorably situated than in January last year, but the unsatisfactory conditions are confined to a relatively small part of the district.

CONDITION OF SIXTY-THREE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Jan. 16, 1929	Dec. 12, 1928	Jan. 18, 1928
Loans on Securities.....	\$199,376,000	\$192,609,000	\$166,707,000
All Other Loans and Discounts.....	323,924,000	335,035,000	357,201,000
Total Loans and Discounts.....	523,300,000	527,644,000	523,908,000
Total Investments in Bonds and Securities..	159,304,000	154,743,000	175,610,000
Reserve Balance with Federal Reserve Bank	41,853,000	42,054,000	45,106,000
Cash in Vaults.....	11,840,000	13,925,000	13,294,000
Demand Deposits	368,896,000	377,563,000	387,359,000
Time Deposits	240,774,000	239,366,000	246,039,000
Borrowed from Federal Reserve Bank.....	20,173,000	24,602,000	18,815,000

The accompanying table shows totals for the principal items of condition reported by sixty-three member banks of the Fifth Federal reserve district on three dates, January 16, 1929, December 12, 1928, and January 18, 1928. These data afford an opportunity for comparing the latest available figures with those of the preceding month and the preceding year. It should be borne in mind, however, that the figures shown are not necessarily the highest or lowest figures that occurred during the periods compared, but reflect conditions on the report dates only.

Between December 12, 1928, and January 16, 1929, "Loans on Securities" increased by \$6,767,000, but "All Other Loans", which are largely commercial or agricultural, declined by \$8,111,000, bringing about a net decrease in outstanding loans to customers of \$1,344,000 during the month. The reporting banks increased their investments in bonds and other securities by \$4,561,000 between December 12th and January 16th, and reduced their borrowing at the Federal reserve bank by \$4,429,000. Time deposits rose \$1,408,000 during the month under review, but demand deposits declined \$8,667,000, a net decrease in total deposits of \$7,259,000. Cash in vaults declined \$2,085,000 between December 12th and January 16th, the banks needing less currency after the holiday shopping season had passed. The reserve deposits of the reporting sixty-three banks decreased \$201,000 during the past month, a daily fluctuation only.

The figures reported for January 16, 1929, compare closely in most items with those reported for January 18, 1928. An examination of loan and discount figures shows an increase of \$32,669,000 during the year in loans on securities, but loans otherwise secured and unsecured decreased \$29,277,000 during the same time, a net increase in all loans and discounts amounting to \$3,392,000. Total investments of the reporting member banks in bonds and securities showed a decrease of \$16,306,000, probably due in part to higher returns on money loaned on securities than on bond and stock investments. Deposits declined \$23,728,000 between January 18, 1927, and January 16, 1929, demand deposits decreasing by \$18,463,000, and time deposits by \$5,265,000, last year showing the first decline in time deposits in several years. As a result of lower deposits, the sixty-three reporting banks reduced their reserves at the Federal reserve bank by \$3,253,000 between January 18th last year and January 16th this year. Cash in vaults dropped \$1,454,000 during the year under review. Aggregate borrowing by the reporting banks at the Federal Reserve Bank of Richmond was \$1,358,000 greater in amount on January 16, 1929, than on January 18, 1928.

RESERVE BANK OPERATIONS—Member banks slightly increased their indebtedness at the Federal Reserve Bank of Richmond during the past month, the volume of rediscounts held by the Richmond bank rising from \$39,886,000 on December 15, 1928, to \$40,530,000 on January 15, 1929. On the other hand, a reduction in bankers acceptances purchased from member banks and in the open market lowered the total earning assets of the Richmond reserve bank from \$69,577,000 on December 15th to \$65,898,000 on January 15th. The volume of Federal reserve notes in actual circulation followed the seasonal trend last month, rising from \$86,849,000 on December 15th to approximately \$88,000,000 a few days before Christmas, and then declining after the holidays to \$80,801,000 on January 15th. The decline in note circulation between Christmas and the middle of January was less this year than in most years, and the actual circulation is now approximately \$10,000,000 greater than at the same time last year. Member bank reserve deposits dropped from \$70,675,000 at the middle of December to \$68,294,000 at the middle of January. The several changes enumerated lowered the cash reserves of the Federal Reserve Bank of Richmond from \$96,275,000 on December 15th to \$86,934,000 on January 15th, and reduced the ratio of cash reserves to note and deposit liabilities combined from 60.88 per cent to 57.20 per cent between the same dates.

On January 15, 1928, member banks were borrowing \$26,405,000 from the Federal Reserve Bank of Richmond, compared with \$40,530,000 on the corresponding date this year, the increase being in rediscounts for country member banks. The circulation of Federal reserve notes, which stood at \$72,412,000 a year ago, was \$80,801,000 at the middle of January this year. In spite of the increase in rediscounts for member banks this year, reduced holdings of Government securities and bankers acceptances purchased in the open market lowered the total earning assets of the Federal Reserve Bank of Richmond from \$80,228,000 on January 15, 1928, to \$65,898,000 on January 15, 1929. Member banks reduced their reserve deposits at the reserve bank from \$73,176,000 at the middle of January

last year to \$68,294,000 on January 15th this year, accounted for in part by decreased deposits in member banks. The cash reserves of the Federal Reserve Bank of Richmond were \$70,523,000 on January 15, 1928, but on January 15th this year cash reserves totaled \$86,934,000. The ratio of cash reserves to note and deposit liabilities likewise rose during the year from 47.36 per cent on January 15, 1928, to 57.20 per cent on January 15, 1929.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED			ANNUAL TOTALS	
	Jan. 9, 1929	Dec. 12, 1928	Jan. 11, 1928	1928	1927
Asheville, N. C.....	\$ 31,554,000	\$ 34,300,000	\$ 28,658,000	\$ 376,123,000	\$ 410,047,000
Baltimore, Md.	410,430,000	386,768,000	421,838,000	4,945,085,000	5,051,802,000
Charleston, S. C.	27,360,000	24,028,000	24,339,000	315,921,000	333,174,000
Charleston, W. Va.	45,123,000	40,816,000	44,645,000	477,480,000	472,139,000
Charlotte, N. C.	57,931,000	55,427,000	52,717,000	690,297,000	658,854,000
Columbia, S. C.	27,247,000	22,861,000	23,920,000	292,398,000	280,914,000
Cumberland, Md.	8,960,000	9,709,000	8,367,000	116,643,000	113,594,000
Danville, Va.	11,692,000	14,776,000	12,872,000	126,441,000	138,970,000
Durham, N. C.	31,122,000	41,020,000	33,055,000	373,997,000	390,348,000
Greensboro, N. C.	26,419,000	23,550,000	27,558,000	301,850,000	308,372,000
Greenville, S. C.	22,681,000	21,769,000	26,930,000	282,995,000	303,219,000
Hagerstown, Md.	10,293,000	10,284,000	10,729,000	128,120,000	131,092,000
Huntington, W. Va.	22,799,000	22,581,000	24,427,000	272,981,000	300,723,000
Lynchburg, Va.	21,456,000	18,511,000	22,783,000	243,080,000	240,270,000
Newport News, Va.	10,550,000	11,455,000	10,535,000	121,517,000	122,329,000
Norfolk, Va.	74,171,000	65,342,000	*69,326,000	789,082,000	*898,253,000
Portsmouth, Va.	6,291,000	6,715,000	.....	70,444,000	.....
Raleigh, N. C.	27,446,000	23,202,000	28,864,000	297,228,000	296,740,000
Richmond, Va.	149,255,000	148,530,000	140,381,000	1,721,458,000	1,711,049,000
Roanoke, Va.	30,871,000	28,800,000	30,373,000	352,017,000	351,946,000
Spartanburg, S. C.	15,941,000	15,976,000	15,613,000	174,634,000	176,659,000
Washington, D. C.	258,416,000	264,388,000	236,381,000	3,122,636,000	2,939,412,000
Wilmington, N. C.	18,655,000	17,873,000	19,397,000	216,895,000	235,614,000
Winston-Salem, N. C.	46,440,000	39,921,000	45,317,000	515,004,000	526,682,000
District Total.....	\$1,393,103,000	\$1,348,602,000	\$1,359,025,000	\$16,324,326,000	\$16,392,202,000

* These Norfolk figures include Portsmouth debits a.s.o.

The accompanying table shows debits to individual, firm and corporation accounts in the clearing house banks of twenty-four trade centers in the Fifth reserve district, three equal periods of four weeks being given to allow for comparison of the latest available figures with those of the preceding like period and the corresponding period last year. In addition, total debits are shown by cities and the district for the calendar years 1928 and 1927.

During the four weeks ended January 9, 1929, the twenty-four cities reported debits aggregating \$1,393,103,000, an increase of \$44,501,000, or 3.3 per cent, over the total of \$1,348,602,000 reported for the preceding four weeks, ended December 12, 1928. The dull business days between Christmas and New Year's tend to lower the debits total for the later four weeks, but very large annual payments around January 1st more than balanced the small payments of the last week in December. Sixteen of the twenty-four cities reported higher figures for the period ended January 9th.

In comparison with debits aggregating \$1,359,025,000 during the four weeks ended January 11, 1928, the total of \$1,393,103,000 reported for the corresponding four weeks this year shows an increase of \$34,078,000, or 2.5 per cent. Exactly half of the reporting cities registered gains in debits during the later period, but the gains averaged larger than the declines reported by the other half of the twenty-four cities. Richmond and Washington reported larger figures for the 1929 period, but Baltimore showed lower figures this year.

Aggregate debits in the twenty-four reporting cities for the year 1928 amounting to \$16,324,326,000 were \$67,876,000, or 4/10ths of 1 per cent, less than debits for the year 1927, when \$16,392,202,000 were reported. During the first six months of 1928 debits ran ahead of debits during the first six months of 1927, but between July 1st and December 31, 1928, the reporting cities fell behind the figures for the last half of 1927 sufficiently to more than wipe out the larger figures of the first six months of the year. Only nine cities reported higher totals for 1928 than for 1927, among them being Richmond and Washington, while fifteen cities showed lower figures than for the preceding year.

SAVINGS DEPOSITS—At the end of December 1928, twelve mutual savings banks in Baltimore had aggregate deposits amounting to \$187,161,472, the highest figure on record, compared with deposits in the same banks totaling \$186,045,529 on November 30, 1928, and \$176,866,209 on December 31, 1927. On the other hand, time deposits in sixty-three regularly reporting member banks, located

in thirteen leading cities of the Fifth reserve district, totaled only \$240,774,000 on January 16th this year, compared with \$246,039,000 on January 18, 1928.

BUSINESS FAILURES—Business failures in the United States numbered 1,943 in December 1928, with liabilities totaling \$40,774,160, compared with 2,162 failures and liabilities of \$51,062,253 reported in December 1927. The seasonal rise in defaults in December over November was smaller this year than usual. Failures during the entire year 1928 numbered 23,842, a record total and 3 per cent above 23,146 failures in 1927. Liabilities in 1928, on the other hand, totaled only \$489,559,624, a 6 per cent reduction from approximately \$520,000,000 involved in 1927 insolvencies. The 1928 total of liabilities was exceeded in six of the preceding seven years.

In the Fifth reserve district, December 1928 witnessed 113 bankruptcies, with liabilities aggregating \$1,860,640, compared with 146 failures and liabilities totaling \$4,424,241 in December 1927. Failures during the year 1928 totaled 1,518 in the Fifth district, with liabilities amounting to \$34,345,527, compared with 1,611 insolvencies and liabilities totaling \$41,835,046 in 1927. The number of insolvencies in the Fifth district in 1928 was exceeded only by those of 1927 and 1922, but last year's liabilities were lower than those of all years back to 1920 with the single exception of 1926.

LABOR—In contrast with conditions of a year ago, when a period of unemployment for many workers appeared to have begun, labor is now fairly well employed for this season of the year. The improvement over last January and the summer months of 1928 is due chiefly to the large building program in the Fifth reserve district, although nearly all other employers of labor are using normal quotas of workers. A few large plants in the district are shut down, but all of them have been closed for some time and their workmen have been for the most part absorbed by other industries. Prospects appear good for employment during the next few months, the outlook being considerably better than it was a year ago.

BUILDING OPERATIONS FOR THE MONTHS OF DECEMBER 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.....	238	239	582	443	\$ 1,304,960	\$ 814,100	\$ 689,080	\$ 214,000	\$ 965,940	94.0%	1
2	Cumberland, Md....	15	7	3	2	15,315	172,700	2,060	800	156,125	90.0	2
3	Frederick, Md.....	9	9	4	0	304,400	111,000	11,100	0	204,500	184.2	3
4	Hagerstown, Md....	10	14	5	1	28,380	23,955	26,075	250	30,250	125.0	4
5	Danville, Va.....	7	7	7	5	4,295	32,370	1,600	603	27,078	82.1	5
6	Lynchburg, Va.....	11	11	12	17	10,240	56,490	7,016	5,521	44,755	72.2	6
7	Norfolk, Va.....	49	42	45	86	131,845	51,835	56,635	129,413	7,232	4.0	7
8	Petersburg, Va.....	2	1	2	2	18,250	25,670	2,500	111	5,031	19.5	8
9	*Portsmouth, Va.....	*12	.....	*7	.....	*16,610	.....	* 2,825	.....	.....	.....	9
10	Richmond, Va.....	57	61	31	65	246,812	228,233	96,159	277,175	162,437	32.1	10
11	Roanoke, Va.....	29	46	20	13	121,737	122,939	9,055	2,380	5,473	4.4	11
12	Bluefield, W. Va...	8	5	3	1	15,445	23,160	800	300	7,215	30.8	12
13	Charleston, W. Va.	48	38	3	9	121,400	76,440	36,050	33,975	47,035	42.6	13
14	Clarksburg, W. Va.	19	8	12	4	11,175	28,625	12,800	890	5,540	18.8	14
15	Huntington, W. Va.	18	21	0	2	37,500	19,050	0	2,100	16,350	77.3	15
16	Parkersburg, W. Va.	11	19	5	5	59,350	46,950	4,300	4,800	11,900	23.0	16
17	Asheville, N. C.....	10	20	29	26	50,940	266,745	20,650	11,595	206,750	74.3	17
18	Charlotte, N. C.....	40	50	23	30	394,805	297,380	38,975	21,110	115,290	36.2	18
19	Durham, N. C.....	20	42	3	4	150,755	252,961	155,830	5,650	47,974	18.6	19
20	Greensboro, N. C.....	20	31	19	34	71,420	122,650	15,405	46,900	82,725	48.8	20
21	High Point, N. C...	30	23	1	5	35,775	127,655	375	3,400	94,905	72.4	21
22	Raleigh, N. C.....	19	19	10	6	330,250	52,105	13,000	3,350	287,795	519.0	22
23	Rocky Mount, N. C.	6	11	2	3	4,945	18,515	600	9,315	22,285	80.1	23
24	Salisbury, N. C.....	4	8	1	3	12,600	31,060	1,500	225	17,185	54.9	24
25	Wilmington, N. C...	5	8	7	6	17,750	10,350	9,100	9,100	7,400	38.0	25
26	Winston-Salem, N. C.	32	62	49	58	213,390	258,955	20,603	18,952	43,914	15.8	26
27	Charleston, S. C.....	13	8	22	13	28,880	15,190	26,765	7,065	33,390	150.0	27
28	Columbia, S. C.....	28	21	46	63	123,150	184,800	17,595	22,040	66,095	32.0	28
29	Greenville, S. C.....	13	4	15	34	107,500	8,400	6,325	9,305	96,120	542.9	29
30	Spartanburg, S. C.	6	16	10	7	3,450	45,150	3,896	1,175	38,979	84.1	30
31	Washington, D. C.	140	218	386	265	7,575,450	1,769,345	212,180	238,035	5,780,250	287.9	31
	Totals.....	917	1,069	1,357	1,212	\$11,552,164	\$ 5,294,778	\$1,498,029	\$1,079,535	\$ 6,675,880	104.7%	

— 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.

Following the seasonal trend, the volume of construction work provided for in building permits issued in the Fifth reserve district cities in December fell below the volume of work covered by November permits, but last month was far ahead of December 1927. Permits for new construction

issued in December 1928 numbered 917, with estimated valuation of \$11,552,164, compared with 1,069 permits for new work issued in December 1927, at an estimated cost of \$5,294,778. Repair and alteration permits issued in December 1928 numbered 1,357, with a valuation of \$1,498,029, compared with 1,212 permits and a valuation of \$1,079,535 issued for similar work in December 1927. Combined valuation figures for all classes of work totaled \$13,050,193 last month, an increase of \$6,675,880, or 104.7 per cent, over the total valuation of \$6,374,313 reported for December 1927. Only half of the thirty reporting cities showed higher figures for December 1928 than for December 1927, but the increases were somewhat higher than the decreases in most cases, and a \$5,780,250 increase in Washington carried the December 1928 valuation to a very high level for this season of the year.

Total building permit figures for the entire year 1928 show a decrease in the number of permits issued for new work in comparison with 1927, but valuation figures showed a substantial increase last year. The thirty cities issued 17,577 permits for new construction in 1928, a decline of 9.2 per cent from 19,363 permits issued in 1927, but the 1928 valuation of \$142,554,376 was 24.7 per cent higher than the \$114,279,872 valuation of 1927.

The F. W. Dodge Corporation reports contracts actually awarded in the Fifth reserve district totaling \$29,972,785 in December 1928, of which \$8,996,460 was for residential construction. Contracts awarded in December 1927 totaled \$37,285,000. During the year 1928 contract awards in the Fifth district totaled \$451,030,185, an increase of 10.3 per cent over \$409,009,712 in total awards during 1927.

COAL—Bituminous coal production in the United States in December 1928 totaled approximately 43,380,000 net tons, compared with 46,041,000 tons mined in November 1928 and 41,114,000 tons in December 1927. On the basis of preliminary figures, Pennsylvania took the lead in the output of bituminous coal last month, West Virginia dropping to second place. Total production of soft coal in the entire country during 1928 amounted to approximately 492,755,000 net tons, a decrease of 25,008,000 tons, or 4.8 per cent, from 517,763,000 net tons mined in 1927. Production in 1928 was the lowest for any year since 1924, but from the first of April to the end of 1928 production exceeded that of the corresponding nine months in 1927.

TEXTILES—Fifth district mills consumed 226,764 bales of cotton in December 1928, of which North Carolina mills used 118,743 bales, South Carolina mills 100,748 bales, and Virginia mills 7,273 bales. In December 1927 the three states consumed 237,325 bales. During the calendar year 1928, the three textile manufacturing states in the Fifth district consumed 2,839,836 bales of lint cotton, compared with 3,128,933 bales consumed in 1927, a decrease last year of 289,097 bales, or 9.3 per cent. Cotton consumption in the district in 1928 exceeded the number of bales grown during that year in the district by a million and a quarter bales, total consumption being nearly double the yield of cotton in Virginia and the Carolinas.

COTTON—Spot cotton prices averaged lower between the middle of December and the middle of January than during the preceding month, but since the first week in January the trend of prices has been upward. On December 14th the average price paid for middling short staple cotton on ten Southern markets was 19.14 cents per pound, but on December 21st the average price declined to 18.88 cents. On December 28th the price had risen to 19.07 cents, but on January 4th the average dropped to 18.68 cents. From this point, however, the price rose to 18.89 cents per pound on January 11th and to 19.12 cents on January 18th, the latest date for which figures are available.

Cotton consumption in American mills in December totaled 534,352 bales, according to the report of the Bureau of the Census made public on January 14th. This figure shows a decrease from 610,884 bales consumed during the month of November last year, and is also slightly less than 538,786 bales consumed in December 1927, but December 1928, with five Sundays, contained one less working day than December 1927. Total consumption during the five months of the present cotton year amounted to 2,782,974 bales, compared with 3,041,352 bales consumed during the five months ended December 31, 1927. Cotton on hand at manufacturing establishments on December 31, 1928, totaled 1,740,892 bales, compared with 1,566,878 bales held on November 30, 1928, and 1,708,538 bales held on December 31, 1927. Bales in public warehouses and compresses numbered 5,315,411 at the end of December, against 5,252,843 at the end of November, and 5,655,574 on December 31, 1927. Exports of cotton totaled 1,058,013 bales in December, compared with 1,427,699 bales sent abroad in November 1928 and 744,640 bales in December 1927. Imports last month totaled 39,630 bales, compared with 39,213 bales imported in November and 41,211 bales in December 1927. Consumption of cotton in the cotton growing states totaled 405,315 bales in December, compared with 401,633 bales used in December 1927. Last month's consumption in the cotton growing states amounted to 75.85 per cent of National consumption, compared with 74.54 per cent of National consumption used in the cotton growing states in December a year ago. Of the 405,315 bales consumed in cotton growing states last month, Fifth reserve district states used 226,764 bales, or 55.94 per cent.

TOBACCO—VIRGINIA leaf tobacco sales during the month of December totaled 21,259,340 pounds, compared with 30,055,877 pounds sold in November, and brought the total sales for this season up to 73,844,053 pounds, which is approximately 60 per cent of the estimated production for the

year. The average price of flue-cured, or bright, tobacco was \$17.16 per hundred pounds in December, compared with \$19.90 in November 1928 and \$10.80 in December 1927. Fire-cured, or dark, tobacco brought an average of \$9.86 in December, compared with \$9.73 for this type in December a year ago. Sun-cured tobacco prices rose in December from those of November, but the December average of \$8.97 per hundred pounds was materially below the average of \$11.78 paid in December 1927 for the same type. Danville sold 7,795,569 pounds of bright tobacco in December for an average of \$18.83 per hundred pounds, leading the state markets in both number of pounds and in price paid. Lynchburg led the dark markets, selling 1,098,384 pounds, but in price several markets averaged higher. Richmond sold 582,408 pounds of sun-cured for \$8.97 per hundred, and Abingdon sold 1,371,356 pounds of burley for an average of \$30.01 per hundred pounds.

NORTH CAROLINA auction warehouses sold 50,503,248 pounds of producers' tobacco in December, at an average price of \$18.95 per hundred pounds, compared with 46,625,686 pounds sold in December 1927 at an average of \$21.73 per hundred. Season sales to December 31st totaled 445,722,991 pounds, compared with 432,521,774 pounds sold by the auction markets to December 31, 1927. Greenville led the North Carolina markets in sales in December with 7,549,752 pounds, Wilson with sales of 7,151,272 pounds ranking second, but Mebane with an average of \$25.21 and Durham with \$21.29 per hundred pounds ranked first and second in price.

AGRICULTURAL NOTES—The winter has been mild in the Fifth district, and all farm work is well advanced except tobacco marketing in Virginia, which has been retarded by dry weather. Little snow has fallen in the district, and there have been no ice or sleet storms thus far.

In order that our readers may have comparative production figures for the leading crops in the states comprising the Fifth reserve district, we are including a table showing yields for 1928 and 1927. The figures are final estimates, and were obtained from official sources.

Crops	Yrs.	Maryland	West Virginia	Virginia	N. Carolina	S. Carolina
Corn (bus.)	1928	19,345,000	16,524,000	45,155,000	40,830,000	17,064,000
	1927	22,660,000	14,774,000	47,967,000	51,323,000	25,449,000
Cotton (bales)	1928	.....	.....	43,000	840,000	725,000
	1927	.....	.....	31,000	861,000	730,000
Tobacco (lbs.)	1928	21,700,000	5,100,000	111,600,000	475,000,000	82,288,000
	1927	26,176,000	3,488,000	127,971,000	485,395,000	76,648,000
Irish Potatoes (bus.)	1928	5,405,000	7,500,000	21,593,000	10,545,000	4,068,000
	1927	5,246,000	5,876,000	19,760,000	7,368,000	3,034,000
Sweet Potatoes (bus.)	1928	1,500,000	204,000	6,335,000	7,840,000	4,214,000
	1927	1,584,000	220,000	5,805,000	10,146,000	5,300,000
Oats (bus.)	1928	1,701,000	5,712,000	4,641,000	4,202,000	7,751,000
	1927	1,708,000	5,251,000	3,999,000	5,733,000	10,327,000
Wheat (bus.)	1928	8,745,000	1,586,000	9,758,000	5,150,000	800,000
	1927	9,188,000	1,796,000	8,381,000	5,168,000	880,000
Hay (tons)	1928	754,000	1,182,000	1,451,000	986,000	376,000
	1927	733,000	1,259,000	1,472,000	990,000	353,000
Peanuts (lbs.)	1928	.....	.....	138,320,000	199,500,000	9,660,000
	1927	.....	.....	123,120,000	216,558,000	11,625,000
Apples (bus.)	1928	2,190,000	8,750,000	16,100,000	5,000,000	480,000
	1927	1,700,000	5,000,000	6,600,000	1,825,000	363,000
Apples (Commercial) (bbls.)	1928	442,000	1,470,000	3,700,000	250,000	.....
	1927	400,000	1,350,000	1,650,000	91,000	.....
Sorghum Syrup (gals.)	1928	.....	616,000	1,032,000	1,720,000	1,296,000
	1927	.....	534,000	920,000	2,024,000	1,846,000

FIGURES ON RETAIL TRADE

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

Percentage increase in December 1928 sales, compared with sales in December 1927:	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in total sales during 1928, over total sales in 1927:	— 1.8	— 2.6	2.5	— 6.5	— .6
Percentage increase in December sales over December sales during the three years 1923-1925, inclusive:	— 1.3	2.3	3.3	— 6.2	.4
Percentage increase in stock on hand December 31, 1928, over stock on December 31, 1927:	.4	17.2	17.1	— 3.8	7.9
Percentage increase in stock on hand December 31, 1928, over stock on November 30, 1928:	— 1.2	— 4.0	— 4.2	— .2	— 2.4
Percentage of sales in December 1928 to average stock carried during that month:	—17.9	—19.6	—19.6	—21.7	—19.2
Percentage of total sales during 1928 to average stock carried each month:	43.6	53.6	56.8	36.2	48.4
Percentage of collections in December to total accounts receivable on December 1st:	323.3	373.8	368.9	249.8	334.7
	26.2	31.0	32.6	28.4	28.9

— Denotes decreased percentage.

Retail trade in December, as reflected in department store sales, was up to seasonal average, increasing 55 per cent over November sales and also averaging 7.9 per cent above average December sales by the same stores during the three years 1923-1925, inclusive. Sales in December by thirty stores fell 6/10ths of 1 per cent below December 1927 sales, but total sales in the calendar year 1928 were 4/10ths of 1 per cent above sales in 1927. Sales in Richmond and Washington in 1928 exceeded sales in 1927 by 2.3 and 3.3 per cent, respectively, but sales in Baltimore and the Other Cities were smaller.

Stocks on hand at the end of December 1928 were 2.4 per cent smaller than stocks at the end of 1927, and were 19.2 per cent smaller than at the end of November 1928. Sales during December amounted to 48.4 per cent of average stock carried during the month, and total sales during the calendar year 1928 were 334.7 per cent of average stock on the shelves at the end of each of the twelve months. This indicates an average turnover during the year of 3.347 times, the stores in Richmond leading with approximately 3.74 times.

Collections in December equaled 28.9 per cent of total receivables outstanding on December 1st, a slightly higher figure than 28.6 per cent of receivables collected in December 1927. Washington, with 32.6 per cent, reported the best collections last month.

WHOLESALE TRADE, DECEMBER 1928

Percentage increase in December 1928 sales, over sales in December 1927:	<i>32 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>15 Hardware</i>	<i>5 Furniture</i>	<i>13 Drugs</i>
Percentage increase in December 1928 sales, over sales in November 1928:	— .2	— 5.9	—19.2	— 3.6	— 8.7	13.4
Percentage increase in total sales during 1928, compared with sales in 1927:	—11.7	—32.8	—52.6	—13.4	—42.3	3.6
Percentage increase in stock on Dec. 31, 1928, over stock on Dec. 31, 1927:	.9	—17.9	— 6.8	— 2.6	—20.4	1.6
Percentage increase in stock on Dec. 31, 1928, over stock on Nov. 30, 1928:	9.4(11*)	—13.0(4*)	2.9(4*)	— 1.5(8*)	.....	.....
Percentage of collections in December to accounts receivable on December 1, 1928:	— 3.1(11*)	— 6.3(4*)	— 6.2(4*)	— .3(8*)	.....	.....
	63.6(19*)	39.2(7*)	47.2(5*)	37.8(12*)	21.2(3*)	54.7(9*)

— Denotes decreased percentage.

* Number of reporting firms.

Wholesale trade in the Fifth Federal reserve district in December, as indicated by reports from eighty firms in six lines, was in smaller volume in every line except drugs than in either November 1928 or December 1927. The decreases in December sales under those of November were largely seasonal, but the declines in comparison with December 1927 sales show actual decreases in business. Total sales for the year 1928 were also smaller in every line reported upon except groceries and drugs, which gained 0.9 per cent and 3.6 per cent, respectively.

Dry goods and hardware stocks declined in December, while stocks of groceries and shoes increased. At the end of the year stocks in all of the four lines for which information was available were less than stocks on hand December 31, 1927.

Collections in December were better than in November in all lines except groceries. In comparison with collections in December 1927, those of December 1928 were better in dry goods, shoes and drugs, but grocery, hardware and furniture collections compared unfavorably with those of the corresponding month of the preceding year.

(Compiled January 21, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industry and trade continued active in December, and the general level of prices remained unchanged. Banking and credit conditions at the turn of the year were influenced chiefly by seasonal changes in the demand for currency and by requirements for end-of-year financial settlements.

PRODUCTION. Output of manufactures decreased in December, but the decline was less than is usual during the month, and the Board's index was slightly higher than in November and above the level of a year ago. Smaller than usual seasonal reductions were reported in the daily average output of steel, pig iron, automobiles, copper, cement, silk and flour, while cotton and wool textiles declined considerably. Meat packing increased in December, reflecting a larger output of pork products, though beef and mutton production was smaller. Volume of factory employment and payrolls was larger than at this season of last year. Production of minerals was in somewhat smaller volume in December than in November, reflecting chiefly a large reduction in the output of bituminous and anthracite coal. Production of copper and zinc ore on a daily basis was slightly smaller, while petroleum output increased. Preliminary reports for the first half of January indicate a steady increase in the output of petroleum and greater activity in the steel, automobile, coal and lumber industries, following the temporary lull due to the inventory period at the end of the year. Building contracts awarded in 37 Eastern states declined sharply during December, as in the preceding month, and were smaller than in any December since 1924. The decline from November was attributable largely to decreases in awards for residential building and public works and utilities. By districts, the largest declines over the preceding month were in the Cleveland, Chicago, Boston and Richmond Federal reserve districts, while increases were reported in the New York, Philadelphia and Atlanta districts.

TRADE. Department store trade showed greater activity in December than in the preceding month, after allowance is made for the customary holiday increase. Total sales for the month were the largest on record, exceeding December 1927 by 1 per cent, although there was one less trading day this year. Increases over a year ago were reported for the New York and Philadelphia districts, while substantial decreases occurred in the Atlanta and Minneapolis districts. Distribution at wholesale declined seasonally and was smaller than a year ago. Freight car loadings in December and the first half of January showed a slightly larger than usual seasonal reduction, but, as in earlier months, were above a year ago.

PRICES. The general level of wholesale prices, as measured by the index of the United States Bureau of Labor Statistics, remained approximately the same during December as in the preceding month. Average prices of iron and steel, automobiles, copper and building materials continued to advance slowly, and prices of farm products, after declining during October and November, also rose in December, reflecting higher average prices for raw cotton, oats, rye and some grades of wheat, offset in part by lower prices for corn and cattle. In the first three weeks of January the price of rubber advanced sharply, and wheat, corn, potatoes and flour also increased, while silk and sugar declined somewhat, and hides reached the lowest level in more than a year.

BANK CREDIT. Banking and credit conditions in January were influenced chiefly by the seasonal decline in the volume of money in circulation. At the reserve banks the return flow of currency from circulation resulted in a liquidation of member bank borrowing and small declines in reserve bank holdings of acceptances and of United States securities. Total bills and securities showed a decline of about \$450,000,000 for the period from December 26 to January 23 and were in about the same volume as in midsummer of last year. At member banks there was an increase in the total volume of loans at the turn of the year, due chiefly to year-end financial settlements, and the temporary withdrawal of funds loaned by corporations in the New York market. In January deposits and loans of member banks declined to approximately the level of the early part of December. In the money market, rates on call loans declined sharply in January, while rates on time loans on securities remained firm and rates on acceptances advanced.