

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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DISTRICT SUMMARY—In most respects business in the Fifth Federal reserve district in January and early February was at the same level as in December when allowance is made for the usual seasonal variations, and exceeded the volume of business done in January 1928. Debits to individual accounts figures in clearing house banks last month were higher than the corresponding figures for 1928 by 5.5 per cent. Business failures in the Fifth district were fewer in number and lower in liabilities than in January a year ago. The employment situation is distinctly better than it was in early 1928, with workers now more nearly employed on full time. Coal production in both the nation and the district was in greater tonnage in January than in January 1928. Textile mills operated more extensively last month than in January a year ago, cotton consumption by Fifth district mills being 12.5 per cent above the figures for January 1928. Retail trade, as reflected in department store sales, were somewhat larger in most stores in January this year.

On the other hand, there are some indications of unsatisfactory basic conditions in the district which may affect business later in the year, unless new factors are brought into play. Financial returns from 1928 crops were considerably lower in the aggregate than returns from 1927 crops, and the liquidation of last year's indebtedness by farmers was not up to average years. This tends to lessen the 1929 purchasing power of the agricultural population, and handicaps the farmers in their arrangements for planting and raising a new crop. Bank deposits in reporting member banks are lower than they were a year ago, and member banks are borrowing more from the Reserve Bank to meet the needs of their customers. Building permits issued in January 1929 were fewer in number and very much lower in estimated valuation than permits issued in January 1928, although this comparison is not as serious as might be thought, valuation figures in January 1928 having been much higher than in any other January on record. Wholesale trade in January 1929 was less in most lines than in January 1928.

RESERVE BANK OPERATIONS—The volume of rediscounts for member banks held by the Federal Reserve Bank of Richmond on Feb-

ruary 15, 1929, was \$36,999,000, compared with \$40,530,000 held on January 15th this year, a decline of \$3,531,000 during the month. A decrease of \$6,857,000 in the open market paper in the Bank's portfolio between the same dates, with the decrease in rediscounts, caused the earning assets to decrease from \$65,898,000 to \$55,510,000, a decline of \$10,388,000. Following a seasonal trend, the circulation of Federal reserve notes declined from \$80,801,000 at the middle of January to \$76,704,000 on February 15th, but the outstanding circulation remains higher than in recent years at this season. Member bank reserve deposits dropped from \$68,294,000 to \$68,082,000 between January 15th and February 15th, a daily fluctuation only. The several changes in the items mentioned, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond from \$86,934,000 at the middle of January to \$98,264,000 on February 15, 1929, and also raised the ratio of cash reserves to note and deposit liabilities combined from 57.20 per cent to 66.63 per cent between the same dates.

A year ago, on February 15, 1928, rediscounts for member banks held by the Richmond reserve bank totaled \$25,319,000, but on February 15th this year rediscounts totaled \$36,999,000. Total earning assets of the Federal Reserve Bank of Richmond did not increase in proportion to rediscounts during the year, the Bank's holdings of bankers' acceptances bought from member banks and in the open market having been reduced by approximately the amount of the increase in rediscounts. Total earning assets rose from \$55,112,000 on February 15th last year to \$55,510,000 on February 15th this year. The circulation of Federal reserve notes at the middle of February 1928 totaled \$66,176,000, but on February 15, 1929, notes totaling \$76,704,000 were in actual circulation. Member bank reserve deposits decreased during the year, due to lower deposits in member banks, the reserve declining from \$72,323,000 on February 15, 1928, to \$68,082,000 on February 15, 1929. The total cash reserves of the Federal Reserve Bank of Richmond rose from \$92,379,000 on February 15th last year to \$98,264,000 on February 15th this year, and the ratio of cash reserves to note and deposit liabilities combined rose from 64.96 per cent to 66.63 per cent.

CONDITION OF SIXTY-THREE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Feb. 13, 1929	Jan. 16, 1929	Feb. 15, 1928
Total Loans and Discounts.....	\$517,854,000	\$518,914,000	\$511,471,000
Total Investments in Bonds and Securities.....	158,408,000	159,304,000	174,559,000
Reserve Balance with Federal Reserve Bank.....	41,241,000	41,853,000	43,137,000
Cash in Vaults.....	11,412,000	11,840,000	11,784,000
Demand Deposits	369,679,000	368,896,000	380,873,000
Time Deposits	239,668,000	240,774,000	246,687,000
Borrowed from Federal Reserve Bank.....	16,820,000	20,173,000	15,499,000

In the accompanying table, the chief items of condition are shown for sixty-three member banks in thirteen leading cities of the Fifth reserve district, figures for three dates being included to allow for comparison of the February 13, 1929, figures with those of January 16, 1929, and February 15, 1928, the preceding month and year, respectively. It should be understood that the amounts shown represent the condition of the reporting banks on the report dates only, and are not necessarily the highest or lowest figures that occurred during the period under review. All loans and discounts are included in one figure, a recent change in the classification of loans making it impossible to show loans secured by different kinds of paper.

During the past month, every item in the statement showed a decline except demand deposits, which rose \$783,000 between January 16th and February 13th, both this year. Total loans and discounts declined \$1,060,000 last month, and the reporting banks reduced their investments in bonds and securities by \$896,000 during the same period. Reserve balances of the sixty-three reporting banks at the reserve bank dropped \$612,000 between January 16th and February 13th, probably only a daily fluctuation, and cash in vaults declined \$428,000 between the same dates. Time deposits decreased slightly last month, falling \$1,106,000 between January 16th and February 13th. The reporting banks reduced their indebtedness at the reserve bank by \$3,353,000 during the period between January 16th and February 13th.

The volume of credit extended by the reporting member banks to their customers in the form of loans and discounts on February 13, 1929, was \$6,383,000 more than the volume of loans and discounts outstanding on February 15, 1928, but total investments in bonds and securities owned by the reporting banks were \$16,151,000 lower on the 1929 date than a year earlier. Aggregate reserve balances at the reserve bank on February 13th this year were \$1,896,000 below those of a year ago, and cash in vaults declined during the year by \$372,000. Demand deposits decreased \$11,194,000 and time deposits dropped \$7,019,000 between February 15, 1928, and February 13, 1929, a total deposit decline of \$18,213,000. The reporting banks increased their rediscounts at the reserve bank by \$1,321,000 this year.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FIVE WEEKS ENDED		
	February 13, 1929	January 9, 1929	February 15, 1928
Asheville, N. C.	\$ 30,565,000	\$ 41,415,000	\$ 31,396,000
Baltimore, Md.	468,501,000	510,619,000	463,334,000
Charleston, S. C.	31,468,000	33,343,000	30,491,000
Charleston, W. Va.	47,737,000	54,953,000	43,870,000
Charlotte, N. C.	69,943,000	72,102,000	66,649,000
Columbia, S. C.	28,676,000	33,805,000	28,125,000
Cumberland, Md.	11,088,000	11,484,000	10,477,000
Danville, Va.	12,035,000	15,533,000	14,264,000
Durham, N. C.	39,530,000	40,184,000	37,533,000
Greensboro, N. C.	29,786,000	32,559,000	29,772,000
Greenville, S. C.	29,497,000	28,340,000	31,340,000
Hagerstown, Md.	12,287,000	13,022,000	11,526,000
Huntington, W. Va.	26,730,000	28,293,000	25,701,000
Lynchburg, Va.	23,643,000	25,838,000	22,966,000
Newport News, Va.	12,316,000	13,618,000	10,985,000
Norfolk, Va.	75,486,000	92,372,000	*78,801,000
Portsmouth, Va.	6,273,000	8,219,000
Raleigh, N. C.	37,256,000	34,910,000	26,814,000
Richmond, Va.	172,261,000	185,173,000	170,050,000
Roanoke, Va.	34,045,000	38,911,000	31,110,000
Spartanburg, S. C.	17,674,000	19,784,000	17,441,000
Washington, D. C.	320,584,000	330,052,000	271,590,000
Wilmington, N. C.	20,297,000	22,493,000	20,827,000
Winston-Salem, N. C.	54,070,000	56,697,000	51,975,000
District Totals	\$1,611,748,000	\$1,743,719,000	\$1,527,037,000

* This Norfolk figure includes Portsmouth figure also.

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 five 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.

Total debits in the twenty-four reporting centers during the five weeks ended February 13, 1929, amounted to \$1,611,748,000, in comparison with \$1,743,719,000 reported for the preceding five weeks ended January 9, 1929. A decrease during the later period is a seasonal development, due to the unusually large debits just before Christmas and around the first of the year. Greenville, S. C., and Raleigh, N. C., were the only cities reporting higher figures for the period ended February 13th, and in Raleigh the increase was due to an abnormal transfer of State funds.

In comparison with debits figures totaling \$1,527,037,000 reported for the five weeks' period ended February 15, 1928, aggregate debits totaling \$1,611,748,000 in the corresponding period ended February 13th this year show an increase of \$84,711,000, or 5.5 per cent. Larger figures were reported this year by twenty of the twenty-four cities, Asheville, N. C., Danville, Va., Greenville, S. C., and Wilmington, N. C., reporting the only decreases in comparison with the corresponding five weeks of 1928.

SAVINGS DEPOSITS—At the end of January 1929, twelve mutual savings banks in Baltimore had aggregate deposits amounting to \$187,929,960, compared with \$187,161,472 on December 31, 1928, and \$178,834,286 on January 31, 1928. On the other hand, time deposits in sixty-three regularly reporting member banks, located in thirteen Fifth district cities, declined during the past month and at the middle of February were lower than a year ago, total time deposits in the reporting banks aggregating only \$239,668,000 on February 13, 1929, compared with \$240,774,000 on January 16, 1929, and \$246,687,000 on February 15, 1928.

BUSINESS FAILURES—Dun's *Review* for February 9th, in reviewing the January business mortality record, says, "Continuing the trend of the two immediately preceding months, commercial failures in the United States during January fell below those of the corresponding period of the previous year. At 2,535, last month's total compares with 2,643 defaults in January 1928, or a reduction of a little more than 4 per cent. Moreover, the increase over the 2,465 insolvencies of the same month of 1927 is only about 2.5 per cent. The number of failures for last month is appreciably above the figures of recent months, and is, in fact, the highest reported in exactly a year. Such a tendency, however, always is to be expected in January, when the statistics of business mortality reflect more plainly the strains incidental to the annual settlements.

Despite the smaller total of defaults last month, the liabilities rose considerably. That increase was due to a larger number of insolvencies of unusual size, which swelled the aggregate indebtedness to \$53,877,145. Not since last August, when more than \$58,200,000 was involved, has last month's amount been equaled. It contrasts with \$47,634,411 in January 1928, or an expansion of more than 13 per cent."

In the Fifth reserve district, January 1929 failures numbered 170, with liabilities totaling \$2,165,331, compared with 197 insolvencies and liabilities aggregating \$3,192,930 in January 1928. The number of insolvencies last month was larger than for any other month since January a year ago, but the January 1929 liabilities were lower than those of all months in 1928 except June, July, October and December.

LABOR—There were no important changes in employment conditions in the Fifth reserve district during the past month. Labor is seasonally employed, most of the surplus labor of a few months ago having been absorbed in the construction and industrial activities of the district since the beginning of fall. The weather this winter has been generally favorable for outside work. Labor conditions are much better at present than they were at the middle of February last year, when unemployment was increasing and prospects for early improvement in the demand for workers were not good.

COAL—Bituminous coal production in the United States totaled approximately 51,456,000 net tons in January, a higher figure than either 43,380,000 tons mined in December 1928 or 44,308,000 tons mined in January a year ago. Total production during the present coal year to February 9th—approximately 264 working days—was 430,288,000 net tons, an increase of nearly 6 per cent over 406,096,000 tons dug in the corresponding period of the 1927-1928 coal year. West Virginia led Pennsylvania by a small margin in the production of soft coal in January this year. The report of the Bureau of Mines showing coal stocks as of January 1, 1929, indicates somewhat smaller stocks in storage throughout the country than a year ago, due chiefly to an increased rate of consumption in November and December over the same months of 1927. All retail dealers report stocks sufficient to fill orders promptly.

TEXTILES—Textile mills in the Fifth reserve district consumed 290,146 bales of cotton in January this year, compared with 226,764 bales in December 1928 and 257,948 bales in January a year ago. North Carolina mills used 156,015 bales last month, South Carolina mills used 123,342 bales and Virginia mills 10,789 bales, the North and South Carolina figures exceeding those of January

1928 by 10.9 per cent and 16.5 per cent, respectively, while Virginia's consumption dropped 5.4 per cent. The district increase in cotton consumption of 12.5 per cent was slightly less than the National increase of 14 per cent. Activity in the textile industry appears to be greater this year than it was a year ago, when curtailment of operations was quite general. Buyers are still reluctant to place forward orders, but a large volume of business is being done on orders for immediate or early delivery. The raw material situation shows improvement over that of 1928, last year's cotton crop having been sufficient to meet requirements but not large enough to create a troublesome surplus.

BUILDING OPERATIONS FOR THE MONTHS OF JANUARY 1929 AND 1928.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1929	1928	1929	1928			
		1929	1928	1929	1928							
1	Baltimore, Md.....	326	465	775	816	\$ 1,977,360	\$ 4,976,800	\$ 472,800	\$ 1,071,120	\$-3,597,760	- 59.5%	1
2	Cumberland, Md...	9	4	3	3	14,540	8,225	525	375	6,465	75.2	2
3	Frederick, Md.....	7	2	3	0	22,150	4,400	3,950	0	21,700	493.2	3
4	Hagerstown, Md...	3	15	4	5	8,555	23,035	1,950	9,875	22,405	68.1	4
5	Danville, Va.....	3	10	9	5	4,250	21,930	2,720	1,820	16,780	70.7	5
6	Lynchburg, Va.	12	16	11	17	20,550	59,935	10,265	7,840	36,960	54.5	6
7	Norfolk, Va.....	48	54	55	65	211,578	86,575	80,335	48,515	156,823	116.1	7
8	Petersburg, Va.	8	1	2	2	30,550	600	4,000	4,500	29,450	577.5	8
9	Portsmouth, Va....	14	11	14	27	12,250	10,400	27,128	12,453	16,525	72.3	9
10	Richmond, Va.....	71	57	43	62	1,169,496	956,614	35,031	148,862	99,051	9.0	10
11	Roanoke, Va.....	23	32	11	19	98,068	220,878	4,815	14,884	132,879	56.4	11
12	Bluefield, W. Va...	2	10	3	1	55	5,805	995	200	4,955	82.5	12
13	Charleston, W. Va.	23	69	17	11	40,380	150,995	14,000	19,880	116,495	68.2	13
14	Clarksburg, W. Va.	6	13	5	9	3,525	94,510	1,050	57,480	147,415	97.0	14
15	Huntington, W. Va.	16	21	0	1	19,241	33,740	0	350	14,849	43.6	15
16	Parkersburg, W. Va.	2	11	1	2	5,225	69,650	2,500	2,100	64,025	89.2	16
17	Asheville, N. C....	22	21	45	28	260,575	117,525	116,600	16,405	243,245	181.6	17
18	Charlotte, N. C....	48	59	32	33	376,185	616,450	70,700	31,311	200,876	31.0	18
19	Durham, N. C.....	28	38	4	12	167,748	7,178,400	5,450	21,038	7,026,240	97.6	19
20	Greensboro, N. C.	71	37	28	34	983,278	249,735	37,276	61,482	709,337	227.9	20
21	High Point, N. C..	26	31	3	5	106,375	110,400	750	2,530	5,805	5.1	21
22	Raleigh, N. C.....	12	23	11	9	45,950	752,350	14,450	8,975	700,925	92.1	22
23	Rocky Mount, N.C.	9	16	2	4	8,085	15,210	800	4,575	10,900	55.1	23
24	Salisbury, N. C....	2	16	1	11	1,350	65,675	150	3,575	67,750	97.8	24
25	Wilmington, N. C..	6	11	19	7	29,400	15,600	17,500	4,200	27,100	136.9	25
26	Winston-Salem, N. C.	37	69	71	46	120,730	297,275	57,222	15,250	134,573	43.1	26
27	Charleston, S. C....	11	17	38	23	29,950	11,460	8,589	13,000	14,079	57.6	27
28	Columbia, S. C.....	20	19	31	43	33,600	72,750	9,325	23,920	53,745	55.6	28
29	Greenville, S. C....	3	11	30	25	12,600	34,000	21,885	21,530	21,045	37.9	29
30	Spartanburg, S. C.	17	22	14	12	40,150	67,595	3,000	4,970	29,415	40.5	30
31	Washington, D. C.	156	93	475	280	2,155,375	4,422,125	403,070	207,770	2,071,450	44.7	31
	Totals.....	1,041	1,274	1,760	1,617	\$ 8,009,124	\$20,750,642	\$1,428,831	\$1,840,785	\$-13,153,472	- 58.2%	

— 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.

After making an excellent record during the closing months of 1928, building permits issued in the leading cities of the Fifth district fell off in January in both number and estimated valuation. Thirty-one cities for which figures for both 1929 and 1928 are available issued 1,041 permits for new construction in January this year, with estimated valuation of \$8,009,124, compared with 1,274 permits and estimated valuation of \$20,750,642 in January 1928. Total valuation figures for all classes of work were \$9,437,955 in January 1929, a decrease of \$13,153,472, or 58.2 per cent, under the total valuation of \$22,591,427 for January 1928. The record of January 1929 was not as bad as the comparison indicates, however, the figures for January last year having been swelled far above average January figures by permits totaling nearly \$5,000,000 in both Baltimore and Washington, and a remarkable permit for approximately \$7,000,000 issued in Durham for construction work at Duke University. Among the thirty-one reporting cities, ten reported higher figures for January 1929 than for January 1928, Greensboro with permits for new work aggregating \$983,278 making the best showing for the month in proportion to population.

Building contracts awarded in the Fifth district in January totaled \$28,747,575, including both urban and rural construction, compared with \$27,606,830 awarded in January 1928. Of the January 1929 total, \$9,463,265 represented contracts for residential types of construction, according to statistics collected by the F. W. Dodge Corporation.

COTTON—Spot cotton prices were slightly lower during the month between the middle of January and the middle of February than during the preceding month. On January 18th, the latest date mentioned in the *Review* last month, the average price on ten Southern markets for middling cotton was 19.12 cents per pound. On January 25th and February 1st the average price was down to 18.71 cents, and on February 8th had declined further to 18.68 cents. The latest date for which figures are available, February 15th, witnessed a partial recovery, the average price being 18.82 cents.

Consumption of cotton in American mills in January totaling 668,389 bales broke all records for January, and was 14 per cent above 586,142 bales consumed in January 1928. Total consumption for the six elapsed months of the present cotton season—August 1, 1928 to February 1, 1929—amounted to 3,451,363 bales, compared with 3,627,494 bales used in the corresponding months of last season. Stocks of cotton on hand at consuming establishments totaled 1,767,742 bales on January 31, 1929, according to the February 14th report of the Bureau of the Census. This figure compares with 1,740,892 bales held by manufacturing plants on December 31, 1928, and 1,708,646 bales so held on January 31, 1928. Warehouses and compresses held in storage 4,615,337 bales at the end of January, compared with 5,315,411 bales so held at the end of December and 5,013,611 bales at the end of January a year ago. Exports in January numbered 788,645 bales, less than 1,058,013 bales shipped abroad in December but more than 712,129 bales exported in January 1928. Imports last month totaled 54,939 bales, compared with 39,630 bales brought in in December and 41,445 bales in January 1928. Exports during the six months ended January 31st totaled 5,576,774 bales, compared with 4,496,248 bales exported during the six months ended January 31, 1928.

Cotton consumption in the cotton growing states totaled 508,537 bales in January, compared with 405,315 bales used in December and 442,330 bales in January 1928. Last month's consumption in the cotton growing states amounted to 76.08 per cent of National consumption, compared with 75.46 per cent of National consumption used in cotton growing states in January last year. Of the 508,537 bales of cotton consumed in the cotton growing states in January, the Fifth district mills used 290,146 bales, or 57.06 per cent.

The Census Bureau's ginning report to January 16th shows that the Fifth district raised slightly more cotton in 1928 than the crop forecast of December 1st indicated. Prior to January 16th, North Carolina ginning totaled 845,128 bales, compared with the December forecast of 840,000 bales; South Carolina ginnings of 731,676 bales compare with a predicted yield of 725,000 bales; and Virginia's ginnings of 42,518 bales compare with the forecast of 43,000 bales. The January 16th figures usually include practically all of the crop, but a final ginning report for the year will be issued in March.

TOBACCO—VIRGINIA auction markets sold 24,338,809 pounds of producers' tobacco in January, at an average price of \$16.18 per hundred pounds. Season sales to February 1st totaled 98,196,767 pounds, approximately 80 per cent of the estimated sales for the year. In January 1928 sales of 25,304,615 pounds of tobacco brought the season sales up to 116,694,854 pounds, approximately 81.6 per cent of the year's total sales. Flue-cured tobacco sold in January totaled 11,961,865 pounds, at an average price of \$15.37 per hundred, compared with 15,598,760 pounds of this type sold in January 1928, at an average of \$17.91 per hundred. Fire-cured tobacco sold in January totaled 7,730,008 pounds, compared with 6,630,127 pounds in January 1928. The average price paid for fire-cured tobacco last month was \$12.45, compared with \$11.35 in January last year. Sales of burley tobacco, all at Abingdon, totaled 2,988,790 pounds last month, and averaged \$32.09 per hundred pounds, the highest burley price since official price records began in 1920. Sun-cured sales on the Richmond market totaled 1,658,146 pounds last month, and the average price received by growers was \$10.69 per hundred pounds. Danville sold 5,251,797 pounds of flue-cured tobacco last month, South Boston sold 2,814,676 pounds of the same type, and Lynchburg with 2,028,051 pounds led the fire-cured markets. Danville also led the flue-cured market in price paid with an average of \$17.06 per hundred, while Amelia paid an average of \$15.13 per hundred for 197,002 pounds of fire-cured tobacco, leading the markets for that type.

NORTH CAROLINA auction markets sold 27,798,339 pounds of tobacco for growers in January, at an average price of \$16.30 per hundred pounds, compared with 25,344,667 pounds sold for an average of \$19.07 per hundred in January 1928. Total sales this season, to February 1st, amounted to 475,123,360 pounds, compared with 459,110,191 pounds sold prior to February 1, 1928. Winston-Salem sold 7,923,826 pounds in January 1929, leading all markets, while Durham with sales of 2,386,020 pounds and Oxford with 2,158,445 pounds ranked second and third, respectively. In average price paid, Fuquay Springs led last month with \$22.19 per hundred pounds, Mebane coming second with \$21.60.

TOBACCO MANUFACTURING—Internal revenue figures released by the Treasury Department bring out some interesting facts on tobacco manufacturing in the Fifth reserve district. For example, in 1928 this district paid \$252,337,592.19 in taxes on cigarettes out of a total of \$317,833,335.06 paid by the entire country. North Carolina paid taxes on cigarettes amounting to \$193,342,474.92, and Virginia paid \$58,993,738.44, both leading the third state, New York, by a very wide margin.

North Carolina also led all states with taxes totaling \$21,870,482.74 on smoking and chewing tobacco and snuff. Virginia paid \$962,260.89 taxes on cigars, but was only in seventh place. Out of aggregate tobacco taxes paid to the Federal Government in 1928 totaling \$411,016,098.04, the Fifth district paid \$280,841,858.80, or 68 per cent. North Carolina alone paid 52 per cent of all tobacco manufacturing taxes last year.

AGRICULTURAL NOTES—There is little activity on farms in the Fifth district between the middle of January and the middle of February. The continued cold weather during most of the past month was favorable for fruit trees, preventing premature development of buds, but an absence of snow over much of the district was unfavorable for winter grains. Fertilizer sales below those of last winter in tonnage indicate that farmers are either less able to finance this year's crops or that acreage reduction may develop at planting time. Crops in 1928 brought in less money to the growers, and many of them are beginning their 1929 operations in distinctly less favorable circumstances than a year ago. An effort is being made to reduce the potato acreage this year, due to the large crop and very low prices of 1928.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty-One Representative Department Stores for the Month of January 1929

	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in January 1929 sales over sales in January 1928:					
	.4	3.2	2.9	— 4.1	.8
Percentage increase in January 1929 sales over average January sales during the three years 1923-1925, inclusive:					
	.1	22.7	15.7	—15.0	6.2
Percentage increase in stock on hand January 31, 1929, over stock on January 31, 1928:					
	.3	— 3.4	1.4	— 5.5	— .7
Percentage increase in stock on hand January 31, 1929, over stock on December 31, 1928:					
	— 8.8	— 7.9	— 4.3	— 7.1	— 6.8
Percentage of sales in January 1929 to average stock carried during that month:					
	23.1	26.8	25.0	16.8	23.3
Percentage of collections in January 1929 to accounts receivable on January 1st:					
	28.6	33.5	33.5	31.6	31.1

— Denotes decreased percentage.

Total sales in thirty-one leading department stores in the Fifth reserve district in January 1929 were .8 per cent greater than total sales in the same stores in January 1928, due chiefly to increases reported by Richmond and Washington firms. Sales in January averaged 6.2 per cent above average January sales during the three years 1923-1925, inclusive, the gains again occurring in Richmond and Washington. Stocks of merchandise on the shelves on January 31st this year were 7/10ths of 1 per cent smaller than stocks at the end of December, and 6.8 per cent less than stocks on January 31, 1928. Sales in January 1929 averaged 23.3 per cent of stock carried during the month. Collections totaled 31.1 per cent of receivables outstanding on January 1st, the percentages for Baltimore, Richmond and Washington being higher than in January last year while the Other Cities reported a slightly lower percentage of receivables collected last month.

WHOLESALE TRADE, JANUARY 1929

	<i>30 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 January 1929 sales, compared with sales in January 1928:						
	6.3	—18.1	—17.4	— 8.4	—24.5	22.9
Percentage increase in January 1929 sales, compared with sales in December 1928:						
	3.5	13.6	65.8	9.9	7.9	22.0
Percentage increase in stock on January 31, 1929, compared with January 31, 1928:						
	8.1(11*)	—21.8(3*)	.9(4*)	— .9(8*)
Percentage increase in stock on January 31, 1929, compared with December 31, 1928:						
	.7(11*)	13.2(3*)	7.7(4*)	2.7(8*)
Percentage of collections in January to total accounts receivable on January 1, 1929:						
	58.9(18*)	41.0(7*)	40.5(5*)	36.2(12*)	22.6(3*)	67.5(9*)

— Denotes decreased percentage.

* Number of reporting firms.

Seventy-eight wholesale firms, representing six important lines, sent confidential reports on their January business to the Federal Reserve Bank of Richmond. All lines reported upon showed seasonal increases in January sales in comparison with those of December, but the gains in dry goods and furniture were probably not up to seasonal average. In comparison with sales in January 1928, results secured in January this year were less favorable, groceries and drugs reporting the only increases while lower sales were reported in dry goods, shoes, hardware and furniture. Stocks on the shelves of the reporting firms at the end of January 1929 showed the usual increases over December 31st stocks in every line for which figures were available, but were smaller than stocks on hand on January 31, 1928, in dry goods and hardware. The percentages of collections in January to total receivables on January 1st were higher this year than in 1928 in dry goods, shoes and drugs, but grocery, hardware and furniture percentages were lower last month than in January 1928.

(Compiled February 20, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Manufacturing and mining increased in January and the first part of February, while building continued to decline. Wholesale commodity prices rose slightly. Reserve bank credit declined between the middle of January and the middle of February, reflecting chiefly a reduction in reserve balances of member banks.

PRODUCTION—Industrial production increased in January and continued to be larger than a year ago. Output of pig iron, steel ingots and automobiles was in record volume for January. The high rate of steel activity reflected large purchases by automobile manufacturers and also increased demand by railroads. Domestic output of refined copper, while continued in large volume, was somewhat lower in January than in December. Activity of textile mills increased considerably in January. In the mineral group, output of copper ore, bituminous coal and petroleum was exceptionally large, and anthracite coal and tin also increased. In the first part of February preliminary reports indicate the maintenance of a high level of industrial activity. Steel plants operated at a high percentage of capacity, the output of coal continued large, and employment in Detroit factories increased. The production of petroleum, however, declined slightly in the middle of February. Building activity declined in January for the third successive month, reflecting primarily a large reduction in awards for residential building, while commercial building awards increased somewhat. The value of building contracts let during the first six weeks of the year was substantially lower than in the corresponding period of either 1928 or 1927.

TRADE—Shipments of freight by rail increased during January and the first two weeks of February and were larger than a year ago. The increase during January reflected primarily larger shipments of coal and coke and live stock. Sales by wholesale firms were seasonally larger in January and above the level of a year ago. Department store sales declined less than is usual at this season and were considerably larger than in January 1928. The general level of wholesale prices rose somewhat in January. Prices of grains, livestock and meats advanced, and there were also price advances in steel, automobiles and copper. A decrease in the group index for building materials reflected reduction in the prices of lumber and brick, and prices of pig iron, silk, cotton and petroleum also declined. Among the raw materials, rubber advanced sharply in price, while silk, cotton and hides declined. During the first half of February, the price of copper advanced to a new high level, and the price of rubber continued to rise. Among the agricultural commodities, prices of wheat, corn and hogs rose, while sugar and cattle declined slightly.

BANK CREDIT—On February 20th total loans and investments of member banks in leading cities were nearly \$90,000,000 smaller than in the middle of January, owing chiefly to reductions in the banks' investment holdings. After the first week in February, security loans declined, while all other loans, largely commercial, increased somewhat in February. During the five weeks ending February 20th, a decline in the reserve balance of member banks, together with a considerable inflow of gold from abroad and some further decline in the demand for currency, were the chief factors accounting for a decline of \$173,000,000 in the volume of reserve bank credit in use. A large decline in reserve bank holdings of acceptances and United States securities was offset in part by a small increase in the volume of member bank borrowing. Open market rates on bankers' acceptances and commercial paper advanced, while rates on collateral loans showed little change.