

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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DISTRICT SUMMARY—February is a relatively slack month in trade circles, coming as it does between the active Winter and Spring seasons. During February this year business followed seasonal trends, without any marked deviation either way. Credit demands at member banks and in turn at the reserve bank increased moderately, chiefly to meet the needs of farmers and merchants for early agricultural operations and the discounting of bills for Spring merchandise. Debits to individual accounts during the four weeks ended March 13th were seasonally below those of the preceding four weeks, but exceeded debits in the corresponding period of 1928. Business failures in the Fifth district in February were fewer in number and lower in liabilities involved than in February a year ago. Labor conditions were much better than in February 1928. Coal production held up better than seasonal average in February, daily output of bituminous coal being higher than in January and considerably above February last year. The textile industry reported progress last month, some data indicating a considerably stronger demand for yarns and cloth than in recent months or a year ago. The value of building permits issued in the chief cities of the Fifth district in February was slightly below the value of the February 1928 permits, but contracts actually awarded in the district showed an increase last month of approximately 50 per cent over awards in February last year. Cotton prices rose between the middle of February and the middle of March. Retail trade in department stores was about at seasonable levels, although total sales in February were 4 per cent below February 1928 sales. However, February 1928 contained an additional business day, which accounts for the 4 per cent decline in this year's sales. Present conditions are moderately favorable to agriculture.

RESERVE BANK OPERATIONS—A seasonal increase in the demand for credit incident to early agricultural operations, including fertilizer purchases, and discounting of bills for Spring merchandise raised the volume of rediscounts for member banks held by the Federal Reserve Bank

of Richmond from \$36,999,000 on February 15, 1929, to \$40,706,000 on March 15, 1929. Due to a reduction of approximately \$3,500,000 in bills purchased and Government security holdings, total earning assets did not rise in proportion to the increase in rediscounts, but rose only from \$55,510,000 at the middle of February to \$56,047,000 at the middle of March. At the same time the member banks reduced their reserve deposits at the reserve bank from \$68,082,000 to \$66,911,000. Book credit rather than cash being needed at this season, the circulation of Federal reserve notes continued the seasonal decline begun immediately after Christmas, and dropped from \$76,704,000 on February 15th to \$73,761,000 on March 15th. The several changes mentioned, with others of less importance, lowered the cash reserves of the Federal Reserve Bank of Richmond from \$98,264,000 on February 15th to \$93,970,000 on March 15th, and reduced the ratio of cash reserves to note and deposit liabilities combined from 66.63 per cent to 66.41 per cent during the same period.

In comparison with the figures reported on March 15, 1928, those for March 15, 1929, show material increases in rediscounts for member banks, total earning assets, and Federal reserve note circulation, but lower figures are shown this year for member bank reserve deposits, cash reserves, and reserve ratio. Rediscounts for member banks rose from \$26,931,000 on March 15, 1928 to \$40,706,000 on March 15, 1929. Total earning assets of the Federal Reserve Bank of Richmond rose from \$47,837,000 last year to \$56,047,000 this year. Federal reserve notes in actual circulation, which aggregated \$62,407,000 at the middle of March last year, totaled \$73,761,000 on March 15th this year. On the other hand, member bank reserve deposits totaled \$71,464,000 on March 15th last year and \$66,911,000 on the corresponding date this year, while the cash reserves of the Richmond bank declined between the same dates from \$96,513,000 to \$93,970,000. The changes in cash reserves, note circulation, and deposits, lowered the ratio of reserves to note and deposit liabilities combined from 71.41 per cent on March 15, 1928, to 66.41 per cent on March 15, 1929.

CONDITION OF SIXTY-TWO REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	March 13, 1929	Feb. 13, 1929	March 14, 1928
Total Loans and Discounts.....	\$526,445,000	\$517,854,000	\$515,327,000
Total Investments in Bonds and Securities.....	154,410,000	158,408,000	171,710,000
Reserve Balance with Federal Reserve Bank.....	41,713,000	41,241,000	42,111,000
Cash in Vaults.....	11,293,000	11,412,000	11,891,000
Demand Deposits	368,035,000	369,679,000	373,280,000
Time Deposits	244,786,000	239,668,000	246,274,000
Borrowed from Federal Reserve Bank.....	20,094,000	16,820,000	17,590,000

In the accompanying table, the chief items of condition reported by sixty-two regularly reporting member banks are shown, three dates being given to allow for comparison of the latest available figures, those of March 13, 1929, with those of the previous month, February 13, 1929, and those of the preceding year, March 14, 1928. This month the figures are from only sixty-two banks, but are comparable with figures reported by sixty-three banks last month and sixty-six banks a year ago, the reduction in number being due to consolidations of reporting institutions. It should be understood that the figures shown refer to the report dates only, and are not necessarily the highest or lowest figures that occurred between the dates under review.

A comparison of the figures reported for March 13th with those reported on February 13th, both dates this year, shows a seasonal increase in loans amounting to \$8,591,000. This increase is due chiefly to early agricultural needs and credit demand for discounting of bills for Spring merchandise. The reporting banks reduced their investments in bonds and securities by \$3,998,000 during the month, and increased their borrowing at the reserve bank by \$3,274,000. The aggregate reserve account of the sixty-two reporting banks rose \$472,000 during the month, probably a daily fluctuation only. Cash in vaults changed little, declining \$119,000. Demand deposits decreased \$1,644,000 during the month, but time deposits rose \$5,118,000, resulting in a net deposit gain of \$3,474,000.

The volume of credit extended by the reporting member banks in the form of loans and discounts on March 13, 1929, was \$11,118,000 more than the volume of loans and discounts outstanding on March 14, 1928, but total investments in bonds and securities owned by the reporting banks were \$17,300,000 lower on the 1929 date than a year earlier. Aggregate reserve balances at the reserve bank on March 13th this year were \$398,000 below those of a year ago, and cash in vaults declined during the year \$598,000. Demand deposits decreased \$5,245,000 and time deposits dropped \$1,488,000 between March 14, 1928, and March 13, 1929, a total deposit decline of \$6,733,000. The reporting banks increased their rediscounts at the reserve bank by \$2,504,000 this year.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	March 13, 1929	February 13, 1929	March 14, 1928
Asheville, N. C.	\$ 30,861,000	\$ 25,078,000	\$ 25,424,000
Baltimore, Md.	394,638,000	372,268,000	375,083,000
Charleston, S. C.	23,923,000	25,768,000	24,588,000
Charleston, W. Va.	36,967,000	37,931,000	35,466,000
Charlotte, N. C.	55,440,000	55,202,000	51,114,000
Columbia, S. C.	21,731,000	22,810,000	20,364,000
Cumberland, Md.	8,919,000	8,740,000	8,010,000
Danville, Va.	8,279,000	9,597,000	9,254,000
Durham, N. C.	27,612,000	31,686,000	27,518,000
Greensboro, N. C.	24,918,000	23,838,000	22,886,000
Greenville, S. C.	22,872,000	23,224,000	23,710,000
Hagerstown, Md.	9,307,000	9,645,000	9,185,000
Huntington, W. Va.	19,846,000	20,610,000	20,284,000
Lynchburg, Va.	17,239,000	18,738,000	17,196,000
Newport News, Va.	9,482,000	9,956,000	7,789,000
Norfolk, Va.	57,549,000	59,353,000	*62,339,000
Portsmouth, Va.	4,548,000	4,927,000	-----
Raleigh, N. C.	16,307,000	25,541,000	17,644,000
Richmond, Va.	125,864,000	138,233,000	119,526,000
Roanoke, Va.	27,829,000	27,419,000	26,831,000
Spartanburg, S. C.	12,325,000	13,097,000	11,356,000
Washington, D. C.	244,329,000	253,381,000	218,260,000
Wilmington, N. C.	16,968,000	16,174,000	16,840,000
Winston-Salem, N. C.	35,467,000	41,934,000	32,874,000
Totals	\$1,253,220,000	\$1,275,150,000	\$1,183,541,000

* 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 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.

Total debits in the twenty-four reporting cities during the four week ended March 13, 1929, amounted to \$1,253,220,000, compared with \$1,275,150,000 reported for the preceding four weeks ended February 13, a decrease of \$21,930,000, or 1.7 per cent. The later period contained one less business day than the earlier period, due to Washington's Birthday holiday in all banks. Seven cities reported higher figures for the four weeks ended March 13th, but seventeen cities reported lower debits, seven of the seventeen decreases being small and chiefly due to the shorter period actually included.

Debits aggregating \$1,253,220,000 reported for the four weeks ended March 13th this year show an increase of \$69,679,000, or 5.9 per cent, over the total of \$1,183,541,000 reported for the corresponding four weeks ended March 14, 1928. Comparative figures are available for both years from twenty-three cities, of which seventeen reported higher and six reported lower figures for the 1929 period.

SAVING DEPOSITS—At the end of February 1929, twelve mutual savings banks in Baltimore had aggregate deposits amounting to \$187,823,332, compared with \$187,929,960 on January 31, 1929, and \$179,358,523 on February 29, 1928. On the other hand, time deposits in sixty-two regularly reporting member banks, located in thirteen Fifth district cities, increased during the past month but at the middle of March were lower than a year ago, total time deposits in the reporting banks aggregating \$244,786,000 on March 13, 1929, compared with \$239,668,000 on February 13, 1929, and \$246,274,000 on March 14, 1928.

BUSINESS FAILURES—Dun's *Review* for March 9th, in commenting on the February failure record, says, "A relatively favorable insolvency record is shown in returns for February, improvement appearing in both the number of commercial defaults in the United States and the amount of liabilities. With the shorter month, a reduction in the business mortality was to be expected, yet the betterment is more marked than that which occurred a year ago. Thus, last month's 1,965 failures are 22.5 per cent below those of January, whereas the decrease during the same period last year was 17.7 per cent. Moreover, the latest reported indebtedness of \$34,035,772 is 36.8 per cent under January's total, while there was a falling off a year ago of only 5.5 per cent. Supplementing the foregoing satisfactory comparison, last month's insolvencies show a decline of 10 per cent from the 2,176 defaults of February 1928, and are 3.7 per cent less than those of the corresponding period two years ago. More than that, the liabilities shown in the present statement are approximately 25.5 per cent under the \$45,070,642 of February last year, and are, in fact, the smallest for the month since 1920. The high point for February was reached in 1922, at more than \$72,600,000, and in 1921 the amount exceeded \$60,800,000. At about \$17,300, the average indebtedness per failure last month compares with an average of some \$20,700 for February 1928."

Business failures in the Fifth reserve district in February this year numbered 128, with liabilities of \$1,942,076, compared with 170 insolvencies for \$2,165,331 reported for January 1929 and 158 failures and liabilities totaling \$4,304,424 reported for February 1928. Both the number of failures and the total of liabilities involved were lower last month than in 1927, also, but exceeded those of February 1926. Last month's liabilities were the lowest for any February since 1920, with the single exception of 1926, which was 5 per cent smaller.

LABOR—The industries of the Fifth district as a whole are employing their usual quotas of workmen, and an extensive construction program is taking care of building trades people. Weather conditions in recent weeks have been favorable for outdoor work, and employment conditions appear to be much better than they were a year ago, when unemployment was much more extensive than at present.

COAL—Bituminous coal production in the United States in February totaled 47,271,000 net tons, compared with 51,456,000 tons mined in January this year and 41,351,000 tons in February 1928. The average daily rate of production, however, was higher in February than in January, 1,970,000 net tons in the later month comparing with a daily average production of 1,949,000 tons in January. Total production during the present coal year to March 9th (approximately 288 working days) amounts to 475,389,000 net tons, compared with 446,075,000 tons for the corresponding period in 1927-1928. On March 16, 1929, the Bureau of Mines, Department of Commerce, issued an interesting report on consumption of bituminous coal by uses in a typical year of industrial activity. This report shows that railroads use approximately 27.7 per cent of all bituminous coal consumed in the United States each year. Coke ovens use 16.0 per cent, electric utilities 7.7 per cent, steel works 5.4 per cent, general manufacturing 19.5 per cent, coal and water gas plants other than by-product coke ovens owned by city gas companies 1.0 per cent, coal mine fuel 1.1 per cent, mines and quarries other than coal 0.8 per cent, bunker coal 1.5 per cent, domestic fuel and all other uses 19.3 per cent. The large proportion of total coal consumption chargeable to railroads will be surprising to many people.

TEXTILES—Chiefly due to higher prices for raw cotton which prevailed in February, the demand for textiles broadened and reports from semi-official sources indicate that sales and shipments by American mills exceeded production. Cotton consumption figures in the Fifth district show 256,777 bales used in February, of which North Carolina mills used 139,207 bales, South Carolina mills 108,888 bales, and Virginia mills 8,682 bales. The North and South Carolina figures were higher but the Virginia figure was lower for February this year than in the longer month of February 1928, when the Fifth district mills consumed a total of 246,145 bales. The Fifth district increase of 4.3 per cent last month over the same month a year ago was slightly less than the national increase of 4.4 per cent. Conditions in the textile field, while not satisfactory, are better than they were a year ago, when production so far exceeded orders and shipments that many mills were forced to operate on curtailed schedules to prevent a burdensome accumulation of manufactured goods in their warehouses.

BUILDING OPERATIONS FOR THE MONTHS OF FEBRUARY 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.....	582	486	628	824	\$ 1,932,280	\$ 1,560,700	\$ 421,520	\$ 391,850	\$ 401,250	20.6%	1
2	Cumberland, Md....	14	6	0	1	35,982	20,725	0	13,985	1,272	3.7	2
3	Frederick, Md.....	10	7	3	1	37,035	25,500	3,175	1,000	13,710	51.7	3
4	Hagerstown, Md...	12	13	6	7	26,670	27,100	7,640	3,850	3,360	10.9	4
5	Danville, Va.....	7	26	7	5	13,330	269,105	8,600	272,305	— 519,480	— 95.9	5
6	Lynchburg, Va.....	14	30	14	21	57,300	147,601	5,600	10,649	— 95,350	— 60.3	6
7	Norfolk, Va.....	49	45	60	82	97,600	179,175	265,690	48,796	135,319	59.4	7
8	Petersburg, Va....	7	3	7	9	10,450	12,500	11,580	46,765	— 37,235	— 62.8	8
9	Portsmouth, Va....	11	23	14	21	13,725	33,460	17,685	42,800	— 44,850	— 58.8	9
10	Richmond, Va.....	62	89	58	62	1,271,630	556,440	52,679	94,802	673,067	103.4	10
11	Roanoke, Va.....	25	51	14	18	118,502	188,756	79,539	33,827	— 24,542	— 11.0	11
12	Bluefield, W. Va...	1	4	1	2	5,000	1,845	1,000	200	3,955	193.4	12
13	Charleston, W. Va.	24	45	14	13	108,307	132,655	22,671	9,215	— 10,892	— 7.7	13
14	Clarksburg, W. Va.	21	16	7	10	76,010	20,060	1,775	3,575	54,150	229.1	14
15	Huntington, W. Va.	9	32	4	2	27,775	47,600	6,000	2,100	— 15,925	— 32.0	15
16	Parkersburg, W. Va.	4	8	5	8	45,300	25,800	10,200	8,000	21,700	64.2	16
17	Asheville, N. C.....	6	28	25	37	19,200	470,290	7,690	8,700	— 452,100	— 94.4	17
18	Charlotte, N. C.....	54	82	22	33	399,575	959,425	23,730	23,243	— 559,363	— 56.9	18
19	Durham, N. C.....	17	39	8	14	212,671	347,490	16,300	11,983	— 130,502	— 36.3	19
20	Greensboro, N. C...	16	37	24	43	30,850	361,360	11,239	59,952	— 379,223	— 90.0	20
21	High Point, N. C...	12	40	3	7	27,980	162,125	2,300	6,400	— 138,245	— 82.0	21
22	Raleigh, N. C.....	13	30	6	15	101,450	113,415	6,200	14,450	— 20,215	— 15.8	22
23	Rocky Mount, N. C.	7	18	3	6	12,800	33,300	2,950	3,400	— 20,950	— 57.1	23
24	Salisbury, N. C....	3	5	3	9	6,075	16,025	1,950	13,925	— 21,925	— 73.2	24
25	Wilmington, N. C...	9	15	9	10	67,800	32,450	7,000	4,850	37,500	100.5	25
26	Winston-Salem, N. C.	44	88	42	59	157,677	520,560	57,105	49,310	— 355,088	— 62.3	26
27	Charleston, S. C...	9	7	36	35	17,800	9,440	17,633	11,625	14,368	68.2	27
28	Columbia, S. C.....	20	24	36	52	78,250	94,200	11,885	85,410	— 89,475	— 49.8	28
29	Greenville, S. C...	6	32	20	29	14,900	178,800	21,355	12,045	— 154,590	— 81.0	29
30	Spartanburg, S. C.	9	26	12	23	50,900	65,450	36,850	8,650	13,650	18.4	30
31	Washington, D. C.	171	159	388	247	3,718,740	3,972,675	357,740	181,065	— 77,260	— 1.9	31
	Totals.....	1,248	1,514	1,479	1,705	\$ 8,793,564	\$10,586,027	\$1,497,281	\$1,478,727	\$— 1,773,909	— 14.7%	

— 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.

For the second month in succession, building permits issued in the leading cities of the Fifth district fell off in February in both number and estimated valuation in comparison with the corresponding month of last year, but the figures exceeded those of January this year.

Last month the building inspectors in twenty-four cities issued 1,248 permits for new construction, compared with 1,041 permits for similar work issued in January 1929 and 1,514 permits issued in February 1928. Estimated valuation figures for new work last month totaled \$8,793,564, compared with \$8,009,124 for January this year and \$10,586,027 for February 1928. Alteration and repair permits issued in February 1929 totaled 1,479, with estimated valuation of \$1,497,281, compared with 1,705 permits and total valuation of \$1,478,727 issued for alteration and repair work in February 1928. Combined valuation figures last month for all classes of work amounted to \$10,290,845, compared with \$9,437,955 in January 1929 and \$12,064,754 in February 1928, an increase of 9.0 per cent over January but a decrease of 14.7 per cent under the February 1928 figure. Clarksburg and Bluefield, both in West Virginia, showed the highest percentage gains in February in comparison with February a

year ago, but both gains were due more to low figures last year than to high figures this year. Richmond, with an increase of 103.4 per cent, probably has the best record of the reporting cities for February, although Baltimore and Washington reported higher figures. If figures for several recent months are considered, Washington ranks ahead of any other Fifth district city in construction activity at this time.

Building contracts awarded in the Fifth district in February totaled \$34,251,706, including both urban and rural construction, compared with \$22,301,238 awarded in February 1928, an increase this year of 53.6 per cent. Of the February 1929 total, \$9,104,771 represented contracts for residential types of construction, according to statistics collected by the F. W. Dodge Corporation.

COTTON—Spot cotton prices ruled generally higher during the month between the middle of February and the middle of March than during the preceding month. On February 15th, the latest date mentioned in the *Review* last month, the average price on ten Southern markets for middling cotton was 18.82 cents per pound. On February 22nd the average price was 18.88 cents, and on March 1st the average was 19.35 cents. By March 8th the average price had risen to 20.25 cents per pound, but during the following week there was a slight recession and the average dropped to 20.07 cents on March 15th, the latest date for which figures are available.

The Census Bureau's cotton consumption report for February, issued on March 14th, showed 598,098 running bales used during the month, compared with 668,389 bales consumed during the longer month of January and 572,875 bales used in February last year, which was also a longer month. Total consumption for the seven months of the present season—August 1st to February 28th—amounted to 4,049,461 bales, compared with 4,200,369 bales consumed in the corresponding period ended February 29, 1928. Manufacturing establishments held 1,746,537 bales on February 28th, compared with 1,767,742 bales held on January 31st and 1,668,649 bales on February 29, 1928. Public warehouses and compresses held 3,876,215 bales in storage at the end of February this year, compared with 4,615,337 bales so held a month earlier and 4,313,843 bales on February 29th last year. February exports totaled 613,394 bales, compared with 626,148 bales sent abroad in February 1928. Exports during the seven months of this cotton year totaled 6,188,075 bales, compared with 5,122,396 bales shipped over seas during the corresponding seven months ended February 29, 1928. Spindles active in February numbered 31,007,936, compared with 30,757,552 in January this year and 31,726,452 in February 1928.

Cotton consumption in the cotton growing states totaled 454,864 bales in February, compared with 508,537 bales used in January and 428,741 bales in February 1928. Last month's consumption in the cotton growing states amounted to 76.05 per cent of National consumption, compared with 74.84 per cent of National consumption used in the cotton growing states in February last year. Of the 454,864 bales of cotton consumed in the cotton growing states in February, the Fifth district mills used 256,777 bales, or 56.45 per cent.

The final ginning report on the 1928 cotton crop was issued by the Census Bureau on March 21st, and showed the year's production to be 14,269,313 running bales, the equivalent of 14,450,007 bales of 500 pounds gross weight. The final ginning figure was only 54/100ths of 1 per cent above the final crop estimate of the Department of Agriculture made in December. The final ginning report credited North Carolina with only 834,205 equivalent 500 pound bales, compared with a forecast of 840,000 bales for the year, and South Carolina ginnings totaled only 724,525 bales, compared with a forecast of 725,000 bales, but Virginia ginnings totaled 43,462 bales against a forecast of 43,000 bales. The two Carolinas grew smaller crops in 1928 than in 1927, but Virginia grew a larger crop. The district total of 1,602,202 bales in 1928 showed a decline of 9,888 bales under the 1927 yield of 1,622,090 bales. The financial returns to the growers of cotton in the Fifth district was much less satisfactory last fall than the production figures alone indicate, the average price secured for the crop having ruled around \$10 a bale lower during the fall of 1928 than in the same period of 1927. At the end of the year the price rose to the level of the preceding year and in the first two months of 1929 was higher than in the same period of 1928, but farmers do not benefit very much by increases in cotton prices which occur after the active selling season from August to Christmas.

TOBACCO—VIRGINIA leaf tobacco sales on auction markets during February totaled 14,986,465 pounds, which sold for an average of \$11.01 per hundred pounds. Sales this season to March 1st reached a total of 113,214,869 pounds, about 92 per cent of the estimated Virginia sales for the entire season. Last year 137,343,288 pounds, or 96 per cent of the crop, were sold prior to March. Several markets closed during February and the remainder, excepting a few fire-cured and sun-cured houses, closed during the first half of March. Flue-cured sales in February totaled 6,586,418 pounds, at an average of \$10.54 per hundred, compared with 11,254,410 pounds sold for an average price of \$13.07 in February 1928. Fire-cured sales last month totaled 6,036,580 pounds and the average price was \$10.35 per hundred pounds, compared with 7,740,370 pounds sold for \$10.14 per hundred in February last year. Sun-cured sales totaled 1,706,492 pounds, and averaged \$10.22 per hundred, compared with 1,565,776 pounds sold for \$15.43 per hundred in February a year ago. Sales of burley in February

totalled 656,974 pounds, at an average of \$23.79 per hundred, compared with 94,816 pounds of this type sold for an average of \$25.14 in February 1928. Total sales of burley for the season were 5,017,120 pounds, the largest crop since records were begun in 1920, and the average season price of \$30.43 was the highest for burley tobacco since 1921. In the number of pounds sold in February, Danville led all markets with 2,865,505 pounds, South Boston ranking second with 1,736,220 pounds, both selling flue-cured tobacco. Farmville led the fire-cured, or dark, markets with 1,526,526 pounds, Lynchburg ranking a close second with 1,411,952 pounds. In price paid, Lawrenceville led the flue-cured, or bright, markets with \$12.00 per hundred, and Blackstone led the fire-cured markets with \$13.43 per hundred. All burley sales mentioned were at Abingdon and all sun-cured sales were at Richmond.

NORTH CAROLINA tobacco markets nearly all closed before March, and the Crop Reporting Service has issued a report on season sales. Total sales of producers' tobacco from the 1928 crop amounted to 484,063,873 pounds, compared with 472,408,338 pounds sold from the 1927 crop. Average prices were \$18.78 per hundred pounds for the 1928 crop and \$22.00 per hundred for the 1927 crop. In spite of a larger crop last year, the lower price made the financial returns from tobacco approximately \$13,000,000 less than the returns for the 1927 crop. In aggregate season sales, Wilson with 75,561,417 pounds led the North Carolina markets, Greenville ranking second with 64,238,186 pounds. Mebane led in average price, paying \$22.08 per hundred for the season, with Fuquay Springs second at \$21.23 per hundred.

MANUFACTURE of tobacco in February was in larger volume in some lines and smaller in some than in February 1928. Cigarettes manufactured in continental United States in February this year numbered 8,063,592,885, on which a tax of \$24,195,621.08 was paid, compared with 7,532,613,690 cigarettes manufactured and \$22,601,209.61 tax paid in February 1928. The Fifth district manufactures between 79 and 80 per cent of all American made cigarettes. Cigars made last month numbered 437,476,207, compared with 453,605,097 made in February a year ago. Chewing and smoking tobacco manufactured totaled 25,814,698 pounds in February 1929 and 28,436,420 pounds in February 1928. Taxes in February 1929 on all tobacco products, including cigars, cigarettes, chewing and smoking tobacco, and snuff, totaled \$30,925,565.20, compared with \$29,982,237.04 paid in February 1928.

AGRICULTURAL NOTES—There is little activity on farms between the middle of February and the middle of March except in the Southern section of the Fifth district and in dairying regions. Some early truck has begun moving to market from the coastal counties of South Carolina, and farmers have been generally cleaning up and preparing for their 1929 operations. Fertilizer sales this year are running behind sales at this time last year, but manufacturers seem to expect that about the usual tonnage will be used. The weather has been favorable for outdoor work, and seasonal farm tasks are well advanced. In the Fifth district, farmers are probably in a less favorable position this year in comparison with the early spring of 1928, last year's crops on the whole having been less remunerative than those of the preceding year.

WHOLESALE TRADE, FEBRUARY 1929

Percentage increase in February 1929 sales, compared with sales in February 1928:						
30 Groceries	10 Dry Goods	5 Shoes	15 Hardware	4 Furniture	13 Drugs	
— 7.7	—12.3	—12.8	— 8.3	—10.7	— 3.7	
Percentage increase in February 1929 sales, compared with sales in January 1929:						
—10.7	9.6	35.4	—16.4	8.7	—29.2	
Percentage increase in total sales since January 1, 1929, compared with sales during the first two months of 1928:						
— .8	—15.2	—14.9	— 8.4	—13.4	10.3	
Percentage increase in stock on February 28, 1929, compared with stock on February 29, 1928:						
8.3 (11*)	—20.7 (4*)	.8 (4*)	— 1.5 (8*)	
Percentage increase in stock on February 28, 1929, compared with stock on January 31, 1929:						
— .6 (11*)	1.9 (4*)	2.3 (4*)	5.5 (8*)	
Percentage of collections in February to accounts receivable on February 1, 1929:						
59.3 (19*)	33.7 (7*)	25.5 (5*)	30.5 (12*)	59.5 (9*)	

— Denotes decreased percentage.

* Number of reporting firms.

Seventy-seven wholesalers and jobbers, representing six leading lines of trade, sent confidential reports to the Federal Reserve Bank of Richmond on their February business. Dry goods, shoe and furniture sales in February were higher than in January of this year, but grocery, hardware and drug sales were less. In comparison with sales in February 1928, sales in February this year showed a falling off in every line reported upon, part of which was no doubt due to the additional business day in February last year. In total sales since January 1st this year, all reporting lines show lower figures than in the first two months of last year except drugs, which gained 10.3 per cent. The decrease in groceries was less than 1 per cent, and is probably due to the shorter time actually included in the 1929 period.

Stocks of dry goods, shoes and hardware increased moderately during February, while grocery stocks declined very slightly. At the end of February 1929, stocks of groceries and shoes were larger than stocks on the shelves of the reporting firms a year earlier, but dry goods and hardware stocks were lower this year.

Collections in February were better than in January in groceries, but were slower in dry goods, shoes, hardware and drugs. February collections this year showed some improvement over collections in February 1928 in dry goods and drugs, but grocery, shoe and hardware collections last month fell below those of the earlier year. Furniture could not be figured this month, less than three firms having reported on receivables and collections.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty-Two Representative Department Stores for the Month of February 1929

Percentage increase in February 1929 sales over sales in February 1928:					
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>	
— 7.6	— .6	— .05	—11.2	— 4.2	
Percentage increase in total sales since January 1st, over sales during the first two months of 1928:					
— 3.9	1.4	1.4	— 7.7	— 1.7	
Percentage increase in February 1929 sales over average February sales during the three years 1923-1925, incl.:					
— 3.4	19.4	22.4	—12.3	7.2	
Percentage increase in stock on hand February 28, 1929, over stock on February 29, 1928:					
— 1.4	— 5.1	— .2	— 8.5	— 2.3	
Percentage increase in stock on hand February 28, 1929, over stock on January 31, 1929:					
4.7	3.4	7.9	7.2	6.1	
Percentage of sales in February 1929 to average stock carried during that month:					
21.0	24.8	25.8	16.1	22.5	
Percentage of total sales since January 1st, to average stock carried during each of the two months:					
43.8	51.1	50.3	32.6	45.3	
Percentage of collections in February to total accounts receivable on February 1st:					
24.6	31.3	29.9	28.4	27.5	

— Denotes decreased percentage.

Thirty-two leading department stores in the Fifth reserve district sold an average of 4.2 per cent less goods in February 1929 than in February 1928, but February this year contained one less business day than the same month last year. All cities for which individual averages are available showed lower figures last month, but Richmond and Washington decreases were undoubtedly due to the shorter month. Cumulative sales since the beginning of the year averaged 1.7 per cent less than sales during the first two months of 1928, Richmond and Washington again showing up well with increases of 1.4 per cent this year. February 1929 sales averaged 7.2 per cent above average February sales during the three years 1923-1925, although the Baltimore and the Other Cities stores failed to maintain the average of those years.

Stocks on the shelves of the reporting stores increased seasonally an average of 6.1 per cent during February, but at the end of the month were 2.3 per cent below stocks on hand on February 29, 1928, all reporting cities showing reductions during the year.

The percentage of sales to average stocks carried during February 1929 was 22.5 per cent for the district as a whole, and the percentage of total sales during the first two months of this year to average stocks carried during each of the two months was 45.3 per cent, indicating an annual turnover of 2.718 times, compared with business at an annual rate of 2.73 times during the first two months of 1928.

Collections by the reporting stores during February totaled 27.5 per cent of receivables that were outstanding on February 1st, exactly the same percentage attained in February last year. Baltimore and Richmond collections showed slight improvement this year, Washington reported no change, and the Other Cities experienced a slowing down in collections last month.

(Compiled March 21, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industry and trade continued active in February and the first part of March and there was a growth in the volume of bank loans. Borrowing at reserve banks increased during the period and money rates advanced further.

PRODUCTION—Production continued at a high rate throughout February and the first half of March and was substantially above a year ago. Automobile output was at a record rate in February, and there was also an unusually high daily average production of copper and iron and steel. Large output in the iron and steel industry reflected demands from manufacturers of automobiles, machine tools, and agricultural implements, and from railroad companies. Preliminary reports for the first half of March indicate further expansion in automobile and iron and steel production. During February the daily average output of coal and crude petroleum also increased, and production of cotton and wool textiles continued large, while silk output declined somewhat from the unusually high level of January. There was also some decline from January in the production of lumber and cement, and in the output of meat packing companies.

The high rate of activity in manufacturing during February was reflected in a larger than seasonal increase in factory employment and payrolls, both of which were considerably above the level of February 1928.

Building activity declined further in February, and the value of contracts awarded was over 20 per cent smaller than a year ago. Residential building contracts showed the largest decline in comparison with February 1928, while those for public works and utilities were only slightly smaller in value, and commercial and industrial building awards increased. During the first half of March there was some seasonal increase in total building awards, but they continued to be substantially below a year ago.

DISTRIBUTION—In February shipments of commodities by rail increased more than is usual for the season, reflecting larger loadings of coal and coke and miscellaneous freight, which includes automobiles. During the first two weeks of March, freight-car loadings continued to increase.

Sales of wholesale firms were generally smaller in February than a year ago. In comparison with January, sales of dry goods, shoes, and furniture increased seasonally, while sales of groceries and hardware were smaller. Department stores reported about the same daily volume of sales in February as in the preceding month, and larger sales than a year ago.

PRICES—The general level of wholesale prices declined slightly in February, and was approximately the same as a year ago. The decline from January reflected primarily decreases in the prices of hides and leather, livestock, and meats, and small declines in the prices of wool, cotton and woolen goods. The influence of these declines on the general average was partly offset by increases in the prices of copper, lead, iron and steel, rubber, and grain.

During the first two weeks of March, prices of wool and petroleum continued to decline, and rubber prices receded somewhat after a marked rise in February, while leather prices declined sharply. Prices of copper rose further and there were small increases in prices of hides, raw cotton, and certain grades of lumber.

BANK CREDIT—Between the middle of February and the middle of March there was a rapid growth of loans at member banks in leading cities. The increase was in loans chiefly for commercial purposes, which on March 13 were more than \$200,000,000 larger than four weeks earlier. Investments of the reporting banks declined further during the period.

Total volume of reserve bank credit declined somewhat between February 20 and March 20, reflecting for the most part some further gold imports from abroad. Member bank borrowing at Federal reserve banks was nearly \$80,000,000 larger on March 20 than four weeks earlier, while acceptances showed a further decline of about \$120,000,000 during the period. Security holdings showed relatively little change.

Money rates continued to advance. Rates on 4-6 months commercial paper rose from $5\frac{1}{2}$ - $5\frac{3}{4}$ to $5\frac{3}{4}$ -6 per cent and rates on 90 day bankers' acceptances increased from 5 - $5\frac{1}{4}$ per cent on February 13th to $5\frac{1}{2}$ per cent on March 21st. Open market rates for collateral loans also increased.