

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

APRIL 30, 1929

DISTRICT SUMMARY—Spring trade opened well in the Fifth reserve district in March, and on the whole the volume of business was larger than in March of last year. Construction work provided for last month in permits issued in leading cities was somewhat less than the volume of work provided for in March 1928 permits, but nevertheless the month's totals represented an extensive building program. Labor is much better employed now than it was a year ago. Retail trade in March 1929 was in considerably larger volume than a year ago, chiefly due to good weather preceding the Easter holiday, and sales of department stores in the first quarter of 1929 exceeded sales in the first three months of 1928. Debits to individual accounts figures, representing the volume of checks passing through the banks of the district, were considerably higher in amount during the four weeks ended April 10, 1929, than in the preceding four weeks this year or the corresponding four weeks in 1928. Business failures in March in both the Fifth district and the Nation were less numerous and liabilities were lower than in March a year ago. Textile mills are operating at a higher rate than at this time last year. The weather this season has been excellent for agricultural activities, on the whole, and crops are getting a much earlier start than in 1928.

On the other hand, there are some unfavorable factors to be seen. Last year's crops were less profitable than in most years, and a large number of farmers were unable to liquidate their 1928 obligations, which handicaps them in their operations this year. One result of this weakened financial position of the farmer is a decreased use of fertilizer under the 1929 crops. In textile mills at scattered points industrial disputes have led to stoppages of at least local importance. Cotton prices declined last month, coal production dropped below the 1928 level, and wholesale trade in March was in smaller volume than in March 1928. Member banks in the district have lower deposits than in early April 1928, and are therefore borrowing more extensively from the reserve bank than they were a year ago.

RESERVE BANK OPERATIONS — The changes in the principal items of condition in the statement of the Federal Reserve Bank of Richmond between March 15 and April 15, both

this year, were of seasonal nature, and of about the usual volume. Rediscounts for member banks held by the Richmond bank rose during the month from \$40,706,000 to \$53,252,000, reflecting the demand for credit for early agricultural operations, including fertilizer purchases. Total earning assets of the reserve bank rose from \$56,047,000 on March 15 to \$64,379,000 on April 15, the rise being less than the increase in rediscounts because the Richmond bank's holdings of bankers' acceptances were reduced approximately \$4,000,000 during the month. Member banks reduced their reserve deposits between March 15 and April 15 from \$66,911,000 to \$66,034,000, merely a daily fluctuation. The seasonal reduction in Federal reserve notes in actual circulation continued last month, decreasing from \$73,761,000 at the middle of March to \$70,518,000 at the middle of April. The several changes enumerated, with others of less note, reduced the cash reserves of the Federal Reserve Bank of Richmond from \$93,970,000 on March 15 to \$86,214,000 on April 15, and lowered the ratio of cash reserves to note and deposit liabilities combined from 66.41 per cent to 60.73 per cent between the same dates.

In comparison with the figures reported on April 15, 1928, those reported on April 15, 1929, show increases in all items except member bank reserve deposits and reserve ratio. Rediscounts for member banks a year ago totaled \$35,691,000, in comparison with \$53,252,000 on April 15 this year. Total earning assets rose during the year from \$57,380,000 to \$64,379,000, the increase in rediscounts during the year being partly offset by reduced holdings of bankers' acceptances purchased in the open market. Member bank reserve deposits, which totaled \$70,940,000 on April 15, 1928, declined to \$66,034,000 on April 15, 1929, partly due to lower reserve requirements on reduced commercial deposits this year. The circulation of Federal reserve notes, while showing the usual seasonal reduction, on April 15 this year totaled \$70,518,000 in comparison with \$59,948,000 in circulation on April 15, 1928. The cash reserves of the Federal Reserve Bank of Richmond rose from \$84,426,000 at the middle of April last year to \$86,214,000 on the corresponding date this year, but the ratio of cash reserves to note and deposit liabilities combined declined from 63.63 per cent on April 15, 1928, to 60.73 per cent on April 15, 1929.

CONDITION OF SIXTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	April 10, 1929	March 13, 1929	April 11, 1928
Total Loans and Discounts.....	\$527,713,000	\$526,445,000	\$521,452,000
Total Investments in Bonds and Securities.....	158,203,000	154,410,000	175,495,000
Reserve Balance with Federal Reserve Bank.....	40,248,000	41,713,000	42,080,000
Cash in Vaults.....	11,630,000	11,293,000	12,416,000
Net Demand Deposits.....	360,902,000	368,035,000	373,391,000
Time Deposits	243,525,000	244,786,000	247,682,000
Borrowed from Federal Reserve Bank.....	25,258,000	20,094,000	18,560,000

In the accompanying table, the chief items of condition reported by sixty-one regularly reporting member banks on April 10, 1929, are compared with similar figures reported by sixty-two banks on March 13, 1929, and sixty-six banks on April 11, 1928. The figures for the three dates are comparable, the difference in number of reporting banks being due to consolidations among the original sixty-six institutions.

A comparison of the figures reported on April 10 with those of March 13, both this year, shows a seasonal increase in outstanding loans amounting to \$1,268,000, and an increase in investments in bonds and securities totaling \$3,793,000. Cash in vaults rose \$337,000 during the month under review, a daily fluctuation only. In contrast with the increases in loans and investments in bonds and securities, the reporting banks reduced their reserves at the reserve bank by \$1,465,000 between March 13 and April 10, demand deposits declined \$7,133,000, and time deposits dropped \$1,261,000. These changes increased the reporting banks' dependence on the reserve bank, and they increased their rediscounts at the Federal Reserve Bank of Richmond by \$5,164,000 during the month under review.

In comparison with the figures reported on April 11, 1928, those of April 10, 1929, showed an increase of \$6,261,000 in loans and a rise of \$6,698,000 in rediscounts at the reserve bank. On the other hand, their investments in stocks and bonds declined \$17,292,000 during the year, their reserve balance at the reserve bank dropped \$1,832,000, in keeping with declines of \$12,489,000 in demand deposits and \$4,157,000 in time deposits between April 11 last year and April 10 this year. Cash in vault changed little during the year, declining \$786,000. The deposit decline of approximately \$16,500,000 in the year is the most interesting feature of the comparison.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	April 10, 1929	March 13, 1929	April 11, 1928
Asheville, N. C.	\$ 36,002,000	\$ 30,861,000	\$ 32,370,000
Baltimore, Md.	402,290,000	394,638,000	379,885,000
Charleston, S. C.	24,900,000	23,923,000	27,229,000
Charleston, N. Va.	42,290,000	36,967,000	36,267,000
Charlotte, N. C.	66,001,000	55,440,000	58,905,000
Columbia, S. C.	30,778,000	21,731,000	31,735,000
Cumberland, Md.	8,730,000	8,919,000	8,372,000
Danville, Va.	7,373,000	8,279,000	8,106,000
Durham, N. C.	26,190,000	27,612,000	23,788,000
Greensboro, N. C.	23,127,000	24,918,000	24,596,000
Greenville, S. C.	21,827,000	22,872,000	22,437,000
Hagerstown, Md.	10,133,000	9,307,000	10,283,000
Huntington, W. Va.	21,606,000	19,846,000	20,387,000
Lynchburg, Va.	19,204,000	17,239,000	17,648,000
Newport News, Va.	10,149,000	9,482,000	8,836,000
Norfolk, Va.	62,432,000	57,549,000	*62,347,000
Portsmouth, Va.	4,526,000	4,548,000
Raleigh, N. C.	20,474,000	16,307,000	20,274,000
Richmond, Va.	137,682,000	125,864,000	128,511,000
Roanoke, Va.	28,326,000	27,829,000	26,230,000
Spartanburg, S. C.	14,286,000	12,325,000	13,369,000
Washington, D. C.	286,117,000	244,329,000	243,262,000
Wilmington, N. C.	19,020,000	16,968,000	20,026,000
Winston-Salem, N. C.	43,308,000	35,467,000	43,949,000
District	\$1,366,771,000	\$1,253,220,000	\$1,268,812,000

* This Norfolk figure includes Portsmouth figure also.

Debits to individual, firm and corporation accounts in clearing house banks in twenty-four leading trade centers of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of four weeks each, ended April 10, 1929, March 13, 1929, and April 11,

1928. The debits figures include all checks drawn against depositors' accounts, regardless of whether or not they pass through the clearing house, and form one of the best barometers of the volume of business passing through the reporting banks, although they reflect speculative activities as well.

Aggregate debits during the four weeks ended April 10 this year amounted to \$1,366,771,000, in comparison with a total of \$1,253,220,000 reported for the preceding four weeks ended March 13, an increase of \$113,551,000, or 9.1 per cent. An increase during the later period is seasonal, since the March 15 income tax payments and April 1 quarterly settlements occur during those weeks. Eighteen of the twenty-four cities reported higher figures for the April 10 period, and of the six declines, four were in cities in which auction tobacco markets closed last month or strikes of textile workers developed.

Debits totaling \$1,366,771,000 during the four weeks ended April 10 this year exceeded aggregate debits during the corresponding period ended April 11 last year, when a total of \$1,268,812,000 was reported, by \$97,959,000, or 7.7 per cent. Of twenty-three cities for which both 1929 and 1928 figures are available, fifteen showed higher and eight showed lower 1929 totals, six of the eight decreases occurring in the Carolinas. All of the four larger cities reported higher figures during the four weeks ended April 10, 1929, than for either the preceding four weeks this year or the corresponding four weeks last year.

SAVINGS DEPOSITS—Total deposits in twelve mutual savings banks in Baltimore amounted to \$188,299,306 at the close of business March 31, 1929, showing increases over \$187,823,332 on deposit in the same banks on February 28 this year and \$180,663,255 on deposit on March 31, 1928. On the other hand, time deposits in sixty-one regularly reporting member banks declined last month, and on April 10 this year totaled \$243,525,000, in comparison with \$244,786,000 of time deposits on March 13, 1929, and \$247,682,000 on April 11, 1928.

BUSINESS FAILURES—Insolvency statistics covering the United States for both March and the first quarter of 1929 compare favorably with corresponding figures for 1928, as the following table shows:

	Number of Failures		Aggregate Liabilities	
	1929	1928	1929	1928
January	2,535	2,643	\$ 53,877,145	\$ 47,634,411
February	1,965	2,176	34,035,772	45,070,642
March	1,987	2,236	36,355,691	54,814,145
First Quarter	6,487	7,055	\$124,268,608	\$147,519,198

The insolvency figures for March 1929 show a decrease of 11 per cent under the number of failures reported in March last year, and this year's liabilities were nearly 34 per cent lower than those for March 1928. Last month's number of insolvencies and liabilities involved showed small increases over the figures for February this year, but on a daily basis the March record was the better. The record for March and the record for the first quarter of this year were both better than the records for any other March and first quarter since 1926.

In the Fifth reserve district, the insolvency record for March was favorable in comparison with March last year, but the improvement was chiefly in the amount of liabilities involved. Last month witnessed 140 bankruptcies in the district, with liabilities aggregating \$2,167,780, compared with 141 failures and liabilities totaling \$4,754,919 reported in March 1928.

EMPLOYMENT—Labor conditions in the Fifth district continue good on the whole, although for the first time in several years industrial disputes, affecting weavers in particular, have led to the closing of several mills. All other industries are using their usual quota of workers, and an extensive construction program is giving employment to building tradesmen. Farmers are busy with Spring planting and are employing some extra help.

COAL—Bituminous coal production in March 1929 totaled approximately 39,347,000 net tons, a daily average of 1,513,000 tons, compared with a total of 47,271,000 tons and a daily average of 1,970,000 tons mined during the shorter month of February and a total of 43,955,000 tons and a daily average of 1,628,000 tons brought to the surface in March 1928. The recession in production last month in comparison with February is seasonal, but the decline was greater this year than in most years. West Virginia has dropped below Pennsylvania in bituminous coal output. Moderate temperature this Spring slowed up retail coal sales, and enabled householders to do without the final ton so frequently needed to carry over to warm weather.

TEXTILES—Textile mills in the Fifth reserve district continued full time operations during most of March. Fifth district mills consumed 274,615 bales of cotton last month, in comparison

with 256,777 bales used in the shorter month of February 1929 and 246,618 bales consumed in March 1928. North Carolina mills consumed 148,520 bales of cotton last month, South Carolina mills used 116,380 bales, and Virginia mills used 9,715 bales, higher figures in each case than those for March a year ago. Consumption of cotton in the Fifth district last month amounted to 43.4 per cent of National consumption, a higher percentage than 42.4 per cent consumed in February this year and also larger than 42.9 per cent used in the district in March 1928.

BUILDING OPERATIONS FOR THE MONTHS OF MARCH 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.....	631	608	1,249	1,043	\$ 2,853,600	\$ 1,755,400	\$ 599,520	\$ 569,100	\$ 1,128,620	48.6%	1
2	Cumberland, Md....	21	26	16	6	32,476	493,530	24,910	1,800	— 437,944	— 88.4	2
3	Frederick, Md.....	7	5	2	1	6,050	20,900	4,500	500	— 10,850	— 50.7	3
4	Hagerstown, Md....	16	31	6	8	19,765	66,820	1,505	5,650	— 51,200	— 70.6	4
5	Danville, Va.....	8	30	13	10	29,000	89,151	7,335	1,100	— 53,916	— 59.7	5
6	Lynchburg, Va.....	15	32	26	37	62,265	74,910	53,969	11,957	— 29,367	— 33.8	6
7	Norfolk, Va.....	64	100	74	107	128,615	432,370	39,630	27,261	— 291,386	— 63.4	7
8	Petersburg, Va.....	3	8	6	6	7,200	153,700	10,020	4,650	— 141,130	— 89.1	8
9	Portsmouth, Va....	8	25	18	27	40,669	33,590	5,350	18,328	— 5,899	— 11.4	9
10	Richmond, Va.....	128	120	72	70	1,554,842	570,315	58,347	42,668	1,000,206	163.2	10
11	Roanoke, Va.....	53	70	43	38	353,399	573,263	12,005	25,863	— 233,722	— 39.0	11
12	Bluefield, W. Va..	3	13	2	3	500	19,165	885	215	— 17,995	— 92.9	12
13	Charleston, W. Va.	67	69	24	13	121,692	524,338	29,680	18,955	— 391,921	— 72.1	13
14	Clarksburg, W. Va.	24	17	19	13	51,250	47,085	6,550	12,525	— 1,810	— 3.0	14
15	Huntington, W. Va.	32	43	10	3	34,000	41,200	4,000	15,000	— 18,200	— 32.4	15
16	Parkersburg, W. Va.	18	18	8	13	79,650	47,200	8,300	9,300	— 31,450	— 55.7	16
17	Asheville, N. C....	13	38	29	59	196,110	660,625	9,830	19,940	— 474,625	— 69.7	17
18	Charlotte, N. C....	56	74	29	57	492,006	664,915	24,823	40,443	— 188,529	— 26.7	18
19	Durham, N. C.....	24	65	10	10	247,947	296,524	36,872	14,850	— 26,555	— 8.5	19
20	Greensboro, N. C.	40	80	42	58	170,120	811,340	13,265	205,870	— 833,825	— 82.0	20
21	High Point, N. C..	29	48	5	10	106,450	161,400	1,695	14,500	— 67,755	— 38.5	21
22	Raleigh, N. C.....	22	41	10	7	126,084	395,525	4,555	1,550	— 266,436	— 67.1	22
23	Rocky Mount, N.C.	10	22	2	0	103,134	36,875	360	0	66,619	180.7	23
24	Salisbury, N. C....	9	12	2	12	44,600	80,000	210	11,350	— 46,540	— 50.9	24
25	Wilmington, N. C..	9	7	13	11	40,600	24,200	12,050	6,000	22,450	74.3	25
26	Winston-Salem, N. C.	76	116	55	112	611,254	3,975,644	18,400	65,942	— 3,411,932	— 84.4	26
27	Charleston, S. C..	24	8	30	37	39,571	6,685	19,105	28,960	— 23,031	— 64.6	27
28	Columbia, S. C....	27	13	26	64	91,400	85,300	11,130	26,110	— 8,880	— 8.0	28
29	Greenville, S. C..	26	23	43	30	114,000	170,150	29,955	11,325	— 37,520	— 20.7	29
30	Spartanburg, S. C.	23	43	26	31	83,705	138,952	4,935	7,250	— 57,562	— 39.4	30
31	Washington, D. C.	208	227	396	474	4,889,725	1,982,330	314,310	416,895	2,804,810	116.9	31
Totals.....		1,694	2,032	2,306	2,370	\$12,731,679	\$14,433,402	\$1,368,001	\$1,635,857	\$— 1,969,579	— 12.3%	

— 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 third month in succession, building permits issued in the leading cities of the Fifth reserve district fell off in March in both number and estimated valuation in comparison with the corresponding month of last year, but the figures showed a seasonal increase over those for January and February this year, and represented a considerable volume of construction.

Building inspectors in thirty-one Fifth district cities issued 1,694 permits for new construction in March, compared with 1,248 permits issued for similar work in February, and 2,032 permits issued in March 1928. Estimated valuation figures for new work last month totaled \$12,731,679, compared with \$8,793,564 in February this year and \$14,433,402 in March last year. Alteration and repair permits issued in March totaled 2,306, with estimated valuation of \$1,368,001, compared with 2,370 permits and total valuation of \$1,635,857 issued for alteration and repair work in March 1928. Combined valuation figures last month for all classes of work amounted to \$14,099,680, compared with \$10,290,845 in February 1929 and \$16,069,259 in March 1928, an increase of 37 per cent over February but a decrease of 12.3 per cent under the March 1928 figure. Only eight of the thirty-one reporting cities showed higher total valuation figures in March 1929 than in March 1928, but among these Baltimore and Richmond reported increases of more than \$1,000,000 each, and Washington a gain of nearly \$3,000,000. Rocky Mount, N. C., led in percentage increase in valuation this year, Richmond and Washington ranking second and third, respectively.

Contracts actually awarded during March for construction work in the Fifth district totaled \$32,978,953, of which \$14,456,018 was for residential work, according to statistics collected by the F. W. Dodge Corporation. In March 1928 contracts awarded in the Fifth district totaled \$42,061,-

428, of which \$15,471,118 was residential work. These figures include suburban and rural construction in addition to the city work covered by building permit figures.

COTTON—Spot cotton prices moved gradually lower during the period between March 15 and April 12, in contrast with the rising cotton market reported in the *Review* last month. On March 15, 1929, the average price paid on ten leading Southern markets for middling upland cotton was 20.07 cents per pound, to which it had dropped from 20.25 cents on March 8. On March 22 the average price declined further, to 19.62 cents, and continued downward to 19.58 cents on March 29 and 19.31 cents on April 5. Between April 5 and April 12, however, the decline was checked and the price remained practically unchanged, averaging 19.32 cents on April 12, the latest date for which figures are available.

The Census Bureau's cotton consumption report for March, issued on April 13, showed 632,808 running bales used during the month, compared with 598,098 bales consumed during the shorter month of February and 581,325 bales used in March last year, which contained one more working day than March 1929. Total consumption for the eight months of the present season—August 1 to March 31—amounted to 4,682,269 bales, compared with 4,781,694 bales consumed in the corresponding period ended March 31, 1928. Manufacturing establishments held 1,730,944 bales on March 31, compared with 1,746,537 bales held on February 28 and 1,592,917 bales on March 31, 1928. Public warehouses and compresses held 3,177,147 bales in storage at the end of March this year, compared with 3,876,215 bales so held a month earlier and 3,511,590 bales on March 31 last year. March exports totaled 555,986 bales, compared with 596,208 bales sent abroad in March 1928. Exports during the eight months of this cotton year totaled 6,744,061 bales, compared with 5,718,604 bales shipped overseas during the corresponding eight months ended March 31, 1928. Spindles active in March numbered 31,103,998, compared with 31,007,936 in February this year and 31,432,840 in March 1928.

Cotton consumption in the cotton growing states totaled 480,517 bales in March, compared with 454,864 bales used in February and 431,812 bales in March 1928. Last month's consumption in the cotton growing states amounted to 75.9 per cent of National consumption, compared with 74.3 per cent of National consumption used in the cotton growing states in March last year. Of the 480,517 bales of cotton consumed in the cotton growing states in March, the Fifth district mills used 274,615 bales, or 57.1 per cent.

TOBACCO—Virginia auction tobacco markets all closed during March, selling 4,068,122 pounds at an average price of \$8.48 during the month. Only the fire-cured and sun-cured markets were open, and the quality of tobacco sold was generally poor. As is usually the case at the end of the season prices declined, but the March average for fire-cured tobacco was slightly higher than a year ago. Summing up the season's sales, the report of the Agricultural Statistician for Virginia states that 117,254,824 pounds were sold for \$18,923,000, compared with 143,016,431 pounds sold for \$25,929,000 in 1928. Prices for burley and fire-cured tobacco were higher this year, but prices of flue-cured and sun-cured types were lower. The average price realized by the growers for flue-cured tobacco was \$17.07 per hundred pounds, compared with \$20.23 per hundred last year. Fire-cured prices averaged \$10.59 per hundred this year and \$9.93 last year. Prices for burley averaged \$30.43 per hundred, the second highest on record, compared with \$23.86 the previous season. Largely due to poor quality, the sun-cured crop averaged only \$10.07 per hundred, compared with \$13.13 last year. Flue-cured sales this season totaled 85,361,411 pounds, fire-cured totaled 21,935,250 pounds, burley sales totaled 5,017,120 pounds, and sun-cured totaled 4,941,043 pounds. Burley sales exceeded sun-cured sales for the first time. In total sales this season, Danville led all Virginia markets with 40,288,322 pounds, South Boston with 18,585,078 pounds ranking second. The same two cities ranked first and second in 1928, also.

Cigarette production in the United States in March 1929 was in larger volume than in March 1928, but the production of cigars, smoking and chewing tobacco, and snuff was in less volume last month. Cigarettes manufactured last month totaled 8,690,347,524, on which a tax of \$26,075,622 was paid, compared with 8,471,236,929 cigarettes manufactured and \$25,417,015 tax paid in March 1928. The Fifth district manufactures between 79 and 80 per cent of all American made cigarettes. Cigars made last month numbered 491,304,798, compared with 497,904,282 cigars made in March 1928. Chewing and smoking tobacco manufactured last month totaled 28,187,757 pounds, compared with 29,817,238 pounds in March last year. Taxes paid in March 1929 on all tobacco products, including cigars, cigarettes, chewing and smoking tobacco, and snuff, totaled \$33,436,573, compared with \$33,198,426 paid in March 1928.

AGRICULTURAL NOTES—Farming operations and growth of crops is much farther advanced at the middle of April than was the case a year ago. With the exception of too much rain which fell in certain sections of the district in February and the first half of March, the weather has been favorable for all agricultural work this Spring. On the whole, grain went through the winter in fine condition, and abundant moisture and warm weather the second half of March advanced pas-

tures very rapidly. At this time last year pastures were very poor. Fruit is in good condition, and a large apple and peach crop appears practically assured unless some very exceptional weather occurs during the next few weeks. Truck crops developed earlier than usual this year, and on the whole turned out well, but hot weather injured cabbage and spinach in Virginia. The acreage planted in Irish, or white, potatoes is smaller this year than last, due to disastrously low returns to the growers for their 1928 crop. Milk and egg production throughout the district is better than a year ago, due to splendid pasture and warm weather. The Virginia lamb crop made favorable progress during March and is expected to be ready for market about ten days earlier than usual. However, in spite of the unusually good beginning in farming activities this year, the outlook for agriculture is probably less favorable now than it was a year ago. Burley tobacco brought high prices last year; as a consequence official "intentions to plant" reports indicate possibility of a great increase in acreage this year. A very large surplus of flue-cured tobacco goes over into the new crop year, and this is the Fifth district's second largest money crop. With very large supplies of white potatoes carried over from last year, early potatoes this year must be sold in competition with the old crop. Many farmers are beginning this season's operations with the burden of unsettled debts from last year resting upon them, which may be a serious handicap in financing their 1929 operations.

WHOLESALE TRADE, MARCH 1929

Percentage increase in March 1929 sales, compared with sales in March 1928:					
<i>31 Groceries</i>	<i>9 Dry Goods</i>	<i>5 Shoes</i>	<i>15 Hardware</i>	<i>4 Furniture</i>	<i>13 Drugs</i>
— 6.4	— 8.0	— .2	— 3.8	13.6	—12.0
Percentage increase in March 1929 sales, compared with sales in February 1929:					
7.5	12.2	28.5	25.1	27.8	3.2
Percentage increase in total sales since January 1, compared with sales during the first quarter of 1928:					
— 2.9	—12.7	— 9.2	— 6.8	— 4.3	2.5
Percentage increase in stock on March 31, 1929, compared with stock on March 31, 1928:					
— 2.1 (11*)	—21.4 (3*)	— 6.4 (4*)	.6 (8*)
Percentage increase in stock on March 31, 1929, compared with stock on February 28, 1929:					
— 6.5 (11*)	— 5.7 (3*)	— 5.2 (4*)	— 1.7 (8*)
Percentage of collections in March to accounts receivable on March 1, 1929:					
62.4 (19*)	34.0 (7*)	23.4 (5*)	35.3 (12*)	57.2 (9*)

— Denotes decreased percentage.

* Number of reporting firms.

Seventy-seven wholesale firms, representing six leading lines of trade, sent reports to the Federal Reserve Bank of Richmond on wholesale trade during March. Sales of furniture firms exceeded sales in March 1928, but sales in the other five lines declined last month. March sales in all six lines increased seasonally over February 1929 sales, both because of increased demand as a result of Spring requirements and on account of splendid weather which stimulated retail trade and created many refill orders. In total sales during the first quarter of this year, sales of drugs exceeded sales by the same firms during the first quarter of 1928, but this year's sales in groceries, dry goods, shoes, hardware and furniture were lower than sales in the same lines during the first three months of last year.

Stocks on hand in the reporting firms at the end of March 1929 were larger in hardware than on March 31, 1928, but were less in groceries, dry goods and shoes. Stocks in all lines declined during March from those on hand at the end of February this year, a seasonal development after the bulk of Spring and early Summer shipments had been made.

Collections in groceries during March totaled 62.4 per cent of outstanding receivables as of March 1. Drugs averaged 57.2 per cent of outstanding receivables collected during the month, while hardware averaged 35.3 per cent, dry goods 34.0 per cent, and shoes 23.4 per cent. The dry goods, hardware and drug percentages for March 1929 were higher than those for March last year, but last month's percentages in groceries and shoes were lower. All of the changes in percentage were slight.

FIGURES ON RETAIL TRADE

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

	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in March 1929 sales, over sales in March 1928:					
	9.9	10.3	8.7	7.5	9.2
Percentage increase in total sales since January 1, over sales during the same three months in 1928:					
	1.6	5.0	4.2	— 1.6	2.6
Percentage increase in March 1929 sales, over average March sales during the three years 1923-1925, inclusive:					
	10.7	40.4	28.9	1.6	18.8
Percentage increase in stock on hand March 31, 1929, over stock on March 31, 1928:					
	— 3.3	— 2.8	— 1.9	— 7.3	— 3.3
Percentage increase in stock on hand March 31, 1929, over stock on February 28, 1929:					
	5.7	9.4	6.5	4.9	6.2
Percentage of sales in March 1929 to average stock carried during that month:					
	31.9	37.1	31.6	24.1	31.2
Percentage of total sales since January 1, to average stock carried during each of the three elapsed months:					
	75.5	87.7	82.0	56.7	76.5
Percentage of collections in March to total accounts receivable on March 1, 1929:					
	25.8	33.0	31.4	29.3	28.8

— Denotes decreased percentage.

Retail trade in the Fifth Federal reserve district in March, as reflected in sales by thirty-two leading department stores, exceeded the volume of trade in March 1928 by 9.2 per cent. The Easter holiday occurring in March this year, combined with favorable weather during the latter half of the month, stimulated a large volume of business which was generally distributed through the entire district. Of the thirty-two stores reporting on their March operations, all but five reported larger sales in March this year. Cumulative sales figures for the first three months of the year show 1929 an average of 2.6 per cent ahead of the same period in 1928, and March sales this year averaged 18.8 per cent above average March sales during the three years 1923-1925, inclusive.

Stocks on hand at the end of March 1929 were 3.3 per cent lower in selling value than stocks on hand on March 31, 1928, but were seasonally larger than stocks on hand on February 28 this year, an average increase during March of 6.2 per cent being reported.

The percentage of sales in March to average stocks carried that month was 31.2 per cent, compared with 27.7 per cent in March last year, and the percentage of total sales during the first quarter of 1929 to average stock carried during each of the three elapsed months was 76.5 per cent, indicating an annual turnover rate of 3.04 times this year in comparison with a rate of 2.92 times in the first quarter of 1928.

Collections last month were slightly better than in March last year, the percentage of collections during the month to total receivables outstanding on March 1 being 28.8 per cent, compared with 28.0 per cent of outstanding receivables collected in March 1928. The percentage this year improved in Baltimore, Richmond and Washington, but declined in the Other Cities stores, which are more largely affected by conditions in rural sections than the larger city stores.

(Compiled April 20, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Volume of industrial production and of trade increased in March and wholesale prices advanced somewhat. There was a growth of commercial loans of member banks in leading cities in March and the first half of April, while investments and loans on securities of the banks showed a reduction for the period.

PRODUCTION—Output of manufacturers reached a new high level in March. Automobile production was exceptionally large, and steel ingot output was reported to be above rated capacity. Output of refined copper, lumber, cotton and silk textiles, and sugar was also large for the season. There was some seasonal recession from February in the production of wool textiles and leather, and a further decline in production by meat packing plants. The volume of factory employment and pay-rolls continued to increase during the month and was substantially above the level of March 1928. Production of minerals as a group declined sharply, reflecting reduction in output of coal by more than the usual seasonal amount. Output of nonferrous metals continued large and petroleum production increased. During the first part of April industrial activity continued at a high rate, although preliminary reports indicated a slight slowing down in certain branches of the steel industry, and a smaller output of coal and petroleum. The value of building contracts awarded increased seasonally during March and the first two weeks in April, reflecting in part the award of a few large contracts, chiefly commercial and industrial. The total volume of building, however, continued smaller in March than a year ago. Contracts for residential building and public works and utilities were substantially below the level of March 1928, while industrial and commercial building was in larger volume.

DISTRIBUTION—Railroad shipments of commodities declined somewhat in March but were larger than in the same period of the preceding year. The decline from February reflected smaller shipments of coal and coke, grain products and livestock, all of which were also below March a year ago. Loadings of ore and miscellaneous freight increased substantially over February and continued above 1928. Sales by wholesale firms in all lines of trade reporting to the Federal Reserve System were seasonally larger than in February. In comparison with the same month a year ago, however, sales in most lines of trade were smaller, except in dry goods, men's clothing and hardware. Department store sales showed a larger increase in March than is usual at this season, and were larger than in the same month in the preceding year, partly on account of the fact that Easter came in March this year.

PRICES—Wholesale prices of commodities during March averaged slightly higher than in February, according to the index of the United States Bureau of Labor Statistics. There were marked increases in prices of copper and lead, and smaller advances in prices of iron and steel and cotton goods, as well as of certain agricultural products, particularly cotton, live stock, meats and hides. Prices of grain and flour were lower during the month and prices of leather declined, reflecting an earlier decline in prices of hides. Silk and rayon textiles and raw wool were somewhat lower in price. In the middle of April prices of live stock and raw silk were higher than at the end of March, while cotton and wool had declined in price. Among the non-agricultural products there were marked declines in the prices of copper, lead, tin and zinc, a further decline in rubber, and increases in pig iron and finished steel.

BANK CREDIT—Between March 20 and April 17 there was a considerable decline in the volume of member bank loans to brokers and in the banks' holdings of investments. Loans chiefly for commercial and agricultural purposes showed a rapid increase, and at the end of the period were near the high level of last autumn. During the same period the volume of reserve bank credit in use declined further as a consequence of additions to the country's stock of monetary gold. A continued rapid reduction in holdings of acceptances carried the total to the lowest point since the autumn of 1924. Security holdings also decreased somewhat, while discounts for member banks increased. Open market rates on bankers' acceptances and commercial paper increased further. Rates on collateral loans increased sharply in the latter part of March, but declined in April.