

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

MAY 31, 1929

DISTRICT SUMMARY—The volume of business transacted in the Fifth Federal Reserve district in April and early May 1929 was in most instances above the volume done in the corresponding period a year ago. Member banks increased their loans to agricultural and commercial borrowers, as is usual at this season, and also increased their borrowing at the reserve bank. On the other hand, loans by reporting member banks on stocks and bonds declined during the month, making additional funds available for agricultural, commercial and industrial uses. Debits to individual accounts figures in the the five weeks ended May 15th this year were seasonally lower than those in the preceding five weeks this year, ended April 10th, and were also slightly less than in the five weeks ended May 16, 1928, but the decrease from last year was very slight and the totals for the 1928 period were exceptionally large. Business failures in the Fifth district last month showed a seasonal decrease under March failures, but exceeded those of April 1928. Coal production declined seasonally in April in comparison with March, but exceeded the April 1928 production. Textile mills consumed 18 per cent more cotton in April 1929 than in April 1928, nearly all mills operating full time last month. Building permits issued in leading cities of the district were greater in total valuation than in April 1928, and a large volume of construction work in rural sections and small towns was indicated in contract award figures for April. This large amount of construction work insures reasonably good employment conditions for the summer months. Tobacco manufacturing in the Fifth district continues to increase steadily, and April production exceeded that of April 1928 by a considerable margin. With the exception of cotton in certain sections of the district, crops are earlier this year than last, in spite of wet weather and cold, and all grain crops are in fine condition. Retail trade in April in department stores was in larger volume than in April last year, in spite of the occurrence of Easter in March this year, and for the first time in many months, most of the reporting wholesale firms showed larger sales in April than in the corresponding month of the preceding year.

RESERVE BANK OPERATIONS — Member banks increased their rediscounts at the Federal Reserve Bank of Richmond during the past month, the amount rising from \$53,252,000 on

April 15th to \$56,531,000 on May 15th, both dates this year. An increase during the period covered is seasonal, and due chiefly to crop planting needs; the peak of the borrowing season comes at a later date. On the other hand, the total earning assets of the Federal Reserve Bank of Richmond declined from \$64,379,000 at the middle of April to \$63,608,000 at the middle of May, due to a reduction in holdings of bankers' acceptances purchased in the open market. The circulation of Federal reserve notes declined further last month, as is usual at this season when book credit rather than cash is needed, the total amount of notes in actual circulation falling from \$70,518,000 on April 15th to \$66,542,000 on May 15th. Member bank reserve deposits decreased from \$66,034,000 at the middle of April to \$65,765,000 at the middle of May, merely a daily fluctuation. The several changes in the items enumerated resulted in a net decline in the total cash reserves of the Richmond reserve bank from \$86,214,000 on April 15th to \$79,423,000 on May 15th, and reduced the ratio of reserves to note and deposit liabilities combined from 60.73 per cent at the middle of last month to 58.95 per cent at the middle of May.

Reserve bank credit continues to be used more extensively by member banks than was the case a year ago. On May 15, 1928, rediscounts for member banks held by the Federal Reserve Bank of Richmond totaled \$43,593,000, but on May 15th this year rediscounts held by the Richmond bank amounted to \$56,531,000, an increase of approximately 30 per cent. The circulation of Federal reserve notes is also greater this year, being \$64,542,000 on May 15th against \$57,084,000 on May 15th last year, a rise of over 16 per cent. However, in spite of the increase in rediscounts for member banks, the Richmond bank reduced its total earning assets during the year from \$65,059,000 to \$63,608,000, meeting the situation caused by increased member bank borrowing by reducing its holdings of bankers acceptances and Government securities. At the middle of May this year the cash reserves of the Richmond bank were higher than a year earlier, and the reserve ratio was also higher, but at the same time was the lowest in the System. On May 15, 1928, the cash reserves totaled \$72,270,000, and the ratio of reserves to note and deposit liabilities combined was 56.50 per cent, while on May 15, 1929, reserves totaled \$79,423,000 and the reserve ratio was 58.95 per cent, but has since declined below last year.

CONDITION OF SIXTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	May 15, 1929	April 10, 1929	May 16, 1928
Loans on Stocks and Bonds (including Governments).....	\$188,196,000	\$200,250,000	\$180,021,000
All Other Loans and Discounts.....	329,494,000	327,463,000	337,856,000
Total Loans and Discounts.....	517,690,000	527,713,000	517,877,000
Total Investments in Bonds and Securities.....	158,425,000	158,203,000	172,403,000
Reserve Balance with Federal Reserve Bank.....	38,763,000	40,248,000	39,170,000
Cash in vaults.....	10,842,000	11,630,000	11,684,000
Net Demand Deposits.....	353,790,000	360,902,000	362,237,000
Time Deposits.....	239,393,000	243,525,000	249,679,000
Borrowed from Federal Reserve Bank.....	30,152,000	25,258,000	24,875,000

In the accompanying table, the chief items of condition reported by sixty-one regularly reporting member banks on May 15, 1929, are compared with similar figures reported by the same banks on April 10, 1929, and sixty-six banks on May 16, 1928. The figures for the three dates are comparable, the difference in the number of reporting banks being due to consolidations among the original sixty-six institutions.

During the month between April 10th and May 15th, both this year, total loans of the sixty-one reporting banks declined \$10,023,000, an unseasonal reduction at this time of the year. However, the reduction was entirely in loans on stocks and bonds, which dropped \$12,054,000, while all other loans, which are largely commercial and agricultural, showed a seasonal increase amounting to \$2,013,000. Investments in bonds and securities showed a slight increase of \$222,000 during the month under review. Aggregate deposits naturally declined in keeping with the reduction in outstanding loans, net demand deposits falling \$7,112,000 and time deposits \$4,143,000 during the month. The reserve deposits of the reporting banks at the Federal Reserve Bank of Richmond dropped \$1,485,000 between April 10th and May 15th, and their cash in vaults declined \$788,000. These several changes further increased the reporting banks' dependence on the reserve bank and they increased their rediscounts at the Federal Reserve Bank of Richmond by \$4,894,000 during the month under review.

In comparison with the figures reported on May 16, 1928, those of May 15, 1929, show some interesting changes. Total loans outstanding changed very little, declining \$187,000, or less than 4/100ths of 1 per cent, during the year, but loans on stocks and bonds rose \$8,175,000 while commercial and agricultural loans declined \$8,362,000. Total investments in bonds and securities declined \$13,978,000 between May 16, 1928, and May 15, 1929, a reduction which probably reflects a decrease in deposits without a corresponding decrease in loans. The reserve balance of the reporting banks at the Richmond reserve bank showed only a daily change, being \$407,000 lower at the middle of May this year than a year earlier, and cash in vaults dropped \$842,000 during the year. (The reserve deposits of all member banks, however, are materially below last year.) Aggregate deposits in reporting member banks declined \$18,733,000 between May 16th last year and May 15th this year, net demand deposits dropping \$8,447,000 and time deposits \$10,286,000. As previously mentioned, part of this decline in deposits was taken care of by reducing investments in bonds and securities, but further recourse to reserve bank credit was also necessary, and the reporting banks increased their rediscounts at the Federal Reserve Bank of Richmond by \$5,277,000 on May 15, 1929, in comparison with May 16, 1928.

DEBITS TO INDIVIDUAL ACCOUNTS

The accompanying table shows aggregate debits to individual, firm and corporation accounts in twenty-four cities of the Fifth reserve district for three equal periods of five weeks, ended May 15, 1929, April 10, 1929, and May 16, 1928. These figures include the totals of all checks paid against depositors' accounts by the clearing house banks of the reporting cities during the period under review, regardless of whether or not the checks passed through the local clearing house, were cleared through the Federal Reserve System, were cashed over the counters, or were deposited for the credit of other customers of the reporting banks.

During the five weeks ended May 15th this year, aggregate debits in the twenty-four reporting cities totaled \$1,599,515,000, a decrease of 4.6 per cent in comparison with debits totaling \$1,676,951,000 reported for the preceding like period this year, ended April 10th. A decrease during the later period is seasonal, and is due to the occurrence of income tax payments on March 15th and quarterly settlements around April 1st, all of which fell in the earlier of the two periods under discussion. Ten cities reported higher figures for the more recent period, however, while fourteen followed the seasonal trend and reported lower totals.

In comparison with aggregate debits reported a year ago, when twenty-three cities totaled \$1,606,633,000 during the five weeks ended May 16, 1928, debits in the same cities during the five weeks ended May 15, 1929, totaling \$1,599,515,000 show a very small decline, but sixteen cities reported higher figures this year while only seven cities reported lower figures. In nearly all cities the changes this

year in comparison with figures a year ago were small, but it happened that the seven decreases totaled slightly more than the sixteen increases. In percentage increase, Durham, N. C., led with 24.8 per cent, and Danville, Va., reported the greatest decrease, 21.6 per cent.

CITIES	TOTAL DEBITS DURING THE FIVE WEEKS ENDED		
	May 15, 1929	April 10, 1929	May 16, 1928
Asheville, N. C.	\$ 40,603,000	\$ 43,156,000	\$ 38,850,000
Baltimore, Md.	476,833,000	495,630,000	504,489,000
Charleston, S. C.	32,200,000	30,800,000	28,791,000
Charleston, W. Va.	46,828,000	52,929,000	43,448,000
Charlotte, N. C.	73,602,000	80,695,000	71,465,000
Columbia, S. C.	31,172,000	35,648,000	31,579,000
Cumberland, Md.	11,714,000	11,116,000	10,475,000
Danville, Va.	8,649,000	9,290,000	11,027,000
Durham, N. C.	35,515,000	33,256,000	28,460,000
Greensboro, N. C.	32,107,000	28,942,000	31,687,000
Greenville, S. C.	25,370,000	27,852,000	30,633,000
Hagerstown, Md.	12,934,000	12,394,000	12,278,000
Huntington, W. Va.	26,727,000	26,539,000	26,497,000
Lynchburg, Va.	23,691,000	23,264,000	21,771,000
Newport News, Va.	12,148,000	12,835,000	11,613,000
Norfolk, Va.	72,958,000	76,017,000	*91,071,000
Portsmouth, Va.	6,162,000	5,572,000	.....
Raleigh, N. C.	30,386,000	24,494,000	33,996,000
Richmond, Va.	158,040,000	167,469,000	151,887,000
Roanoke, Va.	35,719,000	34,253,000	33,076,000
Spartanburg, S. C.	16,727,000	17,476,000	14,959,000
Washington, D. C.	317,925,000	351,478,000	308,319,000
Wilmington, N. C.	23,023,000	23,474,000	23,385,000
Winston-Salem, N. C.	48,482,000	52,372,000	46,877,000
District Totals	\$1,599,515,000	\$1,676,951,000	\$1,606,633,000

* This Norfolk figure includes Portsmouth figure also.

SAVINGS DEPOSITS—At the close of business on April 30, 1929, twelve mutual savings banks in Baltimore had aggregate deposits totaling \$189,959,148, compared with \$188,299,306 on deposit at the end of March this year and \$183,096,168 at the end of April a year ago. The April 30, 1929, total was the highest on record, but showed only 3.7 per cent increase over the figure a year ago. In contrast to the increase in deposits in mutual savings bank, time deposits in reporting commercial banks declined from \$249,679,000 on May 16, 1928, to \$239,393,000 on May 15, 1929, decrease of \$10,286,000, but it is probable that much of this sum was either invested in securities by the withdrawing depositors or loaned at attractive interest rates to others for stock and bond transactions.

BUSINESS FAILURES—Dun's Review for May 4th, in commenting upon the business failure statistics of April 1929, says, "The insolvency record for April shows contrasting trends, both in comparison with the returns for March and those for a year ago. Thus, the number of commercial defaults in the United States, at 2,021, increased last month, whereas the liabilities, amounting to \$35,269,702, declined. Changes from the March figures were small, the number of failures rising by about 1.75 per cent and the indebtedness decreasing by some 3 per cent, but wider variations occurred from the totals of April 1928. A year ago, the insolvencies numbered 1,818 and involved \$37,985,145, the current statement therefore showing a numerical increase of around 11 per cent, but a reduction in liabilities of a little more than 7 per cent. Usually the number of failures declines in April, yet the upward trend shown in the latest report is largely offset by the relatively favorable exhibit as to the indebtedness. Not in any other year since 1922 has the number of defaults reached the 2,000-mark in April, but last month's liabilities are the smallest for the period in all years back to 1920."

In the Fifth reserve district, failures numbering 132 in April this year compare favorably with and show a reasonable decrease from 158 failures in March this year, but compare unfavorably with 106 failures reported in April 1928. Insolvencies last month totaling \$2,573,495 exceeded both \$2,167,780 in March 1929 and \$2,316,842 in April 1928. The April 1929 failure statistics for the Fifth district were exceeded in number in April 1926 and in liabilities in April 1927.

EMPLOYMENT—Labor conditions did not change materially in the Fifth reserve district between the middle of April and the middle of May, but on the whole the outlook at present is perhaps not quite as favorable as a month ago. A few industrial plants are reported to have cut their forces to some extent during the first half of May, and the disputes in certain textile centers have not yet been cleared up. A seasonal reduction in bituminous coal production has lessened operating time of

miners, and unfavorable weather has handicapped construction work to a considerable extent. Wet weather has delayed farm work, and little farm labor has been used this season. Tobacco factories are using more workers than ever before, but most of their laborers are girls and young women. In spite of some reductions in forces at industrial plants, however, labor is better employed this year than a year ago, and a large volume of both private and public construction work already under way or contemplated promises at least fair conditions for the summer months.

COAL—Bituminous coal production in the United States in April this year totaled approximately 36,888,000 net tons, a decrease of 6.2 per cent under 39,347,000 tons mined in March 1929, but 14.6 per cent over 32,188,000 tons brought to the surface in April 1928. The April decline from the March figure was seasonal. Total production of bituminous coal during the present calendar year—approximately 112 working days—amounts to 189,649,000 net tons, compared with 174,962,000 tons mined during the corresponding period in 1928, and 215,861,000 tons in 1927. Retail prices were generally reduced in April or early May, and the usual drive by retailers for summer orders is under way. The Bureau of Mines, Department of Commerce, reported a coal reserve in the bins of industrial consumers on April 1st totaling approximately 36,000,000 tons, compared with 48,300,000 tons on April 1st last year, when heavy stocks which had been built up in anticipation of the miners' strike in 1927 had not been completely liquidated. Retail stocks are slightly higher than a year ago, and all dealers have adequate stock to make prompt deliveries on orders for all sizes.

BUILDING OPERATIONS FOR THE MONTHS OF APRIL 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.....	607	578	744	1,218	\$ 3,865,080	\$ 1,585,800	\$ 357,120	\$ 546,950	\$ 2,089,450	98.0%	1
2	Cumberland, Md....	21	26	9	9	25,235	95,700	9,880	23,329	— 83,914	— 70.5	2
3	Frederick, Md.....	4	4	3	1	24,150	7,075	6,700	200	23,575	324.1	3
4	Hagerstown, Md....	25	16	10	18	151,790	4,825	8,550	30,600	124,915	352.6	4
5	Danville, Va.....	16	18	15	6	100,663	32,185	11,460	2,020	77,918	227.8	5
6	Lynchburg, Va.....	23	34	29	29	68,010	70,566	10,405	11,082	— 3,233	— 4.0	6
7	Norfolk, Va.....	73	86	72	77	173,170	621,280	106,140	96,615	— 438,585	— 61.1	7
8	Petersburg, Va.....	1	3	7	7	2,300	11,700	3,716	5,755	— 11,439	— 65.5	8
9	Portsmouth, Va....	19	25	23	21	32,035	66,630	13,275	10,281	— 31,601	— 41.1	9
10	Richmond, Va.....	106	100	82	68	524,478	952,194	66,781	96,829	— 457,764	— 43.6	10
11	Roanoke, Va.....	48	64	46	41	174,575	299,731	31,305	10,136	— 103,987	— 33.6	11
12	Bluefield, W. Va...	8	7	4	2	1,265	6,970	1,240	600	— 5,065	— 66.9	12
13	Charleston, W. Va.	71	53	38	16	188,985	84,493	25,880	39,650	90,722	73.1	13
14	Clarksburg, W. Va.	28	37	13	24	35,315	61,380	2,575	7,985	— 31,475	— 45.4	14
15	Huntington, W. Va.	47	33	13	3	36,850	79,425	2,000	2,800	— 43,375	— 52.8	15
16	Parkersburg, W. Va.	23	21	13	12	88,625	61,650	7,400	9,100	25,275	35.7	16
17	Asheville, N. C.....	14	32	71	52	243,405	360,583	30,959	29,102	— 115,321	— 29.6	17
18	Charlotte, N. C.....	68	79	40	37	350,920	578,500	65,770	28,802	— 190,612	— 31.4	18
19	Durham, N. C.....	19	48	12	9	83,750	223,485	7,816	11,275	— 143,194	— 61.0	19
20	Greensboro, N. C....	29	65	46	51	209,810	318,970	25,677	115,368	— 198,851	— 45.8	20
21	High Point, N. C....	28	36	5	8	102,690	150,350	1,687	7,375	— 53,348	— 33.8	21
22	Raleigh, N. C.....	18	31	5	14	65,775	157,515	5,750	6,718	— 92,708	— 56.4	22
23	Rocky Mount, N.C.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	23
24	Salisbury, N. C.....	9	9	1	5	36,800	20,350	1,000	1,365	16,085	74.1	24
25	Wilmington, N. C....	3	12	12	8	10,300	53,200	11,750	6,700	— 37,850	— 63.2	25
26	Winston-Salem, N. C.	44	101	79	69	594,505	534,295	561,683	59,029	562,864	94.9	26
27	Charleston, S. C....	17	19	38	27	27,635	16,933	7,310	7,910	10,102	40.7	27
28	Columbia, S. C.....	22	33	56	60	54,500	127,900	19,925	21,450	— 74,925	— 50.2	28
29	Greenville, S. C....	12	17	35	40	100,050	59,200	23,975	27,905	36,920	42.4	29
30	Spartanburg, S. C.	24	25	26	18	76,610	60,275	17,330	12,040	21,625	29.9	30
31	Washington, D. C.	290	171	532	420	2,865,025	2,858,950	648,360	176,920	477,515	15.7	31
Totals.....		1,717	1,783	2,079	2,370	\$10,314,301	\$ 9,562,110	\$2,093,419	\$1,405,891	\$ 1,439,719	13.1%	

— 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.

Building permits issued in thirty leading cities of the Fifth Federal reserve district in April 1929 were fewer in number but higher in estimated valuation than permits issued in April 1928. The thirty cities issued 1,717 permits for new construction last month, estimated to cost \$10,314,301, compared with 1,783 permits for new work with estimated valuation of \$9,562,110 issued in April last year. Alteration and repair permits totaled 2,079 in April this year, and were valued at \$2,093,419, compared with 2,370 permits valued at \$1,405,891 in April a year ago. Total valuation figures for all classes of work for which permits were issued last month amounted to \$12,407,720, compared with a

total valuation of \$10,968,001 for all permits issued in April 1928, an increase of \$1,439,719, or 13.1 per cent, during the 1929 month. It is interesting to note, however, that the increase this year is due to gains in a minority of the cities, twelve cities reporting higher figures and eighteen lower figures than in April last year. Although Frederick, Md., Hagerstown, Md., and Danville, Va., showed higher percentage increases than any other cities, the gain of 98 per cent in Baltimore really accounted for the Fifth district increase. Washington reported an increase in April this year of 15.7 per cent, but both Richmond and Norfolk reported large decreases.

Contracts awarded in April 1929 for construction work in the Fifth reserve district totaled \$52,139,358, compared with \$66,590,828 awarded in April 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in April this year, \$15,491,363 went into residential work, the balance of over \$36,000,000 representing industrial, commercial or public utility construction.

TEXTILES—Except in perhaps a dozen mills which were inoperative on account of industrial disputes, Fifth district textile mills ran full time in April, and consumed 267,706 bales of cotton, compared with 274,615 bales used in the longer month of March this year and only 226,642 bales consumed in April 1928, when most of the mills were operating on restricted schedules. North Carolina mills used 147,469 bales of cotton in April 1929, South Carolina mills used 109,844 bales, and Virginia mills used 10,393 bales, all higher figures than those for April 1928. Cotton consumption in the Fifth district in April totaled 42.4 per cent of National consumption, compared with 43.2 per cent of National consumption used in the district in April a year ago. The unfilled orders on hand at the mills declined somewhat during April, production and shipments exceeding new orders. A declining tendency in the cotton market has discouraged buyers and made them cautious in placing orders for future delivery. Competition is reported to be very keen among the mills for the business which is available, with resultant narrow margins of profit.

COTTON—Spot cotton prices declined during the past month from 19.32 cents per pound on April 12th for upland short staple, middling basis, to 18.32 cents on May 17th, exactly 1 cent per pound, or \$5 per bale. From the average price of 19.32 cents per pound on April 12th the price dropped to 18.17 cents on April 26th, recovered slightly and rose to 18.25 cents on May 3rd, but slumped again to 18.02 on May 11th, the lowest quotation since the end of September. The price recovered somewhat and rose to 18.32 cents on May 17th, the latest date for which quotations are available.

Cotton consumed in American mills during April 1929 totaled 631,710 bales, a record figure for April, compared with 632,808 bales consumed in the longer month of March this year and 524,765 bales used in April 1928. Total consumption for the nine months of the season to date—August 1, 1928, to April 30, 1929—amounted to 5,313,979 bales, compared with 5,306,459 bales consumed during the corresponding period ended April 30, 1928. According to the Bureau of the Census report of May 14th, consuming establishments held 1,606,832 bales of cotton in their warehouses on April 30th, compared with 1,507,599 bales so held on the corresponding date a year earlier. Public warehouses and compresses held 2,523,574 bales in storage on April 30th, compared with 2,919,278 bales a year ago. Exports totaled 453,591 bales in April this year, compared with 467,318 bales shipped abroad during the same month of 1928, and total exports for the nine months ended April 30th amounted to 7,197,652 bales against 6,185,922 bales exported during the nine months ended April 30, 1928. Imports last month totaled 84,621 bales, compared with 18,149 bales brought in during April last year. The cotton growing states consumed 477,866 bales in April this year, or 75.6 per cent of National consumption, compared with 396,510 bales, or 75.5 per cent of National consumption, used in the cotton growing states during April 1928.

The cotton crop in the Fifth reserve district is starting off very poorly this season. Unfavorable weather delayed planting and germination of seed, and over a considerable area in South Carolina a severe sand-storm destroyed the small plants and made replanting necessary, some of which had to be done with inferior seed. Cotton is a hot weather plant, needing sunny days and hot nights, but the weather has been unseasonably cool since the first of April, the result being that cotton is quite late. However, hardly any plant has stronger recuperative powers than cotton, and favorable weather later in the summer, should such occur, might overcome the ill effects of the cold spring. It is too early to form any opinion as to probable yield this year.

TOBACCO PRODUCTS—On May 3, 1929, the Internal Revenue Bureau of the Treasury issued a report on tobacco tax receipts for the nine months of the present fiscal year to April 1st, in comparison with receipts during the corresponding nine months ended April 1, 1928. The report shows that total taxes collected during the past nine months on cigars, cigarettes, manufactured tobacco and snuff totaled \$314,989,811.04, of which the Fifth reserve district paid \$218,937,353.59, or 69.5 per cent. Of the tax paid on cigars the Fifth district paid only 6.0 per cent, but paid 79.9 per cent of the tax on cigarettes and 40.4 per cent of the tax on smoking and chewing tobacco and snuff. The Fifth district paid lower taxes on cigars but higher taxes on all other tobacco products than during the nine months ended April 1, 1928.

During April 1929 cigarettes manufactured in the United States totaled 9,608,903,979, compared with 7,512,157,394 cigarettes made in April 1928. Fifth district production in April this year was approximately 7,600,000,000 cigarettes, compared with about 6,000,000,000 cigarettes made in April last year. National production of smoking and chewing tobacco totaled 28,771,222 pounds in April 1929 and 27,371,091 pounds in April 1928, of which the Fifth district manufactured approximately 11,600,000 pounds in April this year and 11,050,000 pounds in April last year.

AGRICULTURAL NOTES—The month of April and most of May was wet and unseasonably cool, with resulting retardation of plant growth. On the whole, however, crops are somewhat earlier this year than last, except where replanting of cotton and corn has been necessary in part of South Carolina. Wheat is in better than average condition throughout the entire Fifth reserve district, and the oat crop is also unusually good. Prospects for hay yields this year are very good, and pastures greened up earlier and developed faster this year than in most years. Truck crops on the whole turned out well, and early Irish potatoes promise satisfactory yields. Fruit prospects are spotted, being good in Maryland, West Virginia and Virginia, but less promising than last year in the Carolinas. In South Carolina a severe sand-storm and whipping winds on May 2nd destroyed much young cotton and some corn in eastern and southern sections, and abnormal rains and cold in the Piedmont prevented planting and germination of seed. As a result of these conditions considerable replanting was necessary, some of which was done with inferior seed which may reduce the year's yield. In spite of the unfavorable weather, especially the lack of sunny days and hot nights, agriculture is getting off to a moderately good start in the Fifth district this year, but of course results at harvest time will depend upon weather conditions during the summer and early fall, and no estimates of production can yet be made.

WHOLESALE TRADE, APRIL 1929

Percentage increase in April 1929 sales, compared with sales in April 1928:					
<i>29 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>15 Hardware</i>	<i>4 Furniture</i>	<i>13 Drugs</i>
— 3.0	2.9	— 2.9	8.5	27.0	1.4
Percentage increase in April 1929 sales, compared with sales in March 1929:					
— .5	—13.4	—23.8	— 2.8	—13.3	.2
Percentage increase in total sales since January 1, 1929, compared with sales in the first four months of 1928:					
— 2.9	— 9.3	— 7.7	— 3.2	2.2	2.3
Percentage increase in stock on April 30, 1929, compared with stock on April 30, 1928:					
— 2.5 (11*)	—17.2 (4*)	— 7.7 (4*)	2.0 (8*)	.....	.....
Percentage increase in stock on April 30, 1929, compared with stock on March 31, 1929:					
— 2.1 (11*)	6.1 (4*)	— 1.3 (4*)	— 1.5 (8*)	.....	.....
Percentage of collections in April to accounts receivable on April 1, 1929:					
61.9 (19*)	37.0 (7*)	30.8 (5*)	36.4 (12*)	.....	57.7 (9*)

— Denotes decreased percentage.

* Number of reporting firms.

Seventy-six wholesale and jobbing houses, representing six leading lines, sent confidential reports on their April business to the Federal Reserve Bank of Richmond. The figures show that sales in all lines except drugs were seasonally less in April than in March of this year, and in all lines except furniture and drugs total sales since January 1st through April were less than sales during the corresponding four months last year. In comparison with April 1928 sales, those of April 1929 show increases in dry goods, hardware, furniture and drugs, but grocery and shoe sales last month were lower than a year earlier.

Stocks of merchandise carried by the reporting firms increased during April in dry goods, but declined in groceries, shoes and hardware. At the end of April this year, the reporting hardware firms had larger stocks than on April 30, 1928, but the stocks of the reporting grocery, dry goods and shoe firms were less than a year ago.

Collections showed some improvement during April over March in all lines except groceries. Dry goods and hardware collections in April 1929 were better than in April 1928, but grocery, shoe and drug collections last month were below those of the corresponding month a year earlier, and grocery collections were unchanged. Statistics on furniture collections were not available.

FIGURES ON RETAIL TRADE

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

Percentage increase in April 1929 sales, over sales in April 1928:	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
	—2.9	1.2	6.1	— 1.1	1.2
Percentage increase in total sales since January 1st, over sales during the first four months in 1928:	.6	4.0	4.7	— 1.5	2.3
Percentage increase in April 1929 sales over average April sales during the three years 1923-1925, inclusive:	—8.0	22.8	16.7	—10.1	3.2
Percentage increase in Stock on hand April 30, 1929, over stock on April 30, 1928:	—2.0	1.4	2.1	— 6.8	— .8
Percentage increase in stock on hand April 30, 1929, over stock on March 31, 1929:	1.8	3.7	2.3	2.9	2.3
Percentage of sales in April, 1929 to average stock carried during that month:	26.6	30.4	27.8	20.0	26.5
Percentage of total sales since January 1st to average stock carried during each of the four elapsed months:	104.0	118.2	109.9	76.8	103.9
Percentage of collections in April to total accounts receivable on April 1, 1929:	25.4	32.5	32.5	30.1	28.9

— Denotes decreased percentage.

Retail trade in the Fifth Federal reserve district, as reflected in department store sales, averaged better in April this year than in April 1928, although Easter was so early this year that all of the buying for that season occurred in March, while in 1928 the last week of Easter shopping fell in April. However, to partly balance this influence, April 1929 contained one more business day than April last year. Last month thirty-one leading department stores sold 1.2 per cent more goods, measured in dollars, than in April 1928, and averaged 3.2 per cent larger sales than average April sales during the three years 1923-1925, inclusive. The larger volume of business done in March and April overcame the unfavorable showing of January and February, and total sales from January 1st through April 30th averaged 2.3 per cent more than sales during the first four months of 1928.

Stocks of merchandise on the shelves of the reporting stores were 8/10ths of 1 per cent lower in selling value at the end of April 1929 than a year earlier, but were 2.3 per cent larger than a month earlier.

The percentage of sales to average stock carried during April was 26.5 per cent for the district as a whole, and the percentage of total sales during the first four months of this year to average stock carried during each of the four elapsed months was 103.9 per cent, indicating that business since January 1st was at an annual turnover rate of 3.117 times. During the first four months of 1928 the turnover rate was 2.958 times.

Collections by the thirty-one reporting stores during April totaled 28.9 per cent of outstanding receivables as of April 1st, a higher average than 28.8 per cent reported for March this year and also higher than 27.1 per cent collected in April 1928. All individual cities reported higher percentages in April than in April a year ago. Washington and the Other Cities group showed some improvement last month over March 1929 collections, but collections in Baltimore and Richmond were somewhat slower last month.

(Compiled May 21, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity continued at a high level in April, and the volume of factory employment and payrolls increased further. Loans and investments of member banks in leading cities continued to decline between the middle of April and the middle of May, and were at that time at approximately the same level as a year ago.

PRODUCTION—Industrial activity increased in April to the highest level on record. The iron and steel and automobile industries continued exceptionally active during April. Activity in copper refining, lumber, cement, silk and wool textiles, and the meat-packing industry increased, and production of cotton and textiles showed a less than seasonal reduction. Factory employment and payrolls increased, contrary to the seasonal trend.

Output of mines was also larger in April. Copper and anthracite coal production increased and the seasonal decline in output of bituminous coal was smaller than usual. Petroleum production declined slightly.

Preliminary reports for the first half of May indicate a continued high rate of operation in the iron and steel industry. Output of lumber and bituminous coal was somewhat larger during the first part of May than at the end of April.

Building contracts awarded during the month of April increased sharply and for the first time in five months approximated the total for the corresponding month in the preceding year. The increase was not continued, however, in the first part of May when awards averaged 20 per cent below the same period in May, 1928. During April most classes of building showed seasonal increases over March, the largest being in contracts for residential building and public works and utilities.

DISTRIBUTION—Shipments of commodities by rail increased during April and were the largest for this month in any recent year. The increase from March reflected larger loadings of miscellaneous freight, lumber, live stock and ore. During the first half of May shipments of freight continued to increase.

Sales at wholesale declined seasonally in April, except in the case of grocery and hardware firms. In comparison with April, 1928, all lines of trade reporting to the Federal Reserve System showed increases. Department store sales were also smaller in April than in March, but continued above the level of a year ago.

PRICES—Wholesale commodity prices averaged slightly lower in April than in March, according to the index of the United States Bureau of Labor Statistics, reflecting primarily declines in prices of farm products and their manufactures. Prices of mineral and forest products and their manufactures, on the average, showed little change. There were increases in the prices of iron and steel and sharp declines in copper, lead and tin. Seasonal declines occurred in prices of coal and coke, while gasoline prices advanced.

Prices of farm products and their manufactures averaged lower in April than in March. Prices of grain, especially wheat, moved downward more sharply and wool and cotton continued to decline. Live stock and meat prices continued the upward movement of the previous month but at a slower rate. Hides averaged slightly higher in price, and leather somewhat lower. Among imported raw materials, rubber, sugar and coffee showed marked price recessions. Early in May cattle, hides and wheat prices declined sharply and the price of rubber increased.

BANK CREDIT—During the four weeks ending May 15 Loans and Investments of member banks in leading cities showed a decrease of nearly \$200,000,000, largely in loans on securities together with some further decline in Investments. All Other Loans, chiefly for commercial and agricultural purposes, remained unchanged at a relatively high level.

There was a further reduction in the average volume of Reserve bank credit outstanding between the weeks ending April 24 and May 22, owing largely to additions to the country's monetary stock of gold. The decline was in discounts for member banks; holdings of acceptances and of United States securities showed practically no change.

Open market rates for Commercial paper remained unchanged as did rates on prime bankers acceptances, except for a temporary decline at the end of April and the first week in May. In the first three weeks of May rates on collateral loans averaged considerably higher than in April.