

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

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DISTRICT SUMMARY. Between the middle of June and the middle of July, there was a moderate credit expansion in the Fifth Federal reserve district, member banks increasing their outstanding loans and also their rediscounts at the reserve bank. Reporting member banks in leading cities increased their loans on stocks and bonds by \$13,737,000 during the month, but reduced their other loans \$1,122,000. At the middle of July the Federal Reserve Bank of Richmond was rediscounting less for city member banks than a year ago, but country banks were borrowing slightly more this year. Debits to individual accounts in twenty-four Fifth district cities during the four weeks ended July 10th this year were seasonally larger than debits during the preceding four weeks, and were also larger than in the same period a year earlier, ended July 11, 1928. Deposits in both mutual savings and member banks rose during June, but at the end of the month deposits in member banks were lower than on June 30th a year ago. Business failures in the Fifth district were more numerous and liabilities were greater in June 1929 than in other recent Junes, but the record of the first half of this year was better in both number of insolvencies and liabilities involved than the record of the first half of 1928. Employment is about up to seasonal level, and is better than a year ago. Coal production in June was perhaps a little above the average for this time of year, and total production this calendar year exceeded that of the first six months of 1928. The textile situation did not improve materially during June and early July, but continued better than in June and July last year. Cotton prices declined about \$2.50 a bale last month, but recovered during the third week in July. On the whole, prospects for agriculture appear to be fairly good in the Fifth district this year, although wet and cool weather retarded growth and prevented proper cultivation of many fields. Retail trade in June, insofar as reflected in department store sales, was better than in June 1928, and aggregate sales during the first half of this year exceeded sales in the first half of 1928, but wholesale trade in June was less than in June last year in all lines for which figures are available except shoes.

RESERVE BANK OPERATIONS. During the month ended July 15, 1929, the demand for reserve bank credit increased, and rediscounts

for member banks held by the Federal Reserve Bank of Richmond rose from \$54,753,000 on June 15th to \$58,931,000 on July 15th. Total earning assets of the reserve bank declined during the month, however, from \$63,451,000 to \$62,191,000, due to a reduction in the holdings of bankers' acceptances purchased in the open market. The introduction of the new small size currency on July 10th raised the circulation of Federal reserve notes materially and also lowered the member bank's reserve accounts to some extent, both of these changes probably being of a temporary nature. Between June 15th and July 15th, the circulation of Federal reserve notes rose from \$66,679,000 to \$75,250,000, and member bank reserve deposits declined from \$70,693,000 to \$65,696,000, having reached the low point of \$61,198,000 on July 9th, the lowest for several years. The several changes in the statement mentioned above, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond from \$82,721,000 on June 15th to \$89,874,000 on July 15th, and brought the ratio of cash reserves to note and deposit liabilities combined up from 59.83 per cent last month to 62.92 per cent at the middle of July.

In comparison with figures shown on the reserve bank's statement on July 15, 1928, those for the corresponding date this year show an increase in rediscounts for member banks from \$56,678,000 to \$58,931,000, but total earning assets of the Federal Reserve Bank of Richmond declined during the year from \$67,301,000 to \$62,191,000, the reduction being caused by decreased investments in open market paper this year. The circulation of Federal reserve notes rose from \$53,626,000 on July 15, 1928, to \$75,250,000 on July 15, 1929, but about half of this rise is due to the introduction of the new currency and therefore does not indicate as large an increase in the regular demand for currency as the uninterpreted figures would indicate. Member bank reserve deposits rose slightly during the year, from \$64,871,000 on July 15, 1928, to \$65,696,000 on July 15, 1929. The cash reserves of the Federal Reserve Bank of Richmond stood at \$60,055,000 at the middle of July a year ago, but totaled \$89,874,000 on July 15th this year, and the ratio of cash reserves to note and deposit liabilities combined increased from 50.49 per cent to 62.92 per cent during the year.

CONDITION OF SIXTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	July 10, 1929	June 12, 1929	July 11, 1928
Loans on Stocks and Bonds (including Government).....	\$200,573,000	\$186,836,000	\$188,459,000
All Other Loans and Discounts.....	320,190,000	321,312,000	331,059,000
Total Loans and Discounts.....	520,763,000	508,148,000	519,518,000
Total Investments in Bonds and Securities.....	158,542,000	158,249,000	160,465,000
Reserve Balance with Federal Reserve Bank.....	37,938,000	39,554,000	41,865,000
Cash in Vaults.....	14,944,000	11,075,000	12,809,000
Net Demand Deposits.....	354,942,000	348,635,000	359,792,000
Time Deposits.....	242,705,000	239,215,000	247,798,000
Borrowed from Federal Reserve Bank.....	27,513,000	24,858,000	31,337,000

The chief items of condition for sixty-one regularly reporting member banks are shown in the accompanying table, three dates being included to allow for comparison of the latest available figures, those of July 10, 1929, with those of June 12, 1929, and July 11, 1928, the preceding month and the preceding year, respectively. It should be understood that the figures shown reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates. The figures shown for July 10, 1929, are not quite comparable with those for the earlier dates, one of the reporting banks having consolidated with another institution which had not previously reported, but the figures are not materially affected.

A comparison of the July 10, 1929, figures with those of June 12th this year shows some interesting changes during the month. Loans on stocks and bonds rose \$13,737,000 during the four weeks, while all other loans, which are largely commercial and agricultural, declined \$1,122,000, a net gain in loans and discounts of \$12,615,000. Total investments in bonds and securities rose \$293,000 between June 12th and July 10th, and aggregate deposits rose \$9,797,000, demand deposits gaining \$6,307,000 and time deposits \$3,490,000. The increase in demand deposits was exactly half the increase in outstanding loans. The reporting banks reduced their reserve balances at the reserve bank by \$1,616,000 between June 12th and July 10th, but increased their cash in vaults by \$3,869,000, both of these changes being influenced by the introduction of the new small size currency into circulation on July 10th. The several changes in the statement made it necessary for the reporting banks to resort to the reserve bank for additional funds, and they increased their borrowing by \$2,655,000 during the month.

During the year between July 11, 1928, and July 10, 1929, the only change of importance in the statement of condition of the sixty-one reporting banks was a shift in loans and discounts from business to speculative and investment loans. Loans on stocks and bonds rose \$12,114,000 during the year, but all other loans decreased \$10,869,000, resulting in a net increase in total loans and discounts of \$1,245,000. Investments in bonds and securities declined \$1,923,000 between July 11, 1928, and July 10, 1929, and the reserve balances at the reserve bank declined \$3,927,000. Cash in vaults rose by \$2,135,000 during the year, probably due to the unusual amount of currency on hand on July 10th this year on account of the introduction of the new bills. Demand deposits in the reporting banks declined \$4,850,000 during the year under review, and time deposits dropped \$5,093,000. Borrowing by the sixty-one banks at the Federal reserve bank declined \$3,824,000 between July 11, 1928, and July 10, 1929.

DEBITS TO INDIVIDUAL ACCOUNTS

The accompanying table shows total debits to individual, firm and corporation accounts in the clearing house banks of twenty-four trade centers in the Fifth Federal reserve district during three periods of four weeks each, and in addition the table this month shows semi-annual totals in the several cities for the first half of 1929 in comparison with corresponding figures for the first half of 1928. The figures for the latest available four weeks period, ended July 10th, may be compared with the figures reported for the preceding four weeks, ended June 12th this year, and with those of the corresponding four weeks ended July 11, 1928.

Aggregate debits of \$1,321,060,000 in the reporting banks during the four weeks ended July 10th show a seasonal increase over the total of \$1,213,762,000 reported for the preceding like period, ended June 12th, the semi-annual and quarterly payments occurring on and around July 1st increasing debits totals materially. The increase during the more recent period was perhaps larger than in most years. Nineteen of the twenty-four reporting cities showed higher figures for the later four weeks.

In comparison with the corresponding four weeks in 1928, ended July 11th, when debits totaling \$1,309,233,000 were reported, the total of \$1,321,060,000 for the four weeks ended July 10, 1929, shows an increase of \$11,827,000, fourteen of the twenty-four cities reporting higher figures this year.

Total debits for the first half of 1929 amounted to \$8,326,348,000, compared with \$8,137,248,000 reported during the first half of 1928. Sixteen cities showed higher figures while seven cities showed

lower figures during the first half of this year in comparison with the corresponding six months of 1928, Norfolk and Portsmouth being considered as one city since combined figures were reported during a part of 1928. Newport News with a gain of 8.8 per cent showed the largest increase in debits this year, Washington ranking second with 8.7 per cent and Durham third with 8.1 per cent. Of the seven decreases, only those in Danville, Va., and Greenville, S. C., were relatively important.

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED			ANNUAL TOTALS	
	July 10, 1929	June 12, 1929	July 11, 1928	1929	1928
Asheville, N. C.	\$ 25,728,000	\$ 31,131,000	\$ 29,028,000	\$ 193,917,000	\$ 187,539,000
Baltimore, Md.	419,267,000	364,083,000	424,358,000	2,506,144,000	2,539,431,000
Charleston, S. C.	21,097,000	24,800,000	25,430,000	159,902,000	163,263,000
Charleston, W. Va.	44,890,000	37,780,000	41,028,000	255,827,000	239,303,000
Charlotte, N. C.	53,019,000	51,362,000	52,414,000	367,941,000	346,562,000
Columbia, S. C.	19,600,000	20,057,000	19,387,000	154,936,000	153,388,000
Cumberland, Md.	11,249,000	8,723,000	10,340,000	58,320,000	55,280,000
Danville, Va.	7,601,000	7,560,000	8,214,000	51,858,000	59,700,000
Durham, N. C.	27,997,000	30,508,000	25,894,000	186,190,000	172,280,000
Greensboro, N. C.	21,424,000	20,982,000	23,033,000	153,452,000	156,671,000
Greenville, S. C.	20,430,000	18,701,000	19,512,000	138,423,000	150,987,000
Hagerstown, Md.	11,348,000	9,527,000	10,711,000	64,749,000	63,842,000
Huntington, W. Va.	21,580,000	20,513,000	23,196,000	136,839,000	135,656,000
Lynchburg, Va.	19,649,000	17,017,000	19,989,000	119,529,000	117,259,000
Newport News, Va.	10,007,000	9,592,000	9,242,000	63,481,000	58,328,000
Norfolk, Va.	57,249,000	56,932,000	60,980,000	384,449,000	*422,385,000
Portsmouth, Va.	6,452,000	5,058,000	5,804,000	32,640,000	-----
Raleigh, N. C.	31,595,000	22,385,000	31,112,000	154,796,000	150,010,000
Richmond, Va.	132,812,000	118,768,000	128,998,000	842,731,000	816,304,000
Roanoke, Va.	31,015,000	29,211,000	28,945,000	184,855,000	172,822,000
Spartanburg, S. C.	12,059,000	13,229,000	12,957,000	87,187,000	85,628,000
Washington, D. C.	259,486,000	242,098,000	242,799,000	1,656,536,000	1,523,273,000
Wilmington, N. C.	16,807,000	15,336,000	14,644,000	110,314,000	112,112,000
Winston-Salem, N. C.	38,699,000	38,409,000	41,218,000	261,332,000	255,225,000
District Totals	\$1,321,060,000	\$1,213,762,000	\$1,309,233,000	\$8,326,348,000	\$8,137,248,000

* The 1928 Norfolk total includes debits in Portsmouth.

SAVINGS DEPOSITS—Savings and time deposits increased during the past month. Twelve mutual savings banks in Baltimore had deposits totaling \$190,273,519 at the close of business June 30, 1929, the highest figure ever attained by these banks. On May 31st this year the same institutions had deposits aggregating \$189,402,208 and on June 30, 1928, their deposits totaled \$182,944,849. Sixty-one regularly reporting member banks had time deposits aggregating \$242,705,000 at the close of business July 10th this year, which showed an increase over deposits amounting to \$239,215,000 on June 12th this year but a decline from \$247,798,000 reported on July 11, 1928.

BUSINESS FAILURES—In commenting on the business failure record in the United States for the month of June, *Dun's Review* of July 6th says, "The usual seasonal trend toward reduction in number of failures is disclosed by the returns for June, and the report in this respect is the best for the period since 1926. Statistics recently compiled show 1,767 commercial defaults in the United States last month, which is not only the smallest total for the present year, but is also less than for any other month back to last September. The decrease from the 1,897 insolvencies of May is 6.9 per cent, while there is a decline of 9.2 per cent from the 1,947 insolvencies of June 1928. In that year, the falling off in the number of failures from May to June was only about 3 per cent. At \$31,374,761, last month's liabilities reveal a contraction of 23.9 per cent from the \$41,215,865 of May, and also are the lightest of the current year. Despite the reduced number of defaults in June, however, the indebtedness exceeds by approximately 5.2 per cent the \$29,827,073 of the same month last year, but the latter aggregate was relatively low".

For the half year ended June 30, 1929, there were 12,172 commercial failures in the United States, involving \$232,128,936. The number is about 5.1 per cent less than the 12,828 defaults for the corresponding period of 1928, and the indebtedness for this year is 7.7 per cent less than the \$251,448,406 of the first six months of last year.

Numbering 138, business failures in the Fifth reserve district in June were more numerous than in any other June except one, that month in 1927 showing 142 failures. Last month's liabilities totaling \$2,534,991 were also unusually high for this season, exceeding all other June figures since 1924. In June 1928 defaults in the Fifth district numbered 98, with total liabilities of \$1,397,502, but these were both exceptionally low figures. Total failures in the district during the first half of 1929 compare favorably with those of the first half of 1928, 825 insolvencies involving \$13,436,178 this year falling below 840 insolvencies involving \$18,914,488 in the first half of 1928.

EMPLOYMENT—No changes of importance occurred in employment conditions during the past month, and on the whole labor is seasonally engaged. The industrial plants of the district are operating full time with the exception of a few textile mills, and coal production has declined somewhat less in recent months than in most years at this season. Building and other construction work continues to employ nearly all workers dependent upon those activities. The clerical field appears to be the only one in which there is a marked surplus of workers.

COAL—The total production of bituminous coal during June amounted to 37,900,000 net tons, as against 40,172,000 tons mined in May this year and 35,963,000 tons in June 1928. Total production of soft coal this calendar year to July 6th (approximately 158 working days) totaled 260,628,000 net tons, a higher figure than the tonnage during the corresponding month in 1928, but less than the 1927 and 1926 figures for June. Production in West Virginia and Pennsylvania was so nearly the same last month that at present the leader in the industry cannot be determined. Retailers have full stocks in their yards, and prices to consumers are at practically the same level as at this season last year.

BUILDING OPERATIONS FOR THE MONTHS OF JUNE 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.....	467	457	1,285	1,236	\$ 4,448,520	\$ 2,433,720	\$ 615,600	\$ 790,560	\$ 1,839,840	57.1%	1
2	Cumberland, Md....	31	16	8	13	105,003	26,810	1,660	19,879	59,974	128.5	2
3	Frederick, Md.....	4	7	5	2	3,250	22,100	8,750	4,075	14,175	54.2	3
4	Hagerstown, Md....	14	22	8	2	19,440	137,320	28,740	1,475	90,615	65.3	4
5	Danville, Va.....	11	13	14	11	16,165	41,830	14,185	7,220	18,700	38.1	5
6	Lynchburg, Va.....	16	33	26	36	33,335	67,400	11,811	30,032	52,286	53.7	6
7	Norfolk, Va.....	52	82	78	91	297,420	437,195	39,435	73,998	174,338	34.1	7
8	Petersburg, Va....	9	10	9	9	27,456	29,300	3,036	3,425	2,233	6.8	8
9	Portsmouth, Va....	17	17	27	25	25,320	46,325	18,670	17,440	19,775	31.0	9
10	Richmond, Va.....	88	115	80	93	432,477	367,562	122,512	82,935	104,492	23.2	10
11	Roanoke, Va.....	38	57	22	21	152,306	846,450	45,421	5,998	654,721	76.8	11
12	Bluefield, W. Va..	9	11	2	4	23,600	17,275	1,550	1,280	6,595	35.5	12
13	Charleston, W. Va.	54	40	20	13	331,555	135,960	65,350	13,175	247,770	166.1	13
14	Clarksburg, W. Va.	22	23	20	17	44,334	100,488	7,470	8,650	57,334	52.5	14
15	Huntington, W. Va.	31	32	10	1	50,127	78,375	2,000	9,000	35,248	40.3	15
16	Parkersburg, W. Va.	18	21	17	8	42,525	52,050	14,870	2,750	2,595	4.7	16
17	Asheville, N. C....	7	30	47	74	26,274	279,247	12,973	21,600	261,600	87.0	17
18	Charlotte, N. C....	34	85	40	36	158,985	669,515	25,671	100,679	585,538	76.0	18
19	Durham, N. C.....	17	59	8	10	46,335	248,950	13,650	20,950	209,915	77.8	19
20	Greensboro, N. C..	37	72	33	46	135,995	319,316	36,588	32,171	178,904	50.9	20
21	High Point, N. C..	15	32	6	9	69,150	164,350	3,200	4,225	96,225	57.1	21
22	Raleigh, N. C.....	20	21	29	12	288,016	131,030	3,350	9,040	151,296	108.0	22
23	Rocky Mount, N.C.	17	30	4	9	105,417	167,535	2,680	19,550	78,988	42.2	23
24	Salisbury, N. C....	7	16	1	1	55,500	143,500	2,000	600	86,600	60.1	24
25	Wilmington, N. C..	7	9	14	14	42,600	13,500	15,050	15,500	28,650	98.8	25
26	Winston-Salem, N. C.	24	90	57	90	94,090	434,450	33,592	34,435	341,203	72.8	26
27	Charleston, S. C....	18	10	32	29	77,420	5,455	23,700	12,435	83,230	465.2	27
28	Columbia, S. C....	29	32	44	40	125,400	143,400	41,150	17,045	6,105	3.8	28
29	Greenville, S. C....	7	12	21	24	21,100	52,200	13,345	10,550	28,305	45.1	29
30	Rock Hill, S. C....	7	14	15	7	129,455	22,250	5,885	10,525	102,565	312.9	30
31	Spartanburg, S. C.	12	9	19	17	30,070	30,900	31,935	6,845	24,260	64.3	31
32	Washington, D. C.	161	211	540	472	1,186,850	3,674,440	429,885	359,635	2,417,340	59.9	32
	Totals.....	1,300	1,688	2,541	2,472	\$ 8,645,490	\$11,340,198	\$1,695,714	\$1,747,677	\$ -2,746,671	- 21.0%	

— 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-two cities of the Fifth Federal reserve district in June this year were less numerous and the estimated valuation was less than in June 1928. In June this year 1,300 permits for new construction compare with 1,688 permits issued in the same cities for new work in June last year, and this year's estimated valuation of \$8,645,490 was considerably below the total valuation of \$11,340,198 for new work in June 1928. Permits for alteration and repair work in June this year numbering 2,541 compare more favorably with 2,472 permits issued in the same month a year ago, but this year's valuation of \$1,695,714 was less than \$1,747,677 in June 1928. Combined valuation figures for all classes of permits totaled \$10,341,204 in June 1929, a decrease of \$2,746,671, or 21.0 per cent, under the total of \$13,087,875 for all permits issued in the thirty-two cities in June last year. Among the individual cities, Baltimore with permits totaling slightly more than \$5,000,000 accounted for about half the district total. Only twelve of the thirty-two cities re-

ported higher valuation figures for June 1929 than for June 1928, and several of these increases were due to low figures last year rather than to unusually high figures this year. A new city, Rock Hill, S. C., is included this month in the table.

Contracts awarded in June for construction work in the Fifth district, including both rural and urban projects, totaled \$34,431,160, compared with \$46,277,135 awarded in June 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in June this year, \$11,530,325 was for residential work.

TEXTILES—Fifth district textile mills ran practically full time in June, although there was some tendency to curtail operations. Several mills in which strikes had tied up the machinery resumed operations, and no new labor trouble developed. The district mills consumed 243,682 bales of cotton last month, North Carolina mills using 130,736 bales, South Carolina mills 104,786 bales, and Virginia mills 8,160 bales, larger figures in each case than those of June 1928 when total consumption for the district was 222,235 bales. June 1929 consumption was 42.7 per cent of National consumption, compared with 43.5 per cent of National consumption attained by the Fifth district mills in June a year ago. It is interesting to note that June consumption figures in the Fifth district failed to gain in percentage of National consumption for the third month in succession. There has been little improvement in demand for textiles in recent weeks, and mills are still operating on narrow margins of profit.

COTTON—Spot cotton prices fluctuated through a range of about half a cent a pound during the past month, and ended the period at the low point of the swing. In our *Review* last month we quoted the average price for middling cotton on ten Southern markets as 18.50 cents per pound on June 14th. The price declined to 18.13 cents per pound on June 21st, recovered somewhat and rose to 18.29 cents on June 28th, but receded to 17.99 cents on July 5th, the lowest figure since September 21, 1928. On July 12th, the latest date for which official figures are available, the average price was 18.02 cents, a rise of only 15 cents per bale over the preceding week and about \$17 per bale below the price on July 13, 1928.

Cotton consumption in American mills during June 1929 totaled 570,281 bales, compared with 668,229 bales consumed in May this year and 510,399 bales used in June 1928. Total consumption for the eleven months of the season to date—August 1, 1928, to June 30, 1929—amounted to 6,552,489 bales, compared with 6,394,242 bales consumed during the corresponding period ended June 30, 1928. According to the Bureau of the Census report on July 13th, consuming establishments held 1,289,294 bales of cotton in their warehouses on June 30th, compared with 1,160,888 bales so held on the corresponding date a year earlier. Public warehouses and compresses held 1,375,728 bales in storage on June 30th, compared with 1,646,807 bales a year ago. Exports totaled 299,137 bales in June this year, compared with 444,168 bales shipped abroad during the same month of 1928, and total exports for the eleven months ended June 30th amounted to 7,811,834 bales against 7,208,493 bales exported during the eleven months ended June 30, 1928. Imports last month totaled 26,113 bales, compared with 14,587 bales brought in during June last year. The cotton growing states consumed 431,968 bales in June this year, or 75.7 per cent of National consumption, compared with 392,052 bales, or 76.8 per cent of National consumption credited to the cotton growing states in June 1928. Cotton spindles active in June 1929 numbered 30,628,122, compared with 28,627,556 spindles active in June 1928.

On July 8th, the Department of Agriculture issued its first acreage report of the season, and estimated the area in cultivation as 3.2 per cent larger than the acreage in 1928, the largest increase being from Alabama westward. In the Fifth reserve district, Virginia with 89,000 acres shows an increase of 10 per cent, North Carolina with 1,911,000 acres shows an increase of 1 per cent, and South Carolina with 2,410,000 acres shows a decrease of 3 per cent.

TOBACCO—Virginia tobacco acreage is about 4 per cent less this year than in 1928, 174,000 acres now under cultivation comparing with 180,800 acres harvested last year. The reduction is in flue-cured, fire-cured and sun-cured types, burley acreage in Southwest Virginia being approximately 50 per cent larger this year. The season was favorable for setting out tobacco and generally the stand is very good, although in some sections plants are irregular, largely due to insect damage. Too cool nights during most of June retarded growth. However, in most districts the plants were slightly larger on July 1st than on the same date last year. Rains interfered with cultivation and fields are becoming grassy. The condition on July 1st was reported to be 76 per cent of normal, which is the same as reported last year. **North Carolina** tobacco acreage is 5 per cent larger than that of 1928, but the condition of 69 per cent on July 1st was 3 per cent below the July 1, 1928, condition. Burley tobacco in the extreme western counties shows the best condition. Curing of tobacco is well under way in many of the eastern counties, and the section included in the South Carolina Belt is ready for marketing. **South Carolina** tobacco is ready for market, and the condition of 70 per cent on July 1st in comparison with 65 per cent a year ago indicates a probable yield of 85,806,000 pounds, a record crop, although this year's acreage was 8 per cent below the

acreage of 1928. South Carolina tobacco markets are opening at the end of July this year, a week ahead of last year's opening.

AGRICULTURAL NOTES—Maryland crop prospects are varied, due to excessive rains in certain sections and dryness in others. Wheat is disappointing in yield in many parts of the state, wet weather during the spring and early summer having caused an abnormal growth of straw and increased the disease hazard. As a result, many of the heads are poorly filled and the grain is far below standard quality. In other sections of Maryland, however, the wheat yield is reported as satisfactory. Potato growers on the Eastern Shore are very much encouraged. Yields are satisfactory, and prices ranging from \$3.50 to \$4.00 per barrel are good. The outlook at present for the tomato crop is good. Peach growers anticipate a fairly good crop, but apple conditions are spotted, the crop being very light in some sections but fair and of excellent quality in others. The corn crop in most sections of the state is growing nicely and a normal yield is indicated. During the first half of July the weather was extremely dry, and considerable damage was done to pastures and the second crop of alfalfa. **Virginia** crop conditions on July 1st were above the average. Hay crops and pastures were unusually good, but there was too much rain during June for cultivated crops such as corn, peanuts and tobacco. The total acreage in all crops is slightly less than last year. The corn acreage is estimated as 6 per cent less than last year. The stand of corn is very good, but growth has been retarded by excessive moisture and cool nights. However, early in July conditions were more favorable and corn made considerable progress, although fields became somewhat grassy. Virginia wheat prospects declined considerably during June, and early threshing reports indicate that the yield is very poor. The crop was badly injured by rust and other diseases which resulted from the unusually wet and cloudy weather during May and June. Wheat harvesting was considerably later this year than had been expected, but in most sections was completed by July 1st. Other small grains such as oats, barley and rye are expected to yield slightly better than wheat, but not as well as the large growth of straw indicated. These crops did not fill as well as had been expected. The acreage of potatoes, both early and commercial, was reduced this year, largely because of low prices received for the 1928 crop. The commercial crop yielded poorly during the early part of the season, but after the middle of June yields improved considerably. This year's production of Irish potatoes is expected to be about 25 per cent less than last year's production, but prices during the latter part of June averaged around \$3.75 per barrel in comparison with \$1.25 per barrel in 1928. The sweet potato acreage is 5 per cent larger than last year, the increase being chiefly in the commercial acreage on the Eastern Shore where conditions were favorable for setting out the plants. The peanut acreage in Virginia, while 5 per cent larger than a year ago, is smaller than the farmers had intended to plant. The stand is unusually good, but weather conditions in June were unfavorable and grass was growing rapidly in the fields on July 1st. A considerable part of the acreage usually planted in the Spanish type nuts has this year been shifted to the large type. The commercial apple crop of Virginia is expected to be smaller than a year ago, but above the five year average. Weather conditions damaged the fruit somewhat in June, but apples have grown rapidly and the size is larger than usual at this season. **North Carolina** acreage figures show the total area for all crops to be 1 per cent greater than last year, most of the increases in other crops having been made at the expense of corn. The condition of the corn crop was better on July 1st than a year earlier, and the acreage was about 2 per cent smaller. Small grain crops showed yields this year appreciably above the average for most years, and the quality of the grain was good. Peanuts showed a condition of 69 per cent of normal on July 1st, on an acreage 8 per cent larger than in 1928. Fruit crops are generally short in North Carolina. The early commercial Irish potato crop was cut almost 50 per cent in acreage, but the yield was generally considered very good, and prices were fairly satisfactory. **South Carolina** has experienced a relatively good year for crops already harvested. The yield of commercial early Irish potatoes was good, averaging about 143 bushels per acre. Both winter wheat and rye show yields somewhat above the ten-year average, while the average yield of oats was the best ever made in the state, according to available records. The corn crop of South Carolina was held back by an unfavorable spring and the present condition is somewhat below average, but the prospects are for a yield considerably above that of the unusually short crop of 1928. The condition of sweet potatoes is below the ten-year average, but better than that of last year. Increased acreage was reported this year over 1928 for sweet potatoes, peanuts, wheat, rye and oats, and reduced acreage was reported for cotton, tobacco, tame hay, and early Irish potatoes. **West Virginia** crop conditions on July 1st were lower than a month earlier, due to cool and dry weather through most of June, but with the exception of an unusually low condition for potatoes conditions compare very favorably with a year ago and the past ten year average. The state's apple crop shows evidence at present of being only two-thirds as large as last year's crop and somewhat below an average for former years. Total acreage in West Virginia was slightly increased this year, due to larger areas in wheat, oats, rye and tobacco. Potato acreage was reduced, and other crops showed practically no change.

FIGURES ON RETAIL TRADE

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

Percentage increase in June 1929 sales, over sales in June 1928:	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
	7.8	1.0	5.3	— 6.2	4.6
Percentage increase in total sales since January 1st, over sales during the first six months in 1928:	2.1	3.5	4.9	— 3.5	2.8
Percentage increase in June 1929 sales over average June sales during the three years 1923-1925, inclusive:	4.3	23.8	14.5	—11.5	8.4
Percentage increase in stock on hand June 30, 1929, over stock on June 30, 1928:	— 1.7	6.7	2.3	— 5.9	— .09
Percentage increase in stock on hand June 30, 1929, over stock on May 31, 1929:	— 5.5	— 2.3	— 5.9	— 3.7	— 5.1
Percentage of sales in June 1929 to average stock carried during that month:	30.0	31.2	30.8	20.4	29.1
Percentage of total sales since January 1st to average stock carried during each of the six elapsed months:	163.7	178.9	172.7	120.5	162.7
Percentage of collections in June 1929 to accounts receivable on June 1st:	25.0	32.4	32.2	29.1	28.5

— Denotes decreased percentage.

Thirty-one leading department stores sent figures on their June 1929 business to the Federal Reserve Bank of Richmond, and an analysis of the figures shows sales averaging 4.6 per cent above sales in June 1928. On a daily basis, the increase this year is really larger than the percentage indicates, since June 1929 with five Sundays contained one less business day than June last year. Total sales in the reporting stores from January 1st through June this year averaged 2.8 per cent above sales during the first half of 1928, and June 1929 sales were 8.4 per cent larger than average June sales during the three years 1923-1925, inclusive. Baltimore stores averaged the largest gains in sales last month in comparison with sales in June 1928, but in total sales for the first half of 1929 the Washington stores showed the largest increase over 1928.

Stocks of merchandise on the shelves of the reporting stores at the end of June averaged practically the same as on June 30, 1928, but were 5.1 per cent less than stocks on hand a month earlier this year, May 31, 1929, a seasonal reduction.

The percentage of sales to average stock carried during June was 29.1 per cent for the district as a whole, and the percentage of total sales during the first half of 1929 to average stock carried during each of the six months was 162.7 per cent, indicating an annual turnover of 3.25 times, compared with a turnover rate of 3.09 times in the first half of 1928.

Collections by thirty of the thirty-one reporting stores during June totaled 28.5 per cent of outstanding receivables as of June 1st, a slightly lower figure than 28.7 per cent of outstanding receivables collected in May this year and exactly the same figure reported for June a year ago. Baltimore and Washington reported somewhat better collections in June 1929 than in June 1928, but Richmond and the Other Cities stores reported slower collections last month.

WHOLESALE TRADE, JUNE 1929

Percentage increase in June 1929 sales, compared with sales in June 1928:	<i>28 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>14 Hardware</i>	<i>12 Drugs</i>
	— 9.4	— 1.8	.8	—12.9	— 4.4
Percentage increase in June 1929 sales, compared with sales in May 1929:	— 5.1	—11.3	—27.5	—15.0	— 6.1
Percentage increase in total sales since January 1, 1929, compared with sales during the first half of 1928:	— 4.4	— 8.3	— 8.3	— 4.9	.6
Percentage increase in stock on June 30, 1929, compared with stock on June 30, 1928:	— 2.5(10*)	—16.8(4*)	—14.0(4*)	4.7(7*)
Percentage increase in stock on June 30, 1929, compared with stock on May 31, 1929:	— 6.2(10*)	13.8(4*)	9.6(4*)	— 3.3(7*)
Percentage of collections in June to total accounts receivable on June 1, 1928:	61.7(18*)	32.0(7*)	32.1(5*)	33.5(11*)	58.5(9*)

— Denotes decreased percentage.

* Number of reporting firms.

Wholesale trade in the Fifth reserve district in June 1929, as reflected in reports from sixty-nine firms in five lines, was in smaller volume in nearly all lines than in either May 1929 or June 1928. Furniture is not shown in the table this month, an insufficient number of firms having reported to reflect the trend in that line. Reporting shoe firms showed slightly larger sales in June this year than in June last year, but the other four lines reported decreased sales during the 1929

month, hardware with a decline of 12.9 per cent showing the greatest drop. In comparison with May 1929 sales, those of June 1929 were lower in every line reported upon. Cumulative sales during the first half of 1929 exceeded sales in the first half of 1928 in drugs alone, the other four lines falling behind their 1928 business. Stocks on hand increased last month over those on hand at the end of May this year in dry goods and shoes, while grocery and hardware stocks declined. At the end of June, stocks of hardware on the shelves of the reporting firms were larger than those on hand on June 30, 1928, but grocery, dry goods and shoe stocks declined during the year. Collections in June were slower in all lines than in May of this year, and were also slower in groceries, hardware and drugs than in June 1928, but dry goods and shoe collections were better last month than in the corresponding month last year.

(Compiled July 20, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Output of manufactures continued in large volume in June, while mineral production declined. There was a rise in the general level of commodity prices, reflecting chiefly an advance in agricultural commodities.

PRODUCTION. Activity of manufacturing establishments continued at a high rate in June. Output of automobiles and of iron and steel showed a seasonal decline smaller than is usual from May to June. Silk mill activity increased and there was a growth in the daily average production of cement, leather and shoes. Production of copper at smelters and refineries decreased sharply and output of cotton and wool textiles was also reduced, although production in all of those industries continued larger than in other recent years. The volume of factory employment and payrolls in June showed a small seasonal decline from May, but, as in earlier months, was substantially larger than in 1928. Output of mines was generally smaller in June than in May, reflecting declines in the production of coal, copper, and other non-ferrous metals. Output of petroleum, however, increased to new high levels. Reports for the first half of July indicate some further reduction in output of cotton textiles, iron and steel, lumber, and coal.

The volume of construction contracts awarded decreased further in June, and for the first half year awards were 12 per cent less than in the same period in 1928, reflecting chiefly a substantial decline in residential building. During the first three weeks of July contracts awarded were larger than in the same period a year ago.

Department of Agriculture estimates, based on the July 1st crop condition report, indicate a wheat crop of 834,000,000 bushels, about 8 per cent smaller than production last year, but larger than average production in the preceding five years. The acreage of cotton in cultivation on July 1st was estimated at 48,457,000 acres, 3 per cent more than a year ago.

DISTRIBUTION. During the month of June, freight car loadings were slightly smaller than in May, as a result of decreases in loadings of most classes of freight except grain products and ores. In comparison with other recent years, however, loadings continued to show an increase. Sales of department stores in June, as in earlier months, were larger than in the same month in 1928.

PRICES. Wholesale prices, according to the Bureau of Labor Statistics index, advanced from May to June on the average somewhat less than they had declined during the preceding month. Farm products, particularly grains, cattle, beef and hides, showed marked advances in price. Prices of mineral products and their manufactures also averaged higher in June than in May, the rise reflecting largely increases in the price of petroleum and gasoline. Prices of leading imports, rubber, sugar, silk and coffee, showed a decline for the month as a whole.

During the first two weeks of July wheat and corn continued to move sharply upward, while hides declined slightly in price. Hog prices increased and prices of rubber and tin, which began to advance in the middle of June, continued to rise.

BANK CREDIT. During the first half of July the volume of credit extended by member banks in leading cities declined somewhat, following a rapid increase in June. On July 17th loans and investments of these banks were about \$400,000,000 above the level at the end of May. The increase reflected chiefly a rapid growth in loans to brokers and dealers in securities and also some further increase in commercial loans. The banks' holdings of investments continued to decline and were on July 17th about \$700,000,000 below the middle of last year.

The total volume of reserve bank credit outstanding showed an increase of about \$120,000,000 during the four weeks ending July 17th, the increase being in discounts for member banks. Demand for additional reserve bank credit arose chiefly out of a considerable increase in the volume of money in circulation which accompanied the issuance of the new small size currency. There was also some increase in reserve balances of member banks accompanying the growth in their loans and consequently in their deposits.

Open market rates on 90 day bankers' acceptances declined from 5 1/2 to 5 1/8 per cent between the latter part of June and the middle of July, while rates on prime commercial paper remained unchanged.