

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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DISTRICT SUMMARY. Fall trade began well in September and early October in the Fifth Federal reserve district, and on the whole basic conditions seem to be better than they were at this time last year. Building construction is in smaller volume at present than in the fall of 1928, but this is about the only definitely unfavorable factor in evidence. Commercial and reserve bank credit in use at the middle of October was practically the same as on the corresponding date last year, and was in moderate volume. Debits to individual accounts during the four weeks ended October 9th this year were 3 per cent higher than debits in the four weeks ended October 10, 1928. Business failures were fewer in the Fifth district in September than in any month since the fall of 1920 and aggregate liabilities involved were the lowest in six years. Employment conditions are reasonably good. West Virginia's output of bituminous coal is up to seasonal level. The textile outlook, while less satisfactory than that of some other industries, is distinctly better than it was last fall. Prospects for the district cotton production are above those of last year, although cotton prices at present are lower than they were at mid-October 1928. The total tobacco production of the Fifth district is above that of 1928, and this year's prices generally are perhaps running somewhat higher. The yields of most other crops were fair to good, and prices on the whole have not been unsatisfactory. Retail trade in September as reflected in department store sales was considerably better than in September 1928 in the upper half of the district, although in smaller volume in the Carolinas. Wholesale trade not only showed seasonal gains in September over August, but exceeded the volume of sales made in September a year ago in four of the five lines for which data are available.

RESERVE BANK OPERATIONS. Rediscounts for member banks held by the Federal Reserve Bank of Richmond declined from \$66,691,000 at the close of business September 15th to \$51,152,000 on October 15th, a drop of approximately \$15,500,000 at the time of the year

when rediscounts tend to either remain relatively constant or to increase slightly. This reduction in rediscounts lowered the reserve bank's total earning assets, but the bank bought approximately \$10,500,000 in bankers' acceptances in the open market during the month, which left the net decline in earning assets only about \$5,000,000, from \$74,873,000 on September 15th to \$70,128,000 on October 15th. However, rediscounts have since increased to \$57,181,000 and earning assets to \$77,609,000 on October 21st. Federal reserve note circulation in the Fifth district rose seasonally from \$82,983,000 last month to \$84,688,000 at the middle of October. Member bank reserve deposits declined from \$66,288,000 at the middle of September to \$62,089,000 on October 15th. The several changes enumerated, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond from \$83,960,000 on September 15th to \$87,444,000 on October 15th, and also raised the ratio of cash reserves to note and deposit liabilities combined from 56.08 per cent to 58.02 per cent. The reserve ratio subsequently declined to 53.94 per cent on October 21st.

A comparison of the figures in the reserve bank's statement for October 15th this year with the figures reported a year earlier shows little change in the amount of credit extended to member banks. Rediscounts rose from \$50,666,000 at the middle of October 1928 to \$51,152,000 on October 15, 1929, but the total earning assets of the Richmond bank declined during the year from \$70,224,000 to \$70,128,000. The circulation of Federal reserve notes increased materially, rising from \$69,896,000 last October to \$84,688,000 this year, but it is probable that the introduction of the new small currency this year is still affecting this comparison. Member bank reserves were lower on October 15th this year than on the corresponding date last year, having dropped from \$67,799,000 to \$62,089,000. The changes mentioned resulted in an increase in the Federal Reserve Bank of Richmond's cash reserves from \$79,550,000 on October 15, 1928, to \$87,444,000 on October 15, 1929, and a corresponding rise in the ratio of reserves to note and deposit liabilities combined from 56.04 per cent to 58.02 per cent during the year.

CONDITION OF SIXTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	October 16, 1929	September 18, 1929	October 17, 1928
Loans on Stocks & Bonds (Including Government).....	\$200,647,000	\$199,591,000	\$182,623,000
All Other Loans & Discounts.....	320,983,000	319,490,000	338,080,000
Total Loans & Discounts.....	521,630,000	519,081,000	520,703,000
Total Investments in Bonds & Securities.....	157,932,000	159,922,000	157,614,000
Reserve Balance with Federal Reserve Bank.....	40,657,000	40,857,000	41,103,000
Cash in Vaults.....	12,245,000	12,218,000	12,276,000
Net Demand Deposits.....	353,505,000	343,900,000	367,082,000
Time Deposits.....	245,051,000	243,678,000	245,684,000
Borrowed from Federal Reserve Bank.....	25,035,000	29,753,000	20,666,000

The accompanying table shows the principal items of condition of sixty-one regularly reporting member banks as of three dates, October 16, 1929, September 18, 1929, and October 17, 1928, thus affording an opportunity for comparing the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table 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.

Between September 18th and October 16th, both this year, loans on stocks and bonds rose \$1,056,000 and all other loans increased \$1,493,000, a total rise in loans and discounts of \$2,549,000. During the month the reporting banks reduced their investments in bonds and securities by \$1,990,000 and lowered their reserve balances at the reserve bank by \$200,000, the later being merely a daily fluctuation. Cash in vaults rose \$27,000 between September 18th and October 16th. Aggregate deposits increased materially during the month, demand deposits rising \$9,605,000 and time deposits \$1,373,000, a total deposit gain of \$10,978,000. The sixty-one reporting banks reduced their borrowing at the reserve bank by \$4,718,000 between September 18th and October 16th.

A comparison of the figures reported on October 16, 1929, with those reported a year earlier, October 17, 1928, shows an increase of \$18,024,000 in loans on stocks and bonds, but a decline of \$17,097,000 in all other loans, a net increase in loans and discounts of \$927,000 during the year. Investments in bonds and securities also rose slightly, the October 16, 1929, figure showing a rise of \$318,000 over the October 17, 1928, figure. The aggregate reserve balance of the reporting banks was \$446,000 lower at the middle of October this year than a year earlier, and cash in vaults totaled \$31,000 less. Total deposits declined \$14,210,000 during the year under review, demand deposits decreasing \$13,577,000 and time deposits falling \$633,000. On October 16th this year the reporting banks were borrowing \$4,369,000 more from the Federal Reserve Bank of Richmond than on October 17, 1928.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	October 9, 1929	September 11, 1929	October 10, 1928
Asheville, N. C.	\$ 32,476,000	\$ 22,222,000	\$ 37,351,000
Baltimore, Md.	426,710,000	375,521,000	380,724,000
Charleston, S. C.	25,971,000	19,421,000	21,535,000
Charleston, W. Va.	37,940,000	34,952,000	34,882,000
Charlottes, N. C.	53,871,000	48,316,000	54,352,000
Columbia, S. C.	22,517,000	17,036,000	21,462,000
Cumberland, Md.	10,075,000	8,874,000	10,244,000
Danville, Va.	8,435,000	6,868,000	8,216,000
Durham, N. C.	26,678,000	26,557,000	30,625,000
Greensboro, N. C.	23,640,000	18,936,000	21,884,000
Greenville, S. C.	19,983,000	17,587,000	21,102,900
Hagerstown, Md.	11,118,000	9,305,000	10,513,000
Huntington, W. Va.	22,407,000	19,774,000	21,545,000
Lynchburg, Va.	21,991,000	16,501,000	23,212,000
Newport News, Va.	10,186,000	9,639,000	9,767,000
Norfolk, Va.	58,639,000	55,167,000	57,514,000
Portsmouth, Va.	3,908,000	3,731,000	4,826,000
Raleigh, N. C.	19,698,000	15,257,000	21,268,000
Richmond, Va.	143,348,000	134,413,000	152,740,000
Roanoke, Va.	32,702,000	28,499,000	27,624,000
Spartanburg, S. C.	13,043,000	10,152,000	13,774,000
Washington, D. C.	266,245,000	212,670,000	269,659,000
Wilmington, N. C.	15,489,000	14,210,000	15,980,000
Winston-Salem, N. C.	42,175,000	31,881,000	39,529,000
District Totals	\$1,349,245,000	\$1,157,489,000	\$1,310,328,000

In the accompanying table, aggregate debits to individual, firm and corporation accounts in the banks of twenty-four leading Fifth district cities are shown for three equal periods of four weeks, ended October 9th and September 11th this year, and October 10, 1928. These figures afford an opportunity for comparison of the figures for the latest four weeks' period with the preceding like period this year and the corresponding period a year ago.

During the four weeks ended October 9, 1929, aggregate debits in the twenty-four cities amounted to \$1,349,245,000, an increase of \$191,756,000, or 16.6 per cent, over the total of \$1,157,489,000 reported for the preceding four weeks, ended September 11th. This increase was largely seasonal, and was due to the opening of fall trade, with increased marketing of agricultural products, and to quarterly payments of interest and dividends on and around October 1st. The increase was generally distributed over the Fifth district, every one of the twenty-four reporting cities showing higher figures for the later four weeks.

In comparison with figures reported a year ago, the aggregate of \$1,349,245,000 for the four weeks ended October 9th this year was \$38,917,000 higher than the total of \$1,310,328,000 reported for the corresponding period ended October 10, 1928, an increase of approximately 3.0 per cent. The cities divided equally in increases and decreases, twelve cities reporting higher and twelve reporting lower totals for the 1929 period. Baltimore, Norfolk, and Winston-Salem showed higher figures this year, but Washington, Richmond, and Charlotte reported lower totals than a year ago.

SAVINGS DEPOSITS—Deposits in twelve mutual savings banks in Baltimore aggregated \$189,193,610 at the close of business September 30, 1929, a higher figure than either \$188,715,330 on August 31, 1929, or \$184,837,715 on September 30, 1928. Time deposits in sixty-one regularly reporting member banks on October 16th totaled \$245,051,000, compared with \$243,678,000 on September 18th this year and \$245,684,000 on October 17th last year.

BUSINESS FAILURES—In reviewing the business failure record for September and the third quarter of the year, *Dun's Review* for October 5th says, "With the shorter month, the number of defaults in September not unnaturally declined from the August total, the decrease being 11.0 per cent, and the 1,568 insolvencies shown in the latest statement mark the low point for the current year. The minimum each year invariably is recorded in September, yet the present number is the lowest for the month since 1926. The decrease from the 1,635 failures of a year ago is 4.1 per cent, but last month's indebtedness of \$34,124,731 rose 0.6 per cent above the \$33,956,686 of September 1928. There also was an increase of a little more than 1 per cent over the liabilities for August this year.

With both September and August disclosing reductions from the totals for a year ago, and with July showing only a moderate rise, the number of defaults in the United States during the third quarter of this year was 2.5 per cent below that for the corresponding period of 1928. Thus, insolvencies in the three months just ended numbered 5,082, compared with 5,210 last year, but there was a moderate increase over the 5,037 failures for the third quarter of 1927. The report of indebtedness is especially favorable, the \$100,296,702 of the latest quarter being 17.6 per cent under the \$121,745,149 of the third quarter of 1928. Moreover, a reduction of almost 13 per cent appears in comparison with the third quarter of 1927, while the present amount is also less than was reported for the third quarter of 1925, 1924, 1922 and 1921. The high mark for the period was established in 1924, at \$126,263,495."

In the Fifth district, business failures in September 1929 numbered 70, the lowest for any month since November 1920, and were more than 40 per cent less than 119 failures in September 1928. Liabilities involved in the September 1929 insolvencies totaled \$1,111,141, the lowest figure for any month since September 1923, and 58 per cent below \$2,650,752 reported for September 1928. Total failures in the fifth district in the third quarter of this year numbered 290, with liabilities aggregating \$6,263,056, compared with 355 failures and liabilities totaling \$7,035,907 in the third quarter of 1928.

EMPLOYMENT—No developments of importance took place during the past month in the employment field. Indications are that practically all labor groups are seasonally employed, with plenty of workers available to supply all needs but not sufficient surplus at any point to be troublesome. South Carolina is preparing to begin work on a \$65,000,000 road building program, which should give employment to many unskilled workmen in that State for several years. One of the leading tobacco companies is beginning the erection of an additional factory in Richmond, which will require a large number of additional women workers when completed and will give employment to a considerable number of building trades people while under construction.

COAL—Bituminous coal mined in the United States in September 1929 totaled approximately 44,515,000 net tons, compared with 43,889,000 tons mined during the longer month of August this year and 41,971,000 tons in September 1928. Total production of soft coal during the calendar year to October 12th (approximately 242 working days) was 402,944,000 net tons, compared with 373,487,-

000 tons mined during the corresponding period of 1928. West Virginia, which dug approximately 26.5 per cent of all bituminous coal mined in the United States in 1928, continued to lead the next State, Pennsylvania, in production during September. Shipments of coal through Hampton Roads in September totaled 1,756,179 net tons, and total shipments from January 1st through September 30th totaled 16,277,498 tons, the latter figure exceeding shipments during the corresponding months of 1928 and 1925, but falling below the figures for 1927 and 1926.

TEXTILES—On the whole, the outlook in the textile field seems to have improved somewhat since the middle of September, executives appearing to be more optimistic than was the case during the summer, but the change has been slight. Fifth district textile mills consumed 239,909 bales of cotton in September, of which North Carolina mills used 130,481 bales, South Carolina mills 99,810 bales, and Virginia mills 9,618 bales. Consumption in the Fifth district totaled 236,772 bales during the longer month of August 1929 and 213,069 bales in September last year, when an active policy of curtailment of operations was the rule. Fifth district cotton consumption in September 1929 totaled 43.97 per cent of National consumption, compared with 42.42 per cent in August 1929 and 43.28 per cent in September 1928. Strikes continue at two or three points in the district, but are not sufficiently extensive to affect the total output of the mills.

BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER 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.....	523	290	1,391	1,034	\$ 2,692,840	\$ 6,054,400	\$ 556,400	\$ 551,100	\$-3,356,260	- 50.8%	1
2	Cumberland, Md....	14	22	10	8	94,536	21,670	4,156	1,290	75,732	329.8	2
3	Frederick, Md.....	14	8	2	4	11,516	74,920	220	6,650	69,834	- 85.6	3
4	Hagerstown, Md....	25	16	2	7	124,240	39,130	1,075	20,230	65,955	111.1	4
5	Salisbury, Md.....	21	25	12	11	17,525	24,925	3,600	2,000	5,800	- 21.5	5
6	Danville, Va.....	10	11	12	14	13,940	51,805	10,070	3,521	31,316	- 56.6	6
7	Lynchburg, Va.....	26	15	23	26	41,240	17,125	25,760	38,286	11,589	20.9	7
8	Norfolk, Va.....	71	61	75	62	133,960	100,295	40,550	46,585	27,630	18.8	8
9	Petersburg, Va.....	5	8	12	10	17,380	34,700	13,320	4,205	8,205	- 21.1	9
10	Portsmouth, Va....	17	10	27	22	24,570	17,000	12,045	11,225	8,390	29.7	10
11	Richmond, Va.....	82	97	73	83	152,437	237,141	118,241	58,435	24,898	- 8.4	11
12	Roanoke, Va.....	46	54	16	26	164,590	156,871	6,565	5,993	8,291	5.1	12
13	Bluefield, W. Va...	11	5	3	4	36,585	6,950	8,500	1,800	36,335	415.3	13
14	Charleston, W. Va.	58	38	14	13	73,932	80,385	16,850	11,240	843	- .9	14
15	Clarksburg, W. Va.	13	23	8	11	16,505	88,500	3,610	21,600	89,985	- 81.7	15
16	Huntington, W. Va.	34	49	5	5	58,000	53,750	3,447	15,000	7,303	- 10.6	16
17	Parkersburg, W. Va.	11	15	11	15	48,430	107,150	13,175	15,415	60,960	- 49.7	17
18	Asheville, N. C.....	10	15	47	47	227,340	141,620	26,985	9,385	103,320	68.4	18
19	Charlotte, N. C.....	43	75	43	43	161,875	510,604	27,962	21,380	342,147	- 64.3	19
20	Durham, N. C.....	12	36	14	2	69,400	113,200	17,200	1,215	27,815	- 24.3	20
21	Greensboro, N. C.	25	60	23	63	86,364	309,820	8,851	47,899	262,504	- 73.4	21
22	High Point, N. C.	34	30	3	3	156,875	173,050	650	750	16,275	- 9.4	22
23	Raleigh, N. C.....	20	23	8	10	76,225	83,290	51,725	34,625	10,035	8.5	23
24	Rocky Mount, N.C.	13	17	1	4	20,255	43,860	1,000	1,975	24,580	- 53.6	24
25	Salisbury, N. C.....	4	3	3	5	28,250	6,900	4,650	915	25,085	321.0	25
26	Wilmington, N. C.	11	11	11	5	21,900	54,200	4,900	14,300	41,700	- 60.9	26
27	Winston-Salem, N. C.	50	103	55	116	518,922	295,768	21,291	50,928	193,517	55.8	27
28	Charleston, S. C.....	27	9	20	25	67,190	21,075	3,530	19,076	30,569	76.1	28
29	Columbia, S. C.....	31	20	35	62	111,000	144,600	13,175	8,970	29,395	- 19.1	29
30	Greenville, S. C.....	13	10	28	35	210,100	53,200	18,445	26,450	148,895	186.9	30
31	Rock Hill, S. C.....	9	6	11	13	20,210	11,625	14,310	18,380	4,515	15.0	31
32	Spartanburg, S. C.	13	15	30	46	44,035	216,160	5,767	10,477	176,835	- 78.0	32
33	Washington, D. C.	164	138	584	395	2,967,750	3,725,910	265,150	241,245	734,255	- 18.5	33
Totals.....		1,460	1,318	2,612	2,229	\$ 8,509,917	\$13,071,599	\$1,323,175	\$1,322,545	\$-4,561,052	- 31.7%	

— Denotes decrease.

NOTE—The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments.

Construction work provided for in permits issued by building inspectors in thirty-three Fifth district cities was in relatively small volume in September 1929. Permits for new construction totaled 1,460, a larger number than 1,318 permits for similar work issued in September 1928, but valuation figures for new work totaled only \$8,509,917 in September this year, compared with \$13,071,599 in September 1928. Baltimore and Washington combined reported approximately two-thirds of the total valuation last month, although both cities showed materially lower totals than for September a year ago. Winston-Salem reported the third largest valuation in September this year, Asheville was fourth, and Greenville, S. C., was fifth, all three exceeding the figures of Richmond and Norfolk. Permits for alteration and repair work issued in September totaled 2,612, with estimated valuation

of \$1,323,175, compared with 2,229 permits and valuation of \$1,322,545 in September 1928. Total valuation for all classes of work included in the September 1929 permits amounted to \$9,833,092, a decrease of \$4,561,052, or 31.7 per cent, under total valuation of \$14,394,144 for all classes of permits issued in September a year ago. Fourteen cities reported larger figures this year, but nineteen cities, including the three largest ones, reported decreased totals.

Contracts awarded in September for construction work in the Fifth district, including both rural and urban projects, totaled \$22,711,510, compared with \$39,842,583 awarded in September 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in September this year, \$6,626,980 was for residential work.

COTTON—During the period between September 13th and October 18th, spot cotton prices on ten Southern markets declined an average of nearly a cent a pound, falling from 18.15 cents on the earlier date to 17.22 cents on the later one. The average price of 17.22 cents per pound on October 18th was 1.52 cents per pound, or approximately \$7.50 per bale, below the average price of 18.74 cents on October 19, 1928.

The third cotton condition report of the year was issued by the Department of Agriculture on October 8th. The report estimated probable production in 1929 at 14,915,000 bales, based on the October 1st condition of 55.0 per cent of a normal. This figure compares with a forecast on September 1st of 14,825,000 bales and a crop in 1928 of 14,478,000 bales. The report estimated Virginia's crop at 46,000 bales, compared with 48,000 bales forecast on September 1st and final ginnings of 44,000 bales in 1928. North Carolina's probable production was given as 835,000 bales, compared with 942,000 bales forecast on September 1, 1929, and 836,000 bales grown last year. South Carolina's October 1st estimate of 860,000 bales compares with the September 1st forecast of 1,014,000 bales and a 1928 crop of 726,000 bales. The reductions in the production forecasts of 154,000 bales in South Carolina and 107,000 bales in North Carolina show the extent of the damage done by dry weather from the middle of July until the middle of September, followed by torrential rains which beat out thousands of bales of open cotton.

The Bureau of the Census ginning report to October 1st showed 5,905,650 bales ginned prior to that date, compared with 4,961,360 bales ginned to the same date in 1928. The dry weather in August and most of September caused cotton to open very rapidly.

Cotton consumption in American mills in September totaled 545,649 bales, according to the report of the Census Bureau made public on October 15th. This figure shows a moderate seasonal decline from 558,113 bales consumed during the longer month of August this year, but is approximately 19 per cent above 492,307 bales consumed in September 1928. Total consumption during the two months of the present cotton year amounted to 1,103,762 bales, compared with 1,018,647 bales consumed during the two months ended September 30, 1928. Cotton on hand at manufacturing establishments on September 30th this year totaled 792,028 bales, compared with 802,000 bales held on August 31st this year and 720,108 bales held on September 30th last year. Bales in public warehouses and compresses numbered 3,224,859 at the end of September, 1,387,187 at the end of August, and 2,637,683 on September 30, 1928. Exports of cotton totaled 725,876 bales in September, compared with 226,018 bales sent abroad in August this year and 809,953 bales in September 1928. Imports last month totaled 23,974 bales, compared with 24,793 bales imported in August this year and 18,508 bales in September last year. Consumption of cotton in the growing states totaled 423,058 bales in September, compared with 381,012 bales used in September last year. Last month's consumption in the cotton growing states amounted to 77.53 per cent of National consumption, compared with 77.39 per cent of National consumption used in the cotton growing states in September last year.

TOBACCO—**South Carolina** tobacco markets sold 26,201,783 pounds of producers' tobacco in September, at an average of \$14.90 per hundred pounds. Total sales for the season to the end of September amounted to 77,207,237 pounds, and the average season price was \$15.39 per hundred pounds. To September 30, 1928, South Carolina markets sold 73,537,821 pounds of tobacco for growers, at an average of \$12.70 per hundred. Mullins led in sales last month with 10,474,080 pounds, Lake City ranking second with 6,054,823 pounds. All markets closed for the season before October except Mullins and Lake City. South Carolina tobacco production in 1929 was forecast on October 1st as 89,892,000 pounds, compared with 82,288,000 pounds grown in 1928. **North Carolina** auction markets sold 107,569,257 pounds of growers' tobacco in September, at an average price of \$14.10 per hundred, compared with 104,990,763 pounds sold for an average of \$15.05 per hundred in September 1928. Prices in the counties included in the South Carolina Belt were much better than the year before, and in the Old Bright Belt they were at about the same level, but in the New Bright Belt, which includes the most important markets, quality was poor and prices were distinctly lower than in 1928. Wilson led in sales with 22,710,366 pounds last month, Greenville ranking second with 12,223,386 pounds, Kinston third with 11,898,646 pounds, and Rocky Mount fourth with 10,355,440 pounds. Fairmount, which ranked fifth in pounds sold with 9,933,885, led in price with \$17.36 per hundred. Chadbourn was second in price with \$17.28 and Whiteville third with \$17.27. North Carolina's production

of tobacco in 1929 is forecast at 496,860,000 pounds, compared with 499,608,000 pounds harvested in 1928. The condition of the crop improved materially during September, and the October 1st estimate of 496,860,000 pounds was 15,288,000 pounds higher than the September 1st forecast. **Virginia** tobacco markets did not open until October, and no sales figures are yet available, but unofficial reports indicate that sales have been large. Prices caused considerable dissatisfaction at the opening of the markets, but indications are that prices have risen around the middle of October. September was very favorable for harvesting and curing tobacco, and this year's crop will be of better quality than the 1928 crop. The expected yield this year of 120,234,000 pounds is higher than last year's production of 104,894,000 pounds. **Maryland** tobacco production in 1929 is forecast at 22,080,000 pounds, and **West Virginia** production is estimated to be 7,505,000 pounds.

AGRICULTURAL NOTES—Maryland crop prospects improved in September, due to long needed rains, but estimates of production as of October 1st are nearly all lower than final production figures in 1928. Corn is expected to yield 17,052,000 bushels this year, compared with 19,345,000 bushels in 1928. The apple crop of 2,158,000 bushels compares with 2,190,000 bushels last year. Irish potatoes are expected to yield 3,920,000 bushels this year, compared with 5,405,000 bushels in 1928. The sweet potato yield this season is forecast at 1,280,000 bushels, compared with 1,500,000 bushels last year. The 1929 hay crop of 662,000 tons compares with 754,000 tons in 1928. An oat crop of 1,767,000 bushels contrasts favorably with 1,701,000 bushels threshed in 1928, a barley crop of 502,000 bushels this year exceeds the 1928 yield of 403,000 bushels, and a grape yield of 1,265 tons is larger than 1,200 tons gathered last year.

Virginia crops will make fair yields this season. The corn crop was benefitted by early September rains, and some improvement was made in all sections, although the crop in the Northern and Eastern counties will be quite short, due to injury from the August drought. Total production is forecast to be 40,492,000 bushels, compared with 44,715,000 bushels last year. Reports on hay yields show that the crop was considerably larger than had been previously estimated. The yield is estimated at 1,610,000 tons, compared with 1,451,000 tons in 1928. There was little change in peanut prospects, although in parts of the section there was not sufficient rainfall for the best development. Production is forecast at 144,640,000 pounds, compared with 138,320,000 pounds produced last year. Prospects for late potatoes improved on the Eastern Shore but declined slightly in other sections of the State. The total production of potatoes, including the early crop, is expected to be 15,625,000 bushels, compared with 21,593,000 bushels last year. Sweet potatoes improved during September, and the total production is now expected to be 5,888,000 bushels, compared with 6,336,000 bushels last year. Shipments from the Eastern Shore to October 5th amounted to 3,626 cars, compared with 3,338 cars to the same date in 1928. A larger percentage of the crop, however, is reported to have been shipped this year than last. The average yield of oats is less than last year, and total production is estimated at 4,008,000 bushels, against 4,641,000 bushels harvested last year. Virginia commercial apple prospects declined during September as a result of the dry, hot weather, and the October forecast was 2,760,000 barrels, compared with 3,700,000 barrels last year. Growers report that on October 1st practically 60 per cent of the crop had been harvested, while last year only 34 per cent had been harvested to the same date. The crop is not packing out as well as growers had expected, largely due to the poor quality. Approximately 39 per cent of the crop will pack U. S. grade No. 1 or better, while last year 55 per cent packed this grade. Dry weather during the early part of September retarded preparations for sowing fall grains, but late September rains put the land in excellent condition for plowing.

West Virginia corn has an estimated production of only 14,229,000 bushels against 16,524,000 bushels harvested in 1928, although the crop improved somewhat in September. The oats crop is 5,512,000 bushels as compared with 5,712,000 bushels in 1928, a lower production on a larger acreage. The Irish potato crop was hard hit by dry weather and the yield per acre is expected to be smaller than for the past three years. Total production of 5,928,000 bushels compares unfavorably with last year's crop of 7,500,000 bushels. This year's production of wheat, rye and hay shows a production of wheat totaling 1,862,000 bushels against last year's crop of 1,586,000 bushels, rye production of 104,000 bushels compares with 94,000 bushels in 1928, and hay yield of 1,142,000 tons compares with 1,182,000 tons cured in 1928. Production of all fruits will be materially lighter than in 1928, with apples estimated at 5,320,000 bushels compared with 8,750,000 bushels last year, and peaches forecast at 580,000 bushels against 810,000 bushels in 1928.

North Carolina weather conditions in September were rather favorable for harvest work until the tropical storm at the close of the month. Lowlands and river bottoms were more or less flooded early in October, especially in the Eastern portion of the State. September was unusually cool and permitted the safe harvesting of crops during the first three weeks. Corn is the most important crop in acreage, and shows a condition and yield appreciably above last year. Hay crops had a favorable season for both growth and harvesting, and the quality is above the average. The peanut yield is spotted, although the vines were unusually vigorous this year. Something like 1,000 pounds commercial yield per acre is anticipated, the entire crop being forecast at 210,000,000 pounds. The sweet

potato crop is better than usual, especially in Eastern Carolina where most of the commercial crop is grown. The early Irish potato yield was quite good, and the fall harvested crop shows a yield of 90 bushels per acre. Very good seed potatoes are being grown in the mountain counties this year. Apples are quite short, due to the unfavorable spring season. The commercial counties report only about one-fourth of a crop, and the entire yield of the State is barely more than half that of last year.

South Carolina crops, with the exception of cotton, held their own in September and on October 1st the outlook was for yields considerably above the rather poor crop year 1928. Corn prospects on October 1st indicated a production of 22,752,000 bushels, in comparison with the short crop of 17,064,000 bushels in 1928. However, torrential rains on October 1st and resulting floods are not fully reflected in the estimate of production for this year and the final harvest may not be so good as indicated on October 1st. A sweet potato yield this year of 4,845,000 bushels compares favorably with 4,212,000 bushels dug in 1928. The early and late Irish potato crops combined show a yield of 2,354,000 bushels, compared with 4,068,000 bushels last year, but this year's acreage in the early commercial section was reduced about 50 per cent. Peanut prospects improved somewhat in September and on October 1st a yield of 7,326,000 pounds was indicated, compared with 6,900,000 pounds in 1928. The production of apples, peaches and pears is little better than half of last year's splendid crops. A reported yield of hay totaling 322,000 tons this year compares with the final estimate of 376,000 tons produced last year.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty Representative Department Stores for the Month of September 1929

Percentage increase in September 1929 sales compared with sales in September 1928:			
<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
14.1	2.5	— 5.6	5.8
Percentage increase in total sales since January 1st, over sales during the first nine months of 1928:			
4.0	4.1	— 1.1	3.1
Percentage increase in September 1929 sales over average September sales during the three years 1923-1925, incl.:			
24.1	22.0	4.2	19.8
Percentage increase in stock on hand September 30, 1929, over stock on September 30, 1928:			
— 7.0	— .02	— 5.0	— 3.9
Percentage increase in stock on hand September 30, 1929, over stock on August 31, 1929:			
13.3	9.6	8.2	10.8
Percentage of sales in September 1929 to average stock carried during the month:			
31.2	28.9	21.4	28.2
Percentages of total sales since January 1st to average stock carried during each of the nine elapsed months:			
240.6	249.2	190.9	233.7
Percentage of collections in September 1929 to total accounts receivable on September 1st:			
23.2	28.6	28.0	25.7

— Denotes decreased percentage.

Confidential reports from thirty representative department stores in the Fifth Federal reserve district show an average increase of 5.8 per cent in September 1929 sales, in comparison with sales in September 1928. Most of the increase was in the upper half of the district, Baltimore leading all other cities in percentage gain. Total sales this calendar year average 3.1 per cent higher than sales in the first nine months of 1928, and September 1929 sales were 19.8 per cent higher than average September sales during the three years 1923-1925, inclusive.

Stock on hand in the thirty reporting stores at the end of September was 3.9 per cent less in selling value than stock on hand on September 30, 1928, but showed a seasonal increase of 10.8 per cent over stock on hand at the end of August this year. The percentage of sales in September to average stock carried that month was 28.2 per cent, and the percentage of sales from January 1st through September to average stock carried during each of the nine elapsed months was 233.7 per cent, indicating business at an annual turnover rate of 3.116 times. During the first nine months of 1928 the turnover was at an annual rate of 2.98 times.

Collections in September were better than in September last year, 25.7 per cent of outstanding receivables as of September 1st having been collected during the month in comparison with 24.5 per cent of outstanding receivables collected in September 1928.

WHOLESALE TRADE, SEPTEMBER 1929

Sixty-seven reports from wholesalers and jobbers in five important lines show the usual expansion in trade in September over August. Grocery, dry goods, shoe and hardware sales last month were larger than sales in August, but drug sales fell slightly below those of the earlier month. In comparison with September 1928 sales, those of September this year were larger in dry goods, shoes, hardware and drugs, while grocery sales fell below those of a year ago. In total sales from January

1st to September 30th, all lines for which information is available except drugs show lower figures than those for the corresponding period of 1928.

Percentage increase in September 1929 sales, compared with sales in September 1928:				
<i>26 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>14 Hardware</i>	<i>12 Drugs</i>
— 4.1	4.2	12.5	6.3	1.0
Percentage increase in September 1929 sales, compared with sales in August 1929:				
1.5	19.6	2.6	7.6	— .8
Percentage increase in total sales since Jan. 1, 1929, compared with sales in the first nine months of 1928:				
— 3.1	— 5.7	— 3.0	— 1.8	.8
Percentage increase in stock on September 30, 1929, compared with stock on September 30, 1928:				
5.2(11*)	— 15.1(4*)	— 19.1(4*)	.1(7*)
Percentage increase in stock on September 30, 1929, compared with stock on August 31, 1929:				
6.3(11*)	— 7.7(4*)	— 8.3(4*)	1.5(7*)
Percentage of collections in September to total accounts receivable on September 1, 1929:				
59.0(17*)	33.0(7*)	20.6(5*)	33.4(11*)	56.6(9*)

— Denotes decreased percentage.

* Number of reporting firms.

Stock on the shelves of the reporting firms at the end of September this year was larger in groceries and in hardware than on either August 31, 1929, or September 30, 1928, but dry goods and shoe stock was in smaller volume on September 30th this year than at the end of the preceding month this year or the corresponding month last year.

Collections in wholesale lines in September were better this year than last in dry goods, shoes, hardware and drugs, but there was a slight decline in collections in groceries. The percentage of collections to outstanding receivables for September 1929 varied from 59.0 per cent in groceries down to 20.6 per cent in shoes.

(Compiled October 21, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity increased less in September than is usual at this season. Production during the month continued above the level of a year ago, and for the third quarter of the year it was at a rate approximately 10 per cent above 1928. There was a further decline in building contracts awarded. Bank loans increased between the middle of September and the middle of October, reflecting chiefly growth in loans on securities.

PRODUCTION. Output of iron and steel declined further in September, contrary to the seasonal tendency. There was a sharp decrease in output of automobiles and automobile tires, and a smaller-than-seasonal increase in activity in the textile and shoe industries, which continued to produce at a high rate in comparison with the preceding year. Meat packing plants were more active than in August. Factories increased the number of their employees during September and payrolls were also slightly larger. Output of coal showed a substantial increase from August and the average daily production of copper mines was somewhat larger. Iron ore shipments declined seasonally, and petroleum output was reduced for the first time in several months. For the first half of October reports indicate a further reduction in steel plant operations, a continued increase in production of bituminous coal, and some increase in petroleum output following a moderate decrease during September. Building contracts awarded in September declined seasonally from August and were substantially below the corresponding month in any year since 1924. For the third quarter the volume of contracts was 6 per cent less than a year ago. During the first three weeks of October, contracts continued substantially below the level of last year. October estimates by the Department of Agriculture indicate a cotton crop of 14,915,000 bales, 3 per cent larger than last year; a corn crop of 2,528,000,000 bushels, 11 per cent smaller than the crop of a year ago and 8 per cent below the five-year average; and a total wheat crop of 792,000,000 bushels, 12 per cent below last year but only slightly under the five-year average.

DISTRIBUTION. Freight-car loadings increased by slightly less than the usual seasonal amount in September, and continued to be larger than a year ago. In the first two weeks of October car loadings were smaller than in the corresponding weeks of 1928. Department store sales in leading cities increased seasonally during the month of September and were 2 per cent larger than a year ago. For the third quarter as a whole sales of the reporting stores exceeded those of the third quarter of last year by 3 per cent.

PRICES. Wholesale prices showed little change from August to September, according to the index of the Bureau of Labor Statistics. Prices of meats and livestock declined considerably, while prices of grains advanced. The prices of raw silk, cotton and cotton goods were higher in September, and the price of coal increased, while prices of iron and steel products, tin, gasoline and cement were lower. During the first three weeks of October prices declined for a considerable number of commodities, including wheat, flour, hides, steel, tin, cotton, silk and wool.

BANK CREDIT. Between the middle of September and the middle of October, there was a slight increase in the volume of loans and investments of member banks in leading cities. The banks' loans on securities increased rapidly, while all other loans, including loans for commercial and agricultural purposes, declined somewhat after reaching a seasonal peak on October 2nd. Security holdings of the reporting banks continued the decline which has been almost uninterrupted for more than a year. At the reserve banks there was little change in the volume of credit outstanding during the four-week period ending October 19th. Further increase in the holdings of acceptances by the Federal reserve banks was accompanied by a decline in discounts for member banks, largely at the Federal Reserve Bank of New York. Open market rates on bankers' acceptances and on prime commercial paper were unchanged during the last half of September and the first three weeks of October. On October 23rd rates on bankers' acceptances declined by one-eighth per cent to a 5 per cent level for the principal maturities. Rates on demand and time loans on securities declined during the first half of October.