

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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October trade in the Fifth Federal reserve district was in good volume and showed seasonal advances in most lines. There are troublesome spots in the district and some industries are not doing as well as others, but favorable factors are more numerous than unfavorable ones. Member bank loans are lower than a year ago, and for the first time in many months loans on securities are below those outstanding twelve months earlier. Member banks in the district are borrowing more from the reserve bank than at this time last year, but the increase is in country bank borrowing, chiefly for agricultural purposes. Debits to individual accounts figures for five weeks ended November 13th were not only seasonally larger than debits in the preceding five weeks this year but were more than 8 per cent higher than debits for the corresponding period last year, indicating that fall and winter trade is proceeding normally and probably in somewhat larger volume than in 1928. Commercial failures in the Fifth district in October were fewer than in any other October in six years and the liabilities involved were the lowest for that month in ten years. Labor is moderately well employed. Coal production in October was in larger volume than in October last year, and textile mills consumed more cotton last month than in the same month in 1928, although the situation in cotton manufacturing is still unsatisfactory. Building provided for in October permits was in smaller volume than a year ago in most of the cities of the district, although more work in ten of them exceeded the decreases in the other twenty-three reporting cities and brought the district total valuation slightly above that of the October 1928 permits. On the whole, agricultural returns in the district are better this year than last, with cotton the only outstanding exception. The prospective yield of cotton in the district is larger than last year's yield, but the price is sufficiently lower at present to reduce the cash returns below those realized for the 1928 crop. Tobacco farmers are faring better than cotton growers, a moderately larger crop selling for slightly higher prices this year in comparison with last year. Fruit crops are generally smaller this year, but practically all other crops compare favorably with those of 1928 in both yield and price. The gain in money returns received this year by potato growers in the Fifth district was perhaps the most marked change in agricultural returns over last year. Retail trade in the district in October was in larger volume than in October last year, although sales in the Carolinas did not come up to those of the earlier month. Finally, wholesale trade averaged about the same as in October 1928, some lines reporting increased and some decreased sales, with no very marked change in either direction.

RESERVE BANK OPERATIONS—During the month between October 15th and November 15th, both this year, rediscounts for member banks held by the Federal Reserve Bank of Richmond fluctuated considerably, ranging from a high point of \$57,514,000 on October 19th to a low of \$45,681,000 on November 6th, but at the end of the period totaled \$51,295,000 in comparison with \$51,152,000 a month earlier, a net change of only \$143,000. Some of the other items in the reserve bank's statement changed more during the month than rediscounts. Total earning assets rose from \$70,128,000 on October 15th to \$72,131,000 on November 15th, due to increased holdings of bankers acceptances purchased in the open market. A seasonal increase in the circulation of Federal reserve notes from \$84,688,000 to \$93,288,000 occurred during the month, a greater demand for currency arising with the increased marketing of tobacco and cotton, and the approach of the holiday shopping season. Member bank reserve deposits showed only a daily fluctuation during the period under review, rising from \$62,089,000 last month to \$62,395,000 at the middle of November. The several changes mentioned, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond from \$87,444,000 at the middle of October to \$92,995,000 on November 15th, and also increased the ratio of reserves to note and deposit liabilities combined from 58.02 per cent to 58.89 per cent.

A comparison of the figures on the statement of the Federal Reserve Bank of Richmond for November 15, 1929, with those reported a year ago, November 15, 1928, shows some greater changes than occurred last month. Rediscounts for member banks rose \$8,859,000 during the year, but total earning assets increased only \$431,000, the increase in rediscounts being approximately balanced by a reduction in the bank's holdings of bankers acceptances. An increase of \$13,722,000 in the circulation of Federal reserve notes occurred during the year, part of this rise probably being due to exceptional circumstances in connection with the introduction of new, small size currency. Member bank reserve deposits declined \$5,811,000 between November 15, 1928, and November 15, 1929, part of this being due to withdrawals from the System of banks merging with others under conditions which prevented them retaining membership. The cash reserves of the Federal Reserve Bank of Richmond rose \$9,385,000 during the past year, and the ratio of cash reserves to note and deposit liabilities combined increased 3.20 points.

CONDITION OF SIXTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Nov. 13, 1929	Oct. 16, 1929	Nov. 14, 1928
Loans on Stocks & Bonds (including Governments).....	\$188,767,000	\$200,647,000	\$189,018,000
All Other Loans & Discounts.....	328,407,000	320,983,000	334,193,000
Total Loans & Discounts.....	517,174,000	521,630,000	523,211,000
Total Investments in Bonds & Securities.....	156,551,000	157,932,000	153,947,000
Reserve Balance at Federal Reserve Bank.....	40,596,000	40,657,000	41,488,000
Cash in Vaults.....	13,005,000	12,245,000	12,599,000
Net Demand Deposits.....	352,459,000	353,505,000	365,764,000
Time Deposits.....	241,376,000	245,051,000	243,460,000
Borrowed from Federal Reserve Bank.....	25,736,000	25,035,000	26,311,000

The table shown above gives the principal items of condition of sixty-one regularly reporting member banks in the Fifth reserve district as of three dates, thus affording an opportunity for comparison of 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.

Comparison of the November 13, 1929, figures with those reported on October 16th this year and on November 14th last year show some interesting changes, the most significant probably being the decline of \$11,880,000, or 5.9 per cent, in loans on stocks and bonds during the past month. For the first time in many months, loans secured by stocks and bonds are lower than on the corresponding date a year earlier. All other loans, which are chiefly commercial at this season of the year, rose \$7,424,000 during the period between October 16th and November 13th, but on the last named date were \$5,786,000 below the total outstanding on November 14, 1928. Total loans on November 13th were \$4,456,000 less than a month earlier and \$6,037,000 below those of a year ago. Investments in bonds and securities declined \$1,381,000 last month, but at the middle of November aggregated \$2,604,000 more than on the corresponding date in 1928. Aggregate reserve balances of the reporting banks at the Federal Reserve Bank of Richmond on November 13, 1929, were \$61,000 less than a month earlier and \$892,000 less than a year ago. Cash in vaults rose \$760,000 last month, a seasonal development, and on November 13th was \$406,000 above cash in vaults last year. Net demand deposits declined slightly between the middle of October and the middle of November, dropping \$1,046,000, but during the past year there was a decline of \$13,305,000. Time deposits also decreased last month, by \$3,675,000, and on November 13th totaled \$2,084,000 less than a year ago. Borrowing by the reporting banks from the Federal Reserve Bank of Richmond showed little change for the three dates under comparison, rising by \$701,000 during the past month but on November 13th being \$575,000 lower than on November 14, 1928.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FIVE WEEKS ENDED		
	November 13, 1929	October 9, 1929	November 14, 1928
Asheville, N. C.	\$ 27,496,000	\$ 38,472,000	\$ 30,843,000
Baltimore, Md.	535,363,000	521,054,000	452,933,000
Charleston, S. C.	33,900,000	30,971,000	30,300,000
Charleston, W. Va.	50,361,000	47,552,000	45,606,000
Charlotte, N. C.	72,974,000	66,289,000	69,877,000
Columbia, S. C.	29,525,000	27,875,000	29,344,000
Cumberland, Md.	13,178,000	12,570,000	11,642,000
Danville, Va.	16,568,000	10,343,000	15,916,000
Durham, N. C.	34,648,000	33,085,000	41,440,000
Greensboro, N. C.	29,202,000	28,662,000	29,756,000
Greenville, S. C.	31,588,000	24,598,000	29,945,000
Hagerstown, Md.	13,374,000	13,633,000	12,120,000
Huntington, W. Va.	29,426,000	27,429,000	25,562,000
Lynchburg, Va.	23,646,000	26,195,000	24,090,000
Newport News, Va.	12,516,000	12,649,000	12,404,000
Norfolk, Va.	76,722,000	73,214,000	80,714,000
Portsmouth, Va.	6,761,000	4,863,000	6,404,000
Raleigh, N. C.	34,353,000	24,368,000	28,539,000
Richmond, Va.	191,542,000	177,016,000	179,827,000
Roanoke, Va.	40,718,000	40,149,000	32,920,000
Spartanburg, S. C.	22,396,000	15,816,000	21,650,000
Washington, D. C.	333,624,000	326,196,000	321,248,000
Wilmington, N. C.	23,618,000	19,090,000	23,918,000
Winston-Salem, N. C.	57,110,000	51,132,000	49,603,000
District Totals	\$1,740,609,000	\$1,653,221,000	\$1,606,601,000

Debits to individual, firm and corporation accounts in clearing house banks in twenty-four of the leading cities of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of five weeks, the latest available figures being shown in comparison with the figures for the preceding period this year and the corresponding period a year ago. Debits figures show all checks charged to depositors' accounts, and include all items passing through the clearing house, checks cashed over the counter by or deposited in the banks upon which drawn, and payroll checks, and therefore are a fairly accurate barometer of the volume of business passing through the reporting banks.

A comparison of the total of \$1,740,609,000 in debits reported for the five weeks ended November 13, 1929, with the total reported for the preceding five weeks, ended October 9th this year, shows an increase of \$87,388,000, or 5.3 per cent, a somewhat larger increase than occurred during the corresponding period in any of the past five years. All of the twenty-four reporting cities showed higher figures for the more recent period except four, and of these four decreases two were very small.

In comparison with total debits reported for the five weeks ended November 14, 1928, those reported for the corresponding period ended November 13, 1929, showed an increase of \$134,008,000, or 8.3 per cent. Eighteen of the twenty-four cities reported higher figures this year, only six cities falling below their 1928 totals. Four of the six cities which compared unfavorably with last year are in North Carolina, and two are in Virginia. All of the larger cities except Norfolk reported higher figures for the 1929 period than for the corresponding five weeks last year.

SAVINGS DEPOSITS—Deposits in twelve mutual savings banks in Baltimore aggregated \$189,687,177 at the close of business October 31, 1929, a higher figure than either \$189,193,610 on September 30, 1929, or \$186,476,148 on October 31, 1928. Time deposits in sixty-one regularly reporting member banks on November 13th totaled \$241,376,000, compared with \$245,051,000 on October 16th this year and \$243,460,000 on November 14th last year. A considerable part of the decrease in time deposits in reporting member banks between October 16th and November 13th was due to the transfer of Christmas Savings Funds from time to demand deposits on or about November 1st.

COMMERCIAL FAILURES—The business mortality record of the Fifth reserve district in October was favorable, 91 insolvencies with liabilities aggregating \$1,066,027 having been reported by R. G. Dunn & Co. The number of insolvencies was greater last month than in the shorter month of September, an increase in October which occurred in seven of the past ten years, but was less than the number reported for any other October since 1923 and 1922, when the same number was shown. October 1929 liabilities were the lowest for that month of the year since 1919, and in addition were the lowest for any month except September 1923 since August 1920.

EMPLOYMENT—Labor is seasonally employed in the Fifth reserve district, and there does not appear to be any large surplus of workers at any point, although there is some unemployment in most of the cities. The industries of the district are using their usual quotas of workers, but some of the textile mills are beginning a program of curtailment of operations to four days a week, thus reducing the pay envelopes of their employees. Miners in West Virginia are seasonally busy, and as a rule workers in building trades are able to find employment, although the amount of construction under way is less than at this time in recent years. The tobacco industry is running full time and is growing in the Fifth district, but the labor used in tobacco factories is in the main composed of women and girls, few heads of families being employed. Fall weather has been suitable for harvesting and other farm work, and farm labor has consequently been more steadily employed than in years when conditions were less favorable.

COAL—Bituminous coal mines in the United States dug 51,235,000 net tons of coal in October this year, an increase over 44,515,000 tons mined in September 1929 and 51,176,000 tons in October 1928. West Virginia, the leading state, produced approximately 13,458,000 tons last month, or 26 per cent of National production. Total output of bituminous mines in the United States during the present calendar year to November 9th (approximately 266 working days) amounts to 447,639,000 net tons, compared with 417,253,000 tons mined to the same date last year and 448,422,000 tons in 1927. Shipments of coal through Hampton Roads in October totaled 2,002,161 tons, and total shipments from January 1st through October 31st totaled 18,279,659 tons. Retail coal yards have stocks to meet all requirements, and price advances since the beginning of fall have in many cases been less than in most recent years, the spread between retail prices at midsummer and mid-November being approximately \$1.00 per ton.

TEXTILES—Cotton cloth and yarn mills in the Fifth district ran full time in October, but around the middle of November a policy of curtailment was adopted by some mills, operating time being reduced to four days per week. The movement has not become general as yet, and it remains for the future to show how extensive the reduction will be. Fifth district textile mills consumed 274,414 bales of cotton in October, of which North Carolina mills used 147,834 bales, South Carolina mills 115,183 bales, and Virginia mills 11,397 bales. Consumption in the Fifth district tot-

aled 239,909 bales during the shorter month of September 1929 and 271,094 bales in October last year. Fifth district cotton consumption in October 1929 totaled 42.82 per cent of National consumption, compared with 43.97 per cent in September 1929 and 43.81 per cent in October 1928.

BUILDING OPERATIONS FOR THE MONTHS OF OCTOBER 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.....	403	389	1,379	1,238	\$ 2,559,960	\$ 1,720,100	\$ 661,320	\$ 622,000	\$ 879,180	37.5%	1
2	Cumberland, Md....	17	8	7	10	17,786	44,165	5,729	1,950	22,600	49.0	2
3	Frederick, Md.....	13	4	9	6	39,820	470	6,703	5,535	40,518	674.7	3
4	Hagerstown, Md....	16	24	3	16	21,720	25,950	2,000	45,225	47,455	66.7	4
5	Salisbury, Md.....	19	35	15	34	42,925	61,610	17,050	7,350	8,985	13.0	5
6	Danville, Va.....	12	27	13	9	2,370	51,635	4,550	3,073	47,788	87.4	6
7	Lynchburg, Va.	16	22	29	28	47,575	120,780	10,928	11,080	73,357	55.6	7
8	Norfolk, Va.....	58	70	84	98	93,838	425,500	89,376	58,985	301,271	62.2	8
9	Petersburg, Va.	7	9	4	10	179,050	61,450	3,550	55,650	65,500	55.9	9
10	Portsmouth, Va.....	17	27	29	37	21,950	233,320	19,038	21,090	213,422	83.9	10
11	Richmond, Va.....	77	90	80	73	316,434	277,087	226,752	43,923	222,176	69.2	11
12	Roanoke, Va.....	42	54	18	24	131,173	145,805	20,054	9,680	4,258	2.7	12
13	Bluefield, W. Va. ...	9	5	5	4	6,440	3,780	9,295	1,615	10,340	191.7	13
14	Charleston, W. Va. ...	69	57	30	11	149,277	176,185	86,515	78,750	19,143	7.5	14
15	Clarksburg, W. Va. ...	15	35	10	15	26,209	55,368	5,625	6,560	30,094	48.6	15
16	Huntington, W. Va. ...	30	37	6	5	53,105	60,030	4,500	2,000	4,425	7.1	16
17	Parkersburg, W. Va. ...	8	24	9	8	16,150	69,350	10,020	8,600	51,780	66.4	17
18	Asheville, N. C.	5	29	40	43	8,575	171,790	31,245	21,519	153,489	79.4	18
19	Charlotte, N. C.	71	90	63	36	175,540	427,386	59,262	37,545	230,123	49.5	19
20	Durham, N. C.	14	55	10	2	117,156	206,200	32,372	1,200	57,878	27.9	20
21	Greensboro, N. C. ...	22	48	33	46	68,385	351,706	13,444	11,843	281,720	77.5	21
22	High Point, N. C. ...	13	37	9	7	47,000	170,400	4,250	4,370	123,520	70.7	22
23	Raleigh, N. C.	12	33	10	18	38,430	136,100	3,375	14,995	109,290	72.3	23
24	Rocky Mount, N.C. ...	17	14	1	6	15,305	23,385	3,500	3,575	8,155	30.2	24
25	Salisbury, N. C.	1	4	3	6	275	9,925	4,400	6,585	11,835	71.7	25
26	Wilmington, N.C....	14	16	17	7	30,200	41,600	20,100	13,650	4,950	9.0	26
27	Winston-Salem, N. C. ...	35	97	88	102	866,295	270,090	17,707	32,794	581,118	191.9	27
28	Charleston, S. C.	25	21	44	24	78,490	196,025	19,624	8,588	106,499	52.0	28
29	Columbia, S. C.	11	20	70	64	160,900	60,300	18,365	19,485	99,480	124.7	29
30	Greenville, S. C.	11	16	39	36	49,085	82,900	9,008	10,435	35,242	37.8	30
31	Rock Hill, S. C.	8	12	10	13	56,265	24,000	18,432	3,320	47,377	173.4	31
32	Spartanburg, S. C. ...	16	19	44	32	55,175	46,390	9,850	4,625	14,010	27.5	32
33	Washington, D. C. ...	343	203	185	546	2,618,195	2,519,415	448,510	385,605	161,685	5.6	33
Totals.....		1,446	1,631	2,396	2,614	\$ 8,111,053	\$ 8,270,197	\$1,896,449	\$1,563,200	\$ 174,105	1.8%	

— 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 by inspectors in thirty-three leading cities in the Fifth reserve district during October were less numerous than in October 1928, but aggregate valuation figures for all classes of work were 1.8 per cent greater than last year. However, this increase was entirely due to substantially larger 1929 figures in Baltimore, Richmond, Winston-Salem and Washington. Only ten of the thirty-three cities reported larger figures for October 1929 than for October 1928, these being, in addition to the four already named, Frederick, Md., Petersburg, Va., Bluefield, W. Va., and Columbia, Rock Hill and Spartanburg, S. C. In proportion to population, Winston-Salem with permits totaling \$884,000 made the best record of the month.

Contracts awarded in October for construction work in the Fifth district, including both rural and urban projects, totaled \$25,600,760, compared with \$40,328,757 awarded in October 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in October this year, \$8,652,055 was for residential work.

COTTON STATISTICS—Cotton prices on the leading Southern markets continued to decline between the middle of October and the middle of November, falling from an average of 17.22 cents per pound for middling, short staple upland cotton on October 18th to 16.71 cents per pound on November 15th. The November 15th price was nearly \$9 a bale below the price on the same date last year.

The Department of Agriculture's fourth condition report of the year, issued on November 8th, estimated this year's production of cotton as 15,009,000 bales, an increase of 94,000 bales over the forecast for October 1st this year and 531,000 bales above final ginning figures on the 1928 crop. The report pointed out that the final yield of cotton would depend on weather conditions during the balance of the season, but on the whole these conditions appear to have been favorable in November.

North Carolina's probable production for 1929 was given in the latest estimate as 760,000 bales, a materially lower figure than 835,000 bales forecast a month earlier and 836,000 bales ginned in 1928. South Carolina's forecast of 850,000 bales this year shows a decline from 860,000 bales predicted a month earlier but is larger than final ginnings of 726,000 bales last year. The Virginia yield for 1929 is forecast as 44,000 bales, compared with 46,000 bales expected on October 1st and 44,000 bales grown last year. Total production for the Fifth district is therefore expected to be about 50,000 bales larger this year than in 1928, but all of the increase is in South Carolina, and in the Piedmont section of that state November weather has been too wet for cotton picking and ginning. In spite of the larger yield this year, prices have been so much lower that the total receipts from cotton will be less than receipts for the shorter crop of 1928.

The Bureau of the Census ginning report to November 1st showed 10,889,314 bales ginned prior to that date, compared with 10,162,482 bales ginned to the same date in 1928. Dry weather caused cotton to open very rapidly.

Cotton consumption in American mills in October totaled 640,798 bales, according to the report of the Census Bureau made public on November 14th. This figure shows a seasonal increase above 545,649 bales consumed during the shorter month of September this year, and is approximately 4 per cent above 616,238 bales consumed in October 1928. Total consumption during the three months of the present cotton year amounted to 1,744,560 bales, compared with 1,634,885 bales consumed during the three months ended October 31, 1928. Cotton on hand at manufacturing establishments on October 31st this year totaled 1,360,557 bales, compared with 792,028 bales held on September 30th this year and 1,195,770 bales held on October 31st last year. Bales in public warehouses and compresses numbered 5,311,920 at the end of October, 3,224,859 at the end of September, and 4,632,109 on October 31, 1928. Exports of cotton totaled 1,251,300 bales in October, compared with 725,876 bales sent abroad in September this year and 1,240,702 bales in October 1928. Imports last month totaled 19,815 bales, compared with 23,974 bales imported in September this year and 27,840 bales in October last year. Consumption of cotton in the growing states totaled 489,897 bales in October, compared with 471,357 bales used in October last year. Last month's consumption in the cotton growing states amounted to 76.45 per cent of National consumption, compared with 76.49 per cent of National consumption used in the cotton growing states in October last year.

TOBACCO MARKETING—North Carolina tobacco markets sold 138,606,781 pounds of growers' tobacco in October 1929, at an average price of \$19.91 per hundred pounds. These figures compare with 142,564,950 pounds sold for an average of \$20.45 per hundred in October 1928, a decrease in cash returns of approximately \$1,500,000 for the month's sales. Total sales this season of 278,175,860 pounds show a decrease from 279,300,186 pounds sold in 1928 before November 1st, and production for 1929 is expected to turn out somewhat less than the crop of 1928. Wilson led the North Carolina markets in October in both sales and price, with 25,942,410 pounds auctioned for an average of \$22.39 per hundred. Greenville ranked second in sales with 16,836,456 pounds, but Farmville was second in price with an average of \$21.97 per hundred pounds. **Virginia** leaf tobacco markets sold 22,951,030 pounds in October, at an average price of \$17.19 per hundred pounds. Last year the October sales amounted to 22,542,741 pounds at an average of \$16.25 per hundred. October sales consisted entirely of the flue-cured type as the other markets did not open until November. Danville led all markets with total sales of 10,988,852 pounds, South Boston being second with 4,575,296 pounds. Petersburg led in price in October at \$19.54, and Lawrenceville was second at \$18.07 per hundred, but neither market sold much tobacco. The quality of Virginia's tobacco this year is better than in 1928, and this year's crop is forecast at 120,930,000 pounds compared with only 104,894,000 pounds raised last year. With better prices this year, due entirely to higher quality, and a larger yield, Virginia tobacco farmers are more fortunately situated than they were a year ago, in contrast to the North Carolina growers who are selling a smaller crop for prices averaging slightly lower than in 1928. **South Carolina** markets have closed for the season with total sales of about 78,000,000 pounds, approximately 5,000,000 pounds more than total sales in 1928. Including South Carolina grown tobacco sold over the line at North Carolina markets, the state is expected to produce approximately 84,989,000 pounds this year, compared with 82,288,000 pounds produced last year. Average prices were somewhat higher in South Carolina this year, and growers received around two and a quarter million dollars more for the 1929 crop than for that of 1928.

AGRICULTURAL NOTES—Maryland farming conditions are reported satisfactory and farmers are well up with the seasonal work. The corn crop turned out around 20 per cent below 1928 in quantity, but the quality was high and the weather was favorable for husking and housing. Potato yields were below normal, but the crop was high in quality and brought a good price. The apple crop was somewhat smaller than in 1928, and scab and scale infestation in some sections of the state lowered the quality of the fruit. Wheat seeding was done under favorable conditions and the crop is going into winter in good shape. Rains around November 1st gave the young plants a good start. Fall pastures have been good.

Virginia crops on the whole yielded better than was expected from early season prospects, although most crops produced smaller yields than in 1928. This year's prices have averaged higher, however, and the total returns from 1929 farm operations will probably exceed returns for 1928. The corn crop turned out above early estimates, September rains and a late growing season proving beneficial. Total production is estimated to be 44,312,000 bushels, which is slightly less than last year's crop but somewhat above the five-year average. The sweet potato crop turned out better than was expected, especially on the Eastern Shore where more than one-half of the crop is grown. Shipments from that section to November 3rd amounted to 5,934 cars, compared with 4,994 cars shipped to the same date in 1928. Prices received by commercial growers have averaged higher than last year. The estimated production of sweet potatoes this year is 6,394,000 bushels, compared with 6,336,000 bushels in 1928. Late white potatoes varied widely in yield, ranging all the way from 30 to 200 bushels per acre. On the whole, however, the yield per acre was higher than last year, and the crop of 1929 is estimated to be 16,750,000 bushels. This is less than the big crop of 1928, but the acreage this year was also much smaller. Peanuts had not been threshed before November 1st, and therefore growers could not give accurate figures on production, but the state is expected to show about 145,600,000 pounds, a larger yield than last year's and also materially above the five-year average. The commercial apple crop of Virginia is expected to be 3,100,000 barrels this year, an increase of about 10 per cent over the estimate made on October 1st. Carlot shipments of 10,482 cars to November 2nd indicate that total shipments this season will be about 17,000 cars. Last year 20,281 cars were shipped. The quality of the apple crop was poorer this year than usual.

North Carolina crops, except cotton, turned out better than had been anticipated, due largely to the favorable weather for late development and harvesting. The corn crop turned out unusually well, peanuts were fair to good, and sweet potatoes were the best for several years. Cotton sections of the state are hard hit except from Mecklenburg north and westward, according to the Agricultural Statistician. Recent seasons have been good for fall preparation of land and planting of small grains.

South Carolina reports reasonably good yields in the state for all important crops harvested this fall. In point of production this year is slightly above the average amount produced from 1921 to 1928, inclusive. The corn crop of 23,321,000 bushels about equals average production for the past five years, and is more than 6,000,000 bushels above the short crop of last year. The sweet potato crop is the largest of recent years. The estimate of 5,355,000 bushels compares with 4,212,000 bushels last year and a five-year average of 4,888,000 bushels. The reported yield of 105 bushels per acre has been equalled in three previous years but has never been exceeded, according to available records. Peanut production in South Carolina is estimated to be 7,500,000 pounds this year, compared with 6,900,000 pounds last year. The reported yield of 750 pounds per acre is 60 pounds better than the 1928 yield. As stated elsewhere in this *Review*, the cotton and tobacco crops in South Carolina are larger this year than in 1928.

West Virginia crops in aggregate production fell somewhat below the 1928 production. All grain crops, except wheat and rye, suffered from lack of sufficient rainfall and consequently lighter yields were reported. Fruit crops likewise were adversely affected by drought. The corn crop of 14,458,000 bushels is approximately 2,000,000 bushels less than the 1928 yield. In addition, the quality of corn harvested this year is poorer than last year. The white potato yield of 6,555,000 bushels is better than was expected earlier in the season and also above the five-year average, but is about 1,000,000 bushels below last year's record crop. However, the quality of this year's potatoes is poorer than the crops of the three preceding years. A sweet potato yield this year of 240,000 bushels in better than the 1928 production but materially below the five-year average. The 1929 quality is also better than last year's quality. West Virginia's tobacco crop of 7,362,000 pounds is about 2,250,000 pounds above the 1928 crop. Apple production of 5,320,000 bushels this year compares unfavorably with 8,750,000 bushels harvested last year, and the 1929 commercial crop of 1,320,000 barrels is less than 1,470,000 barrels sold from the 1928 crop.

WHOLESALE TRADE, OCTOBER 1929

Percentage increase in October 1929 sales, compared with sales in October 1928:				
27 Groceries	10 Dry Goods	5 Shoes	15 Hardware	12 Drugs
— .2	— .4	11.5	— 2.7	1.6
Percentage increase in October 1929 sales, compared with sales in September 1929:				
10.1	—10.8	— 9.8	5.8	12.2
Percentage increase in total sales since Jan. 1, 1929, compared with sales in the first ten months of 1928:				
— 2.8	— 5.0	— 1.4	— 1.9	.9
Percentage increase in stock on Oct. 31, 1929, compared with stock on Oct. 31, 1928:				
10.0(10*)	—14.5(4*)	— 8.7(4*)	— 1.9(8*)
Percentage increase in stock on Oct. 31, 1929, compared with stock on Sept. 30, 1929:				
12.8(10*)	— 2.9(4*)	1.4(4*)	.6(8*)
Percentage of collections in October to accounts receivable on October 1, 1929:				
68.3(17*)	39.3(7*)	38.7(5*)	38.3(12*)	58.2(9*)

— Denotes decreased percentage.

* Number of reporting firms.

Sixty-nine wholesale firms representing five leading lines sent reports on October business to the Federal Reserve Bank of Richmond. The reports from grocers show a seasonal increase in October sales over those reported for September, but a very small decrease in comparison with October 1928 sales. Dry goods sales last month were materially less than sales in September but were only a small fraction of 1 per cent below October 1928 sales. Shoe sales were less in October than in the preceding month, but exceeded October 1928 sales by a substantial margin. Both hardware and drug sales were larger last month than in September, and drug sales also were above those of last year, but hardware sales showed a moderate decline in comparison with October 1928. Total drug sales in the first ten months of this year were slightly larger than sales in the corresponding period a year ago, but grocery, dry goods, shoe and hardware sales this year were less than those in the first ten months of 1928.

Stocks reported at the end of October were seasonally larger in firms selling groceries and allied lines than on September 30th, and there were also small increases in wholesale shoe and hardware stocks, but dry goods stocks declined during the past month, another seasonal occurrence. In comparison with stocks carried a year earlier, those on October 31st this year were larger in groceries, but were smaller in dry goods, shoes and hardware.

The percentages of collections in October 1929 to accounts receivable on the first of the month not only showed seasonal increases over September collections in all lines reported upon, but were slightly better than the percentage attained in October 1928. Dry goods and shoes tied in amount of improvement with 1.6 per cent.

FIGURES ON RETAIL TRADE

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

	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in October 1929 sales, compared with sales in October 1928:				
	6.5	4.4	2.0	4.9
Percentage increase in total sales since January 1st, over sales during the first ten months of 1928:				
	4.3	4.1	— .7	3.4
Percentage increase in October 1929 sales over average October sales during the three years 1923-1925, inclusive:				
	2.0	22.2	— 2.2	8.7
Percentage increase in stock on hand October 31, 1929, over stock on October 31, 1928:				
	— 6.2	.1	— 4.8	— 3.6
Percentage increase in stock on hand October 31, 1929, over stock on September 30, 1929:				
	15.4	11.2	9.2	12.5
Percentage of sales in October 1929 to average stock carried during that month:				
	33.9	36.1	23.9	32.7
Percentage of total sales since January 1st to average stock carried during each of the ten elapsed months:				
	273.5	284.7	214.3	265.7
Percentage of collections in October 1929 to total accounts receivable on October 1st:				
	25.0	31.3	32.9	28.4

— Denotes decreased percentage.

Figures on retail trade in October reported by thirty leading department stores in the Fifth Federal reserve district show a good volume of fall trade, average sales being 4.9 per cent larger than sales by the same stores in October 1928 and 8.7 per cent above average October sales during the three years 1923-1925, inclusive. Total sales this year from January 1st through October were 3.4 per cent larger than sales in the first ten months of 1928. Baltimore stores led in percentage increase for both October and the first ten months of the year, but Washington stores led in gain over average October sales in the three years 1923-1925, chiefly due to store expansion in that city.

Although the reporting stores show larger sales this year, they are operating with stocks averaging 3.6 per cent below those of last year, but there was a seasonal increase of 12.5 per cent in stock carried last month. Larger sales and smaller stocks indicate a faster turnover this year, and the accompanying table shows that the stores turned their stock 2.657 times in ten months, compared with 2.529 times in the same period a year ago. Washington stores lead in turnover with an average of 2.847 times.

Collections in October averaged 28.4 per cent of receivables as of October 1st, a slightly lower figure than 28.9 per cent collected in October 1928, but the Baltimore and Other Cities stores improved slightly, the district average being brought below last year's average by a decline of slightly more than 2 per cent in Washington collections.

(Compiled November 21, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial production declined further in October, and there was also a decrease in factory employment. As compared with a year ago, industrial activity continued to be at a higher level, and distribution of commodities to the consumer was sustained. Bank credit outstanding increased rapidly in the latter part of October, when security prices declined abruptly and there was a large liquidation of brokers' loans by nonbanking lenders. In the first three weeks of November further liquidation of brokers' loans was reflected in a reduction of security loans of member banks. Money rates declined throughout the period.

PRODUCTION. Production in basic industries, which had declined for several months from the high level reached in midsummer, showed a further reduction in October. The Board's index of industrial production decreased from 121 in September to 117 in October, a level to be compared with 114 in October of last year. The decline in production reflected chiefly further decreases in output of steel and automobiles. Daily average output of shoes, leather and flour also declined, while production of cotton and wool textiles increased. Preliminary reports for the first half of November indicate further reductions in output of steel and automobiles, and a decrease in cotton textiles. Total output of minerals showed little change. Production of coal increased, and copper output was somewhat larger, while daily output of crude petroleum declined slightly for the month of October and was further curtailed in November. Volume of construction, as measured by building contracts awarded, changed little between September and October and declined in the early part of November.

DISTRIBUTION. Shipments of freight by rail decreased slightly in October and the first two weeks in November, on an average daily basis. Department store sales continued as in other recent months to be approximately 3 per cent larger than a year ago.

WHOLESALE PRICES. The general level of wholesale prices showed little change during the first three weeks of October, but in the last week of the month declined considerably. The decline reflected chiefly price reductions of commodities with organized exchanges, which were influenced by the course of security prices. During the first three weeks of November prices for most of these commodities recovered from their lowest levels. Certain prices, particularly those of petroleum, iron and steel, and coal, showed little change during the period.

BANK CREDIT. Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30th, when loans to brokers by out-of-town banks and nonbanking lenders were withdrawn in even larger volume, there was a liquidation of these loans, accompanying the decline in brokers' loans during the first three weeks of November. All other loans increased and there was also a growth in the banks' investments. Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20th discounts for member banks were about \$100,000,000 larger than four weeks earlier, and holdings of United States securities were \$190,000,000 larger, while the banks' portfolio of acceptances declined by \$100,000,000. Money rates in New York declined rapidly during October and the first three weeks in November. Open market rates on prime commercial paper declined from $6\frac{1}{4}$ per cent on October 22nd to $5\frac{1}{2}$ - $5\frac{3}{4}$ per cent on November 20th; during the same period rates on 90-day bankers' acceptances declined from $5\frac{1}{8}$ per cent to $3\frac{7}{8}$ per cent; rates on call loans were 6 per cent during most of this period, but declined to 5 per cent in the third week of November. Rates on time loans also declined. The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1st, and to $4\frac{1}{2}$ per cent, effective November 15th, and the discount rates of the Federal Reserve banks of Boston and Chicago were lowered from 5 to $4\frac{1}{2}$ per cent effective November 21st and November 23rd.