

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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Business in the Fifth Federal reserve district in November and early December was probably not up to seasonal volume, although some of the trade barometers were quite favorable. On the whole, there seem to be indications of a moderate recession from the high level of earlier months this year, but the recession was not serious. Liquidation of agricultural loans proceeded seasonally, but perhaps at a somewhat slower rate than in most years. Member banks reduced their rediscounts at the reserve bank, although the reduction from country banks was not in proportion to the reduction of rediscounts of the city institutions. Federal reserve note circulation rose during the past month, to meet the demand for cash needed for crop marketing and the holiday trade. Time deposits and other savings deposits declined last month, as usually occurs at that season of the year, but demand deposits in reporting member banks increased somewhat. Debits to individual accounts during the four weeks ended December 11th were less than debits during the preceding four weeks, an unusual development, and in addition were lower than during the corresponding four weeks of 1928 in a majority of the reporting cities and in the total for the district. This may be accounted for, at least in part, by the lessened activity in security dealings. Business failures in the Fifth district in November were less numerous and liabilities were 78 per cent lower than in November 1928, a much more favorable showing than the National comparison, which revealed liabilities 28 per cent greater in November 1929 than in November 1928. Labor is only moderately employed, and on the whole the outlook for steady employment during the next few months appears more doubtful than in earlier months this year. Daily production of bituminous coal in November was less than in November 1928, and total production of last month declined rather more than seasonal average in comparison with the October output. Textile mills operated less extensively than in November 1928, and there was some curtailment of work to four days per week, but the recession in operations was less marked than the average for the nation. Retail trade in department stores in the Fifth district was better than in November 1928 in the

largest cities, but on the whole was poorer in the smaller cities and stores. Wholesale trade in November compared unfavorably with that of November a year ago in every line reported upon. Crop returns were quite spotted, but considering the district as a whole production of most crops was up to the production of 1928. Prices for cotton, the leading money crop, are much lower this year than in 1928, and returns to the growers will be considerably below the returns last year. Tobacco prices have averaged somewhat lower this year than last, but increased production this year probably about balanced the lower prices.

RESERVE BANK OPERATIONS — Rediscounts for member banks held by the Federal Reserve Bank of Richmond declined from \$51,295,000 on November 15th to \$41,122,000 on December 15th, both dates this year, a seasonal reduction due chiefly to the liquidation of agricultural paper at member banks as tobacco and cotton marketing progressed. Total earning assets of the Richmond bank also declined during the past month, from \$72,131,000 on November 15th to \$65,103,000 on December 15th, but the decrease was less than the decline in rediscounts because of increased holdings of Government securities. Federal reserve note circulation of the Richmond reserve bank rose seasonally between the middle of November and the middle of December, from \$93,288,000 to \$96,986,000, the rise being due to increased demand for currency as holiday trade got fully under way. Member banks increased their reserve deposits at the Federal Reserve Bank of Richmond from \$62,395,000 on November 15th to \$63,998,000 on December 15th. The several changes in the items mentioned, with others of less importance, raised the cash reserves of the Richmond bank from \$92,995,000 on November 15th to \$102,422,000 on December 15th, increasing the ratio of cash reserves to note and deposit liabilities combined from 58.89 per cent to 63.39 per cent.

A comparison of the principal items on the statement of the Federal Reserve Bank of Richmond for December 15, 1929, with the figures for December 15, 1928, shows a somewhat smaller

amount of reserve bank credit in use this year at the date given. Rediscounts held by the Richmond bank rose \$1,236,000, or 3.1 per cent, the increase being in country bank borrowing. In spite of larger holdings of rediscounts and Government securities this year, total earning assets of the Richmond bank declined \$4,474,000, or 6.4 per cent, between December 15th last year and this, due to a reduction in the portfolio of bankers' acceptances purchased in the open market. Fed-

eral reserve notes in circulation on December 15, 1929, exceeded those in circulation a year earlier by \$10,137,000, or 11.7 per cent, at least part of the increase being due to the introduction of new small sized currency this year. The cash reserves of the Federal Reserve Bank of Richmond rose \$6,147,000, or 6.4 per cent, during the past year, and the ratio of cash reserves to note and deposit liabilities combined rose 2.51 points.

CONDITION OF FIFTY-EIGHT REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Dec. 11, 1929	Nov. 13, 1929	Dec. 12, 1928
Loans on Stocks & Bonds (including Governments)...	\$191,049,000	\$188,591,000	\$192,177,000
All Other Loans & Discounts.....	314,677,000	327,462,000	334,232,000
Total Loans & Discounts.....	505,726,000	516,053,000	526,409,000
Total Investments in Bonds & Securities.....	156,978,000	155,765,000	153,907,000
Reserve Balance at Federal Reserve Bank.....	38,934,000	40,452,000	41,924,000
Cash in Vaults.....	13,376,000	12,903,000	13,843,000
Net Demand Deposits.....	354,130,000	351,493,000	376,511,000
Time Deposits.....	233,107,000	240,189,000	238,138,000
Borrowed from Federal Reserve Bank.....	20,543,000	25,736,000	24,602,000

The table above shows the principal items of condition of fifty-eight 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. The number of reporting banks is reduced this month from sixty-one to fifty-eight, due to consolidations of reporting member banks or mergers of previously reporting banks with non-members, but the November 1929 and December 1928 figures have been adjusted to make the three periods comparable.

During the past month, total loans and discounts held by the fifty-eight reporting member banks decreased \$10,327,000, or 2.0 per cent, commercial and agricultural loans declining \$12,785,000 while loans on securities advanced \$2,458,000. A decrease in loans at this time is seasonal, crop marketing and sales of fall merchandise putting farmers and merchants in funds with which to retire part of their indebtedness. Between November 13th and December 11th, the reporting banks increased their investments in bonds and securities by \$1,213,000, and their cash in vaults rose \$473,000, but their reserve balances at the reserve bank were reduced \$1,518,000. Aggregate deposits declined \$4,445,000 between the middle of November and the middle of December, partly due to the payment of Christmas Clubs, but the decline was in time deposits which dropped \$7,082,000 while net demand deposits rose \$2,637,000. An increase of \$2,637,000 in demand deposits accompanying a reduction of loans of over \$10,000,000 is unusual. Rediscounts of the reporting banks at the Federal Reserve Bank of Richmond were reduced \$5,193,000, or 20.2 per cent, last month, as a correlation of the reduction in loans to customers.

A comparison of the figures reported for December 11, 1929, with those of December 12, 1928, shows a total reduction in outstanding loans and discounts amounting to \$20,683,000, or 3.9 per cent, nearly all of which occurred in commercial and agricultural loans, which dropped \$19,555,000 during the year while loans on securities declined only \$1,128,000. However, as reported in our November Review, there was a decline of \$12,000,000 from the maximum of loans on securities in October. In keeping with this decrease in loans, net demand deposits show a decline of \$22,381,000 during the year, and time deposits also declined, by \$5,031,000. Lower deposits this year are reflected in a reduction of \$2,990,000 in the reserve balances of the fifty-eight reporting banks at the Federal reserve bank. As a result of decreased demand for credit at the reporting banks this year, they increased their investments in bonds and securities \$3,071,000 during the year, and reduced their borrowing at the reserve bank by \$4,059,000.

DEBITS TO INDIVIDUAL ACCOUNTS

The debits figures in the table, reported for three equal periods of four weeks each by clearing house banks in twenty-four leading Fifth district cities, indicate that general business between November 13th and December 11th was not up to seasonal volume. In most years debits during the four weeks ended about the middle of December are larger than those for the corresponding period ended the middle of November, but this year the December period shows a decline of 5.9 per cent. Among the twenty-four reporting cities, only ten show higher figures for the four weeks ended December 11th. Asheville made the best record for the month in comparison with the preceding four weeks this year, reporting an increase of 12.3 per cent, Norfolk ranking second with 11.3 per cent.

The three largest cities, Baltimore, Washington and Richmond, reported lower figures for the later period.

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	December 11, 1929	November 13, 1929	December 12, 1928
Asheville, N. C.....	\$ 24,918,000	\$ 22,284,000	\$ 34,300,000
Baltimore, Md.	397,600,000	437,125,000	386,768,000
Charleston, S. C.	24,400,000	26,600,000	24,028,000
Charleston, W. Va.	44,173,000	41,239,000	40,816,000
Charlotte, N. C.	52,092,000	57,875,000	55,427,000
Columbia, S. C.	23,376,000	22,555,000	22,861,000
Cumberland, Md.	9,347,000	10,403,000	9,709,000
Danville, Va.	14,155,000	14,119,000	14,776,000
Durham, N. C.	29,579,000	28,247,000	41,020,000
Greensboro, N. C.	24,506,000	23,358,000	23,550,000
Greenville, S. C.	21,070,000	24,977,000	21,769,000
Hagerstown, Md.	10,582,000	10,794,000	10,284,000
Huntington, W. Va.	24,490,000	23,674,000	22,581,000
Lynchburg, Va.	19,011,000	19,475,000	18,511,000
Newport News, Va.	11,258,000	10,227,000	11,455,000
Norfolk, Va.	68,670,000	61,703,000	65,342,000
Portsmouth, Va.	5,225,000	5,788,000	6,715,000
Raleigh, N. C.	20,954,000	20,134,000	23,202,000
Richmond, Va.	148,219,000	157,176,000	148,530,000
Roanoke, Va.	32,946,000	33,765,000	28,800,000
Spartanburg, S. C.	15,807,000	18,193,000	15,976,000
Washington, D. C.	239,299,000	267,637,000	264,388,000
Wilmington, N. C.	15,804,000	18,833,000	17,873,000
Winston-Salem, N. C.	42,064,000	46,599,000	39,921,000
District Totals	\$1,319,545,000	\$1,402,780,000	\$1,348,602,000

Not only were aggregate debits for the four weeks ended December 11th this year lower than those for the preceding four weeks, but they were also 2.2 per cent below aggregate debits for the four weeks ended December 12, 1928, thirteen of the twenty-four reporting cities failing to equal their 1928 totals. Eight cities showed lower figures during the latest period than for either the four preceding weeks this year or the corresponding four weeks last year, both Richmond and Washington being included, but Baltimore reported higher figures this year than for the 1928 four weeks. Five cities, Charleston, W. Va., Columbia, S. C., Greensboro, N. C., Huntington, W. Va., and Norfolk, Va., reported higher figures for the four weeks ended December 11th than for either of the other two equal periods. It is probable that lower debit figures for the four weeks ended December 11th this year in comparison with the figures for the earlier periods are partly due to less activity in stock market operations since the recent decline in stock prices, and may not reflect as much decline in general business as at first appears.

SAVINGS DEPOSITS—Twelve mutual savings banks in Baltimore had aggregate deposits amounting to \$187,526,332 at the close of business November 30, 1929, a lower figure than \$189,687,177 on deposit in the same banks on October 31st this year but a higher amount than \$186,045,529 on November 30, 1928. Fifty-eight regularly reporting member banks had time deposits totaling \$233,107,000 on December 11, 1929, compared with \$240,189,000 on November 13th this year and \$238,138,000 on December 12, 1928. In most years savings deposits decline somewhat at this season, due to holiday buying and other end-of-year payments such as taxes, etc.

COMMERCIAL FAILURES—The insolvency record in the Fifth reserve district for November was good, although both number of failures and liabilities involved were slightly above those of October. However, in most years November bankruptcies increase over those of October. In November, failures in the Fifth district numbered 98, compared with 91 in October this year and 104 in November last year, and last month's aggregate of liabilities amounting to \$1,907,499 compared with \$1,066,027 in October 1929 and \$4,850,607 in November 1928. In the liabilities involved in November insolvencies, the district record contrasted sharply with the National record, in which total figures reached a point 28 per cent above liabilities in November a year ago while Fifth district figures show a decline this year of 78 per cent.

EMPLOYMENT—The situation has changed little in labor circles in recent weeks, except for a seasonal reduction in out-of-doors work. There is some unemployment among nearly all classes of workers in the district, but it is not more extensive than in most years at this season. Some effort is being made in certain cities in the district to stimulate construction projects for the spring, and definite announcements of contemplated work have been made in a few cases, but a \$65,000,000 bond issue for road building in South Carolina, which was expected to give employment to many laborers and farmers whose crops were not good, has been held up by an appeal to Federal courts on a constitutional question and work has consequently been indefinitely postponed.

COAL—Bituminous coal mines in the United States dug 45,677,000 net tons of coal in November this year, a decrease from 51,235,000 tons mined in the longer month of October 1929 and also less than 46,788,000 tons mined in November 1928. West Virginia, the leading state, produced approximately 12,000,000 tons last month, or 26.2 per cent of National production. Total output of bituminous mines in the United States during the present calendar year to December 7th (approximately 289 working days) amounts to 490,835,000 net tons, compared with 460,546,000 tons mined to the same date last year and 485,842,000 tons in 1927. Shipments of coal through Hampton Roads in November totaled 1,942,542 tons, and total shipments from January 1st through November 30th totaled 20,222,201 tons. Retail coal yards have stocks to meet all requirements and can fill orders promptly.

TEXTILES—The cotton mills in the Fifth district consumed less cotton in November 1929 than in either October 1929 or November 1928, but the decline was less in proportion than the drop in National consumption. The mills of the district used 243,209 bales in November this year, a decrease of 11.4 per cent under 274,414 bales used in October 1929 and 8.9 per cent under 267,035 bales used in November 1928. Last month North Carolina Mills consumed 130,046 bales, South Carolina mills 102,798 bales, and Virginia mills 10,365 bales, the latter state exceeding the November 1928 figure of 8,704 bales. Fifth district cotton consumption in November this year totaled 44.7 per cent of National consumption, compared with 42.8 per cent of National consumption in the Fifth district in October this year and 43.7 per cent in November last year. The movement toward restriction of operating time to four days per week, which began about the middle of November, did not become general, but the mills are keeping down surplus stocks of manufactured goods as far as they can.

BUILDING OPERATIONS FOR THE MONTHS OF NOVEMBER 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.....	539	314	1,064	844	\$ 1,720,080	\$ 1,310,300	\$ 512,720	\$ 772,660	\$ 149,840	7.2%	1
2	Cumberland, Md....	11	16	5	6	13,818	21,906	1,875	3,220	— 9,433	— 37.5	2
3	Frederick, Md.....	15	8	1	4	19,092	15,530	5	5,515	— 1,948	— 9.3	3
4	Hagerstown, Md....	19	10	1	6	26,910	24,610	150	16,025	— 13,575	— 33.4	4
5	Salisbury, Md.....	20	13	10	9	22,425	5,250	3,000	2,275	17,900	237.9	5
6	Danville, Va.....	4	11	8	9	215	46,841	5,071	4,720	— 46,275	— 89.7	6
7	Lynchburg, Va....	14	20	11	17	37,955	160,120	3,755	5,085	— 123,495	— 74.8	7
8	Norfolk, Va.....	35	50	67	62	184,665	65,285	14,015	22,500	110,895	126.3	8
9	Petersburg, Va....	7	4	9	5	21,300	20,650	5,195	2,296	3,549	15.5	9
10	Portsmouth, Va....	7	10	13	13	3,500	6,200	7,165	3,090	1,375	14.8	10
11	Richmond, Va.....	55	81	63	54	194,143	2,008,215	92,926	50,543	—1,771,689	— 86.1	11
12	Roanoke, Va.....	29	13	25	35	93,238	89,100	6,773	5,925	4,986	5.2	12
13	Bluefield, W. Va..	7	4	3	4	9,465	485	2,310	10,517	773	7.0	13
14	Charleston, W. Va.	28	21	12	3	46,165	58,200	11,300	1,300	— 2,035	— 3.4	14
15	Clarksburg, W. Va.	19	14	8	7	20,472	22,475	2,935	3,200	— 2,268	— 8.8	15
16	Huntington, W. Va.	20	27	3	3	151,000	36,000	1,830	3,460	113,370	287.3	16
17	Parkersburg, W. Va.	16	16	2	7	158,565	104,500	2,250	25,500	30,815	23.7	17
18	Asheville, N. C....	4	8	42	36	22,840	95,465	16,110	19,785	— 76,300	— 66.2	18
19	Charlotte, N. C....	33	63	45	27	136,178	460,150	48,615	6,010	— 281,367	— 60.4	19
20	Durham, N. C.....	11	37	5	3	59,162	248,900	4,400	8,600	— 193,938	— 75.3	20
21	Greensboro, N. C..	25	37	19	31	647,236	419,077	9,555	8,129	229,585	53.7	21
22	High Point, N. C..	17	17	0	2	144,500	47,530	0	1,000	95,970	197.8	22
23	Raleigh, N. C.....	14	26	7	12	287,925	429,310	4,450	5,700	— 142,635	— 32.8	23
24	Rocky Mount, N. C.	9	12	3	2	5,975	58,255	2,200	5,080	— 55,160	— 87.1	24
25	Salisbury, N. C....	5	3	0	1	15,100	13,600	0	375	1,125	8.1	25
26	Wilmington, N. C..	14	8	5	9	53,350	68,300	1,750	15,000	— 28,200	— 33.9	26
27	Winston-Salem, N. C.	15	66	89	74	35,645	263,540	15,050	17,875	— 230,720	— 82.0	27
28	Charleston, S. C....	23	15	34	21	19,140	35,815	34,870	4,585	13,610	33.7	28
29	Columbia, S. C.....	17	18	39	51	53,900	93,750	17,060	25,595	— 48,385	— 40.5	29
30	Greenville, S. C....	18	14	18	20	131,850	128,100	6,110	2,772	7,088	5.4	30
31	Rock Hill, S. C....	9	7	10	5	8,810	4,875	3,287	1,500	5,722	89.8	31
32	Spartanburg, S. C..	13	12	23	18	38,350	58,443	10,000	3,704	— 13,797	— 22.2	32
33	Washington, D. C..	81	151	332	341	868,495	7,025,150	171,825	174,740	—6,159,570	— 85.6	33
Totals.....		1,153	1,126	1,976	1,741	\$ 5,251,464	\$13,445,927	\$1,018,557	\$1,238,281	\$—8,414,187	— 57.3%	

— Denotes decrease.

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

Building permits for new construction issued in thirty-three Fifth district cities in November exceeded those of November 1928 in number, but last month's estimated valuation figures totaled only \$5,251,464 in comparison with \$13,445,927 a year ago. However, most of the decrease occurred in Washington, which reported only \$868,495 for new work last month in comparison with \$7,025,150 in November last year. Washington's November 1928 figure was larger than the total for the entire

thirty-three cities in November this year. Richmond also showed a marked decrease, reporting only \$194,143 in November 1929 against \$2,008,215 in November 1928, when a permit for a sixteen-story hotel swelled the figures. Of the thirty-three reporting cities, fifteen reported higher total valuation figures for all classes of work in November 1929 than in November 1928, while eighteen cities reported lower figures. Baltimore led the cities of the district in total estimated valuation, but in proportion to population Greensboro, N. C., sent in the best report with a total valuation of \$656,791.

Contracts awarded in November for construction work in the Fifth district, including both rural and urban projects, totaled \$22,870,261 compared with \$33,621,418 awarded in November 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in November this year, \$7,830,381 was for residential work.

COTTON STATISTICS—Cotton prices remained steady between the middle of November and the middle of December, fluctuating only about one-fifth of a cent a pound during that period. From an average price of 16.71 cents per pound on leading Southern markets on November 15th the price rose to 16.83 cents per pound on December 6th and then dropped again to 16.61 cents on December 13th, the latest date for which figures are available. On December 14, 1928, the average price on the same markets was 19.14 cents per pound, or \$12.65 a bale higher than on the corresponding date this year.

The Department of Agriculture's final condition report of the year, issued on December 9th, estimated this year's production of cotton as 14,919,000 bales, a decrease of 90,000 bales under the November 1st forecast but 441,000 bales above final ginning figures on the 1928 crop. The report stated that final ginning figures for this season would depend upon whether the various factors were favorable for picking the part of the crop still in the fields. The production estimates for the Fifth district were reduced below the November 1st figures. North Carolina's probable production for 1929 was given in the latest estimate as 735,000 bales, a lower figure than 760,000 bales forecast a month earlier and 836,000 bales ginned in 1928. South Carolina's forecast of 845,000 bales shows a decline from 850,000 bales predicted a month earlier, but is materially larger than final ginnings of 726,000 bales last year. The Virginia yield for 1929 is forecast as 46,000 bales, compared with 44,000 bales expected on November 1st and 44,000 bales grown last year. Total production in the Fifth district is therefore expected to be about 20,000 bales larger this year than in 1928, but all of the increase except 2,000 bales is in South Carolina, and in the heavily producing counties in the Piedmont section the yield is lower than last year. In spite of the larger yield this year, prices have been so much lower that the total receipts from cotton in the Fifth district will be much less than receipts for the shorter crop of 1928, although the South Carolina crop is sufficiently large this year to bring in more money to the growers than they received last year.

The Bureau of the Census ginning report to December 1st showed 12,857,971 bales ginned prior to that date, compared with 12,560,154 bales ginned to the same date in 1928.

Cotton consumption in American mills in November totaled 544,150 bales, according to the report of the Census Bureau made public on December 14th. This figure shows a decrease from 640,798 bales consumed during the longer month of October this year, and is approximately 11 per cent below 611,173 bales consumed in November 1928. Total consumption during the four months of the present cotton year amounted to 2,288,710 bales, compared with 2,246,058 bales consumed during the four months ended November 30, 1928. Cotton on hand at manufacturing establishments on November 30th this year totaled 1,671,829 bales, compared with 1,360,557 bales held on October 31st this year and 1,566,542 bales held on November 30th last year. Bales in public warehouses and compresses numbered 5,841,950 at the end of November, 5,311,920 at the end of October, and 5,224,418 on November 30, 1928. Exports of cotton totaled 1,048,760 bales in November, compared with 1,251,300 bales sent abroad in October this year and 1,427,772 bales in November 1928. Imports last month totaled 35,502 bales, compared with 19,815 bales imported in October this year and 40,291 bales in November last year. Consumption of cotton in the growing states totaled 427,264 bales in November, compared with 469,503 bales used in November last year. Last month's consumption in the cotton growing states amounted to 78.5 per cent of National consumption, compared with 76.8 per cent of National consumption used in the cotton growing states in November last year.

TOBACCO MARKETING—**North Carolina** auction tobacco markets sold 117,224,132 pounds of producers' tobacco in November 1929, at an average price of \$21.43 per hundred pounds, compared with 110,082,295 pounds sold for growers in November 1928 at \$22.54 per hundred pounds. Total sales this season on North Carolina markets reached 400,083,645 pounds, compared with 393,129,039 pounds sold on the same markets prior to December 1, 1928. Last month Winston-Salem led in sales with 18,891,386 pounds, but Wilson was a close second with sales totaling 18,185,718 pounds. Wilson led all North Carolina markets in average price paid in November with \$24.85 per hundred pounds, Roxboro ranking second with \$23.87 and Rocky Mount third with \$23.81 per hundred. In season sales Wilson reports 66,838,494 pounds, leading Greenville with 41,764,317 pounds by a wide margin. North Carolina's total production of tobacco is now expected to exceed 1928 production, but final figures are not yet available. **Virginia** leaf markets sold 34,721,246 pounds of tobacco for growers in November, flue-cured sales totaling 29,789,536 pounds, fire-cured sales 4,631,032 pounds, and sun-cured 291,678 pounds.

The sales of all types were heavier than sales in November last year. Prices received for fire-cured averaged \$14.70 last month and sun-cured tobacco brought \$10.23 per hundred, both considerably better than \$9.11 for fire-cured and \$7.78 for sun-cured in November 1928, but flue-cured tobacco only brought \$18.97 per hundred in November this year in comparison with \$19.91 in November a year ago. Since most of the crop sold was of the flue-cured type, the average price for the state was lower than last year, \$18.33 per hundred pounds for all types sold last month comparing with \$19.32 per hundred realized for November 1928 sales. Danville led in November sales with 13,858,924 pounds of flue-cured, South Boston ranking second with 5,865,560 pounds. Lynchburg led the fire-cured markets with sales aggregating 1,676,776 pounds, Farmville being second with 1,010,359 pounds. All of the sun-cured type of tobacco, 291,678 pounds, was sold at Richmond. The burley market at Abingdon did not open until December 4th. South Hill paid the highest average price for Virginia tobacco in November, \$20.87 per hundred pounds, with Petersburg second in the flue-cured markets with \$20.36 and Drakes Branch leading the fire-cured markets with \$15.65. The quality of the fire-cured and sun-cured types is the best in recent years, and the flue-cured type is also better than last year but not quite as good as was expected earlier in the season.

AGRICULTURAL NOTES—Most of the farm work for the 1928 season has been completed, and it only remains to summarize the results of the year's labor. However, final estimates of agricultural production are not yet available, and will therefore have to be included in next month's Review. On the whole, 1929 appears to have been about an average year in agriculture in the Fifth district. Some crops made larger and some smaller yields than last year or other recent years, and prices also varied in both directions. The results of the farmers' efforts were quite spotted this year, some sections making better crops than in the past few years while others were very adversely affected by unfavorable weather, boll weevils, or other factors of importance. There were numerous long dry periods or long wet periods in different sections of the district this year, and some sections experienced both excessive dryness and excessive moisture. This was especially true of the Piedmont section of South Carolina, in which crops started off splendidly last spring, then suffered from a long dry period lasting from about the middle of July to the middle of September, and farmers finally having to pick and gin the cotton crop in rains which fell nearly every day for several weeks. These rains beat much cotton out of the burrs, rotted a considerable amount in the bolls which had been punctured by weevils, and discolored much cotton, thereby reducing the grade of the cotton and lowering the price received for it. North Carolina cotton suffered more from weevils this year than in any earlier year, and the average yield for the state was only 197 pounds of lint per acre. In the upper half of the Fifth district the weather this year was better on the whole than in the Carolinas, but was far from ideal in many sections.

WHOLESALE TRADE, NOVEMBER 1929

Percentage increase in November 1929 sales, compared with sales in November, 1928:				
<i>26 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>15 Hardware</i>	<i>12 Drugs</i>
— 7.3	—13.0	— 3.1	—15.4	— 1.1
Percentage increase in November 1929 sales, compared with sales in October 1929:				
—16.1	—22.2	—33.4	—17.7	— 9.1
Percentage increase in total sales since Jan. 1, 1929, compared with sales in the first eleven months of 1928:				
— 3.2	— 5.8	— 1.6	— 3.3	.7
Percentage increase in stock on Nov. 30, 1929, compared with stock on Nov. 30, 1928:				
3.2(10*)	— 7.7(4*)	— 7.4(4*)	1.9(8*)	...
Percentage increase in stock on Nov. 30, 1929, compared with stock on Oct. 31, 1929:				
— 2.7(10*)	8.6(4*)	— 7.4(4*)	1.1(8*)	...
Percentage of collections in November to accounts receivable on November 1, 1929:				
61.2(16)*	36.3(7*)	38.0(5*)	36.6(12*)	53.2(9*)

— Denotes decreased percentage.

* Number of reporting firms.

Wholesale trade in the Fifth Federal reserve district was relatively poor in November, a large majority of sixty-eight reporting firms in five leading lines showing smaller sales than in either October this year or November 1928. Part of the decrease in comparison with October was seasonal, but the decline was greater this year than usual, and the decline in comparison with sales in November 1928 reflected an actual decrease in business done this year. The November sales in dry goods and hardware were particularly unfavorable in comparison with sales in November last year. In total sales since January 1st, drugs is the only line which shows an increase over sales in the first eleven months of 1928, and even in drugs the increase was less than 1 per cent. Dry goods shows the biggest decline for the eleven months of this year, part of which may be due to slightly lower prices for some classes of textiles.

Stocks carried by the reporting firms were larger in groceries and drugs at the end of November than a year earlier, but dry goods and shoe stocks were smaller than on the earlier date. Dry goods and drug stocks increased during November but grocery and shoe stocks decreased in comparison with stocks on hand on October 31, 1929.

The percentages of collections in November to accounts receivable on the first of the month were lower in all lines than the percentages in October, and were also lower in all lines except drugs than the percentages in November 1928.

FIGURES ON RETAIL TRADE

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

Percentage increase in November 1929 sales, compared with sales in November 1928:			
<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
12.1	.6	— 7.4	4.3
Percentage increase in total sales since January 1st, over sales during the first eleven months of 1928:			
5.3	3.7	— 1.5	3.5
Percentage increase in November 1929 sales over average November sales during the three years 1923-1925, incl.:			
12.9	17.4	— 1.5	12.4
Percentage increase in stock on hand November 30, 1929, over stock on November 30, 1928:			
— 6.4	2.5	— 4.4	— 2.6
Percentage increase in stock on hand November 30, 1929, over stock on October 31, 1929:			
— .2	7.4	3.1	3.4
Percentage of sales in November 1929 to average stock carried during that month:			
35.3	30.8	21.3	30.7
Percentage of total sales since January 1st to average stock carried during each of the eleven elapsed months:			
310.5	315.1	235.5	296.9
Percentage of collections in November 1929 to total accounts receivable on November 1st:			
26.7	31.6	32.3	29.3

— Denotes decreased percentage.

Retail trade in the Fifth Federal reserve district showed some interesting developments in November. Reports from thirty representative department stores scattered throughout the district showed sales averaging higher than sales in November last year, but practically all of the gain was in Baltimore, Washington and West Virginia stores. The Baltimore stores reported increases averaging 12.1 per cent, an exceptional increase in view of stock figures averaging 6.4 per cent less than those of a year ago. Some of the Washington stores did almost as well as the Baltimore stores, but two firms which reported lower figures in November than in November 1928 brought Washington's average increase down to 6/10th of 1 per cent. However, the record of the stores included in the Other Cities group is quite unfavorable, eleven of the fifteen stores reporting lower figures for November this year. Of the four stores in this group which gained in sales last month, three were in West Virginia. Of the thirty reporting stores in the district, nineteen show larger total sales for the eleven months of 1929 than for the corresponding period last year.

Stocks carried by the reporting stores are generally less this year, twenty of the thirty stores reporting lower selling values at the end of November 1929 than on November 30, 1928. Most of the stores showed a seasonal increase in stock on hand during November this year, in comparison with stocks on hand at the end of October.

The rate of stock turnover in the First district has been more rapid this year than during the first eleven months of 1928, except in Washington where the figure is slightly lower. Averaging all the stores together, stocks have been turned 2.969 times this year prior to November 30th, in comparison with only 2.820 times in the corresponding eleven months last year.

Collections in the district in November averaged better than in either October this year or November 1928, and this is also true of the Baltimore stores. The Washington collections were better in November than in October, but not up to those of November last year, while collections in the Other Cities stores in November showed a decline from those of October but were better than collections in November last year.

(Compiled December 20, 1929)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial production declined in November for the fifth consecutive month and was below the level of last year. Retail sales at department stores continued in larger volume than a year ago. Wholesale commodity prices moved downward in November and the first half of December.

PRODUCTION AND EMPLOYMENT. Production in basic industries decreased by 9 per cent in November, according to the Board's index, and was 5 per cent lower than a year ago. The decline in production, which began in midsummer, was restricted prior to November largely to industries in which the expansion during the earlier part of the year had been exceptionally rapid, particularly iron and steel, automobiles, and related industries. The same industries showed the largest reductions in November, but there were declines also in copper, cotton and wool textiles, and shoe industries, and, in smaller degree, in silk textiles and coal. Production of crude petroleum was also curtailed. Volume of building contracts awarded during the month continued to be considerably smaller than in the corresponding period of 1928. Employment in factories was also reduced during November to a level slightly below a year ago and there was a somewhat larger decrease in factory payrolls. The decline in employment since midsummer, however, has been relatively smaller than that in the physical volume of production. Employment was in smaller volume than in November a year ago in the automobile, iron and steel, lumber and rubber products industries, and larger in the machinery, textiles, paper and printing, leather and chemical industries.

DISTRIBUTION. Distribution of commodities, as measured by freight car loadings, was in smaller volume in November than in October, reflecting larger than seasonal decreases in most classes of freight. Miscellaneous freight in less than carload lots, however, which includes chiefly commodities for retail trade, showed the usual seasonal change. Department store sales in leading cities during the month were about 1 per cent larger than last year, according to preliminary reports. Increased sales were reported in four agricultural districts, Richmond, Kansas City, Dallas and San Francisco. In certain of the large industrial districts, Boston, New York and Cleveland, sales were approximately the same as in November 1928.

WHOLESALE PRICES. Wholesale prices were at a lower level in November than in October and continued to decline during the first half of December. The downward movement, which had previously involved principally commodities with organized exchanges, became general during the latter part of the period.

BANK CREDIT. Liquidation of bank credit, which had begun early in November, continued throughout that month and the first two weeks of December, and on December 11th total loans and investments of reporting member banks were at about the same level as on October 23rd, prior to the increase caused by the withdrawal of funds by non-banking lenders. At member banks in New York City loans were somewhat larger and investments considerably larger on December 11th than on October 23rd, while at reporting banks outside New York loans on securities, all other loans, and investments were smaller than on that date. Reserve bank credit outstanding was also reduced during November and the first two weeks of December, largely in consequence of reduction in balances of member banks at the reserve banks, which accompanied the liquidation of member bank credit. The decrease in reserve balances released reserve funds in more than sufficient volume to meet the export demand for gold amounting to \$65,000,000 during the period, as well as the seasonal currency requirements. Between November 6th and December 18th, United States security holdings of the reserve banks increased considerably, while their holdings of acceptances declined somewhat, and there was a reduction of \$250,000,000 in the indebtedness of member banks. Money rates in the open market continued to decline and the discount rate, which had previously been reduced at five reserve banks, was lowered at the Kansas City bank from 5 to 4½ per cent.