

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

JANUARY 31, 1930

### STATISTICAL SUMMARY

	1929	1928
Debits to Individual Accounts (24 Cities).....	\$16,851,269,000	\$16,324,326,000
Number of Commercial Failures, 5th District.....	1,420	1,518
Liabilities Involved in Failures, 5th District.....	\$ 24,705,654	\$ 34,345,527
Cotton Consumption, 5th District Mills (Bales).....	3,039,884	2,838,836
Cotton Grown in Fifth District (Bales).....	1,624,000	1,604,000
Tobacco Grown in Fifth District (Pounds).....	741,560,000	713,590,000
Building Permits for New Work (32 Cities).....	16,354	17,996
Value of Permits for New Work (32 Cities).....	\$ 104,480,968	\$ 143,208,256
Vaue of Contracts Awarded, 5th District.....	\$ 384,926,005	\$ 451,030,185
Total Sales, 30 Department Stores, 5th District.....	\$ 104,985,200	\$ 101,723,680
Total Sales, 69 Wholesalers in 5 Lines.....	\$ 68,503,112	\$ 70,695,201
Bituminous Coal Production, U. S. (Tons).....	525,358,000	500,745,000

Business in the Fifth Federal reserve district in December showed some seasonal increase in comparison with business in November, but on the whole the increase was less than in most years. Department store sales last month in the upper half of the district exceeded sales in December of the preceding year, but sales in the Carolinas showed distinct recession last month in comparison with the earlier month. Debits to individual accounts in twenty-four leading cities for the four weeks ended January 8, 1930, showed a small increase over debits for the four weeks ended December 11, 1929, but the gain was much less than usually occurs at that season, and a comparison of the latest figures with those of the corresponding four weeks ended January 9, 1929, shows a drop for the current period of \$73,153,000, or 5.3 per cent. Loans and discounts of fifty-eight regularly reporting member banks in the larger cities of the Fifth district decreased between December 11, 1929, and January 15, 1930, and these banks also reduced their rediscounts at the reserve bank. Country banks reduced their rediscounts to some extent during the period under review as agricultural liquidation continued, but the reduction was less than in the city institutions. On January 15, 1930, rediscounts held by the Federal Reserve Bank of Richmond totaled 27 per cent less than on December 15, 1929, and 26 per cent less than on January 15, 1929. The circulation of Federal reserve notes followed a seasonal trend last month, continuing to rise to a high point two or three days before Christmas, and then rapidly declining after the holidays. Deposits in member banks were lower at the middle

of January this year than a year earlier, but time deposits showed an increase during the past month. Commercial failures in the Fifth district showed a moderate increase in December over those reported for November, a seasonal development, but also compared unfavorably with insolvencies in December, 1928. However, the increase in comparison with failures in the preceding December was less in percentage in the Fifth district than in the Nation. The value of building permits issued for new construction in December 1929 was only a little over half the amount included in December 1928 permits, and contracts actually awarded were less than half the awards in the earlier month. The number of unemployed persons in the Fifth district rose during the past month more than seasonal average. Coal production in December exceeded production in either November 1929 or December 1928. On the other hand, textile mills operated less extensively and consumed 10.8 per cent fewer bales of cotton in December 1929 than in December 1928. Spot cotton prices showed some tendency to stiffen during the first half of January, and advanced approximately a quarter of a cent a pound over the price at the end of December. Tobacco marketing continued during December, and on the whole prices were somewhat better than earlier in the season. Wholesale trade in five lines was relatively poor in December, sales in four of the five lines being materially less than sales in December 1928, and collections were on the whole slower last month than a year ago.

An examination of the annual statistics at the top of this page shows some interesting con-

trasts. Total debits to individual, firm and corporation accounts in the banks of twenty-four cities were more than half a billion dollars higher in 1929 than in 1928, but it is probable that a considerable part of this increase was due to increased trading in securities last year. The number of commercial failures and the liabilities involved were both less in 1929 than in 1928, and in fact both figures last year were lower than for several years. Cotton consumption in the Fifth district mills in 1929 exceeded the 1928 consumption, and the cotton crop of the district was larger last year than in the preceding year. Tobacco production in the Fifth district in 1929 exceeded the production in 1928. Department store sales were larger last year than in the preceding year, and bituminous coal production exceeded that of 1928. On the other hand, building

permits issued for new construction last year were less numerous than those of the previous year, and valuation estimates of permits issued and of contracts actually awarded were materially lower than the corresponding figures in 1928. Wholesale trade showed declines in 1929 sales in every line for which data were available. Although the district grew a slightly larger cotton crop last year, the prices in 1929 were much lower and the crop brought much less money to the growers than the 1928 crops. Other farm prices were not materially different from those in 1928 except the prices received for apples and Irish potatoes, in both of which the yields were lower than in the earlier year and prices advanced accordingly. The Irish potato growers received approximately three times as much per bushel for their 1929 crop.

**RESERVE BANK OPERATIONS**—Member banks reduced their rediscounts at the Federal Reserve Bank of Richmond during the past month by 27 per cent, from \$41,122,000 on December 15, 1929, to \$29,918,000 on January 15, 1930. The reduction was partly due to continued liquidation of agricultural indebtedness, but to a greater degree was caused by a reduction of Government security holdings by large city banks and consequent repayment of loans at the reserve bank. This reduction in security holdings was advantageously made in the improved bond market following the decline in stocks in October and November. The decline in the volume of rediscounts held, and a reduction in holdings of acceptances purchased in the open market, lowered the total earning assets of the Federal Reserve Bank of Richmond from \$65,103,000 at the middle of December to \$51,555,000 at the middle of January. The circulation of Federal reserve notes of the Richmond bank followed a seasonal trend during the month under review. There was an increase from \$96,986,000 on December 15th to \$103,096,000 on December 23rd, and then a steady decline to \$86,373,000 on January 15th. Member bank reserve deposits at the Federal Reserve Bank of Richmond showed only a daily fluctuation between \$63,998,000 on December 15th and \$64,114,000 on January 15th. The cash reserves of the Richmond bank increased during the past month from \$102,422,000 to \$105,916,000, and the ratio of cash reserves to note and deposit liabilities combined rose from 63.39 per cent on December 15th to 69.06 per cent on January 15th.

For the first time since December 1927, the rediscounts for member banks held by the Federal Reserve Bank of Richmond were lower on January 15, 1930, than on the corresponding date of the preceding year, using mid-month statements of condition as a basis of comparison. Each month in 1928 and 1929 witnessed an increase in paper rediscounted for member banks over rediscounts held a year earlier, but on January 15, 1930, rediscounts held by the Richmond bank totaled only \$29,918,000 in comparison with \$40,530,000 held on January 15, 1928, a decrease in the current figure of 26 per cent. The decline was slightly more extensive in city bank rediscounts, but the paper held for country banks also declined materially. Total earning assets dropped during the year from \$65,898,000 to \$51,555,000. Federal reserve notes of the Richmond institution in actual circulation totaled \$86,373,000 on January 15th this year, compared with \$80,801,000 on January 15, 1929. Member bank reserve deposits at the Federal Reserve Bank of Richmond amounted to \$64,114,000 at the middle of January this year, a decline of slightly more than \$4,000,000 under the total of \$68,294,000 at the middle of January a year ago. The cash reserves of the Federal Reserve Bank of Richmond rose from \$86,934,000 on January 15, 1929, to \$105,916,000 on January 15, 1930, and the ratio of cash reserves to note and deposit liabilities combined increased accordingly, from 57.20 per cent last year to 69.06 per cent this year.

### CONDITION OF FIFTY-EIGHT REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Jan. 15, 1930	Dec. 11, 1929	Jan. 16, 1929
Loans on Stocks & Bonds (including Governmentments) .....	\$188,682,000	\$191,049,000	\$188,672,000
All Other Loans & Discounts.....	309,650,000	314,677,000	330,242,000
Total Loans & Discounts.....	498,332,000	505,726,000	518,914,000
Total Investments in Bonds & Securities...	153,199,000	156,978,000	159,304,000
Reserve Balance at Federal Reserve Bank..	39,709,000	38,934,000	41,853,000
Cash in Vaults.....	11,481,000	13,376,000	11,840,000
Net Demand Deposits.....	352,924,000	354,130,000	368,896,000
Time Deposits .....	235,410,000	233,107,000	240,774,000
Borrowed from Federal Reserve Bank.....	14,258,000	20,543,000	20,173,000

The accompanying table shows the principal items of condition reported by fifty-eight member banks in selected cities as of three dates, January 15, 1930, December 11, 1929, and January 16, 1929, thus affording opportunity for comparison of the latest figures with those a month and a year earlier. It should be understood that the figures shown are not necessarily the highest or lowest that occurred during the periods reviewed, but represent the condition on the report dates only.

The past month witnessed a somewhat more extensive liquidation of indebtedness than usually occurs at that season of the year. Total loans and discounts at the reporting banks declined \$7,394,000 between December 11th and January 15th, loans on stocks and bonds decreasing \$2,367,000 and all other loans dropping \$5,027,000. The banks also reduced their investments in bonds and securities by \$3,779,000 during the month, and lowered their cash in vaults by \$1,895,000. These changes enabled the reporting institutions to increase their reserve balances at the reserve bank by \$775,000, and to reduce their rediscounts at the reserve bank by \$6,285,000. In percentage the several changes were relatively small except for the reduction in rediscounts at the reserve bank, which amounted to slightly more than 30 per cent. Aggregate deposits increased \$1,097,000 during the month under review, in spite of the reduction in loans, an increase of \$2,310,000 in time deposits exceeding a decline of \$1,303,000 in demand deposits.

A comparison of the figures reported for January 15th this year with those for January 16, 1929, shows a decline of \$20,582,000 in loans, all of which was in the "All Other Loans" classification, loans on stocks and bonds increasing \$10,000 between the 1929 and 1930 dates. Investments in securities declined \$6,105,000 during the year, and the reporting banks reduced their rediscounts at the reserve bank by \$5,915,000. Cash in vaults declined \$359,000. Aggregate deposits declined \$21,336,000 between the middle of January last year and this, and the reporting banks consequently decreased their reserve deposits at the reserve bank by \$2,144,000. Of the aggregate decline in deposits, \$15,972,000 was in demand and \$5,364,000 in time deposits.

**SAVINGS DEPOSITS**—Twelve mutual savings banks in Baltimore had total deposits of \$189,048,745 at the close of business December 31, 1929, a higher figure than either \$187,526,332 on deposit in the same banks on November 30, 1929, or \$187,161,472 on December 31, 1928. Fifty-eight regularly reporting member banks had time deposits totaling \$235,410,000 on January 15, 1930, compared with \$233,107,000 on December 11, 1929, and \$240,774,000 on January 16, 1929. The moderate increase in deposits reported during the past month by both the mutual savings banks and the member banks is seasonal, and is chiefly due to the crediting of interest at the end of the year.

### DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED			ANNUAL TOTALS	
	Jan. 8, 1930	Dec. 11, 1929	Jan. 9, 1929	1929	1928
Asheville, N. C.....	\$ 26,475,000	\$ 24,918,000	\$ 31,554,000	\$ 359,603,000	\$ 376,123,000
Baltimore, Md. ....	409,910,000	397,600,000	410,430,000	5,213,517,000	4,945,085,000
Charleston, S. C.....	25,550,000	24,400,000	27,360,000	311,091,000	315,921,000
Charleston, W. Va.....	48,708,000	44,173,000	45,123,000	520,814,000	477,480,000
Charlotte, N. C.....	52,428,000	52,092,000	57,931,000	712,645,000	690,297,000
Columbia, S. C.....	27,866,000	23,376,000	27,247,000	298,498,000	292,398,000
Cumberland, Md.....	8,678,000	9,347,000	8,960,000	122,986,000	116,643,000
Danville, Va.....	11,295,000	14,155,000	11,692,000	117,541,000	126,441,000
Durham, N. C.....	26,740,000	29,579,000	31,122,000	365,631,000	373,997,000
Greensboro, N. C.....	22,836,000	24,506,000	26,419,000	298,587,000	301,850,000
Greenville, S. C.....	22,052,000	21,070,000	22,681,000	271,800,000	282,995,000
Hagerstown, M.....	10,264,000	10,582,000	10,293,000	135,037,000	128,120,000
Huntington, W. Va.....	24,010,000	24,499,000	22,799,000	282,341,000	272,981,000
Lynchburg, Va.....	21,572,000	19,011,000	21,456,000	245,153,000	243,080,000
Newport News, Va.....	11,525,000	11,258,000	10,550,000	131,734,000	121,517,000
Norfolk, Va.....	59,826,000	68,670,000	74,171,000	777,358,000	789,082,000
Portsmouth, Va.....	4,636,000	5,225,000	6,291,000	64,673,000	70,444,000
Raleigh, N. C.....	26,339,000	29,954,000	27,446,000	300,057,000	297,228,000
Richmond, Va.....	142,488,000	148,219,000	149,255,000	1,771,945,000	1,721,458,000
Roanoke, Va.....	34,241,000	32,946,000	30,871,000	390,311,000	352,017,000
Spartanburg, S. C.....	15,918,000	15,807,000	15,941,000	177,427,000	174,634,000
Washington, D. C.....	230,384,000	239,299,000	258,416,000	3,252,732,000	3,122,636,000
Wilmington, N. C.....	18,270,000	15,804,000	18,655,000	215,279,000	216,895,000
Winston-Salem, N. C....	37,939,000	42,064,000	46,440,000	514,509,000	515,004,000
District Total.....	\$1,319,950,000	\$1,319,545,000	\$1,393,103,000	\$16,851,269,000	\$16,324,326,000

The accompanying table shows debits to individual, firm and corporation accounts in the clearing house banks of twenty-four trade centers in the Fifth Federal reserve district, three equal periods of four weeks being given to allow for comparison of the latest available figures with those of the preceding like period and the corresponding period a year ago. In addition, total debits are shown by cities and the district for the calendar years 1929 and 1928.

During the four weeks ended January 8, 1930, total debits showed a very small increase over the total for the preceding four weeks, ended December 11, 1929, but the increase was less than usually occurs at this season, when end-of-the-year payments on or around the first of the year are expected to carry the total for the period to a high level. Thirteen cities reported larger figures for the four weeks ended January 8th, but eleven cities reported lower totals, an unusually large number of cities which failed to report seasonal gains.

In comparison with total debits reported for four weeks ended January 9, 1929, the aggregate for the corresponding four weeks ended January 8th this year shows a decline of \$73,153,000, or 5.3 per cent, only six cities reporting higher figures for the more recent period. These six cities were Charleston and Huntington, W. Va., Columbia, S. C., and Lynchburg, Newport News and Roanoke, Va.

Debits figures turned downward in November, after running ahead of 1928 figures most of the year, and continued lower than the year before through the rest of 1929, but the gains earlier in the year were more than sufficient to balance the declines and therefore the total of debits for 1929 was \$526,943,000, or 3.2 per cent, above the total for 1928. Fourteen cities reported higher figures for 1929, while ten cities declined from their 1928 totals. Several of the declines were due in part to lower returns for the 1929 cotton and tobacco crops. The three largest cities in the district reported higher figures last year, but probably increased trading in securities accounted for these gains.

**COMMERCIAL FAILURES**—Business failures usually increase in December, as a result of the pressure of year-end settlements, and 1929 was no exception, but the increase was moderate, insolvencies last month in the Fifth district numbering 116 in comparison with 98 in November. Liabilities involved in December failures totaling \$2,032,894 compared with \$1,907,499 in November. The December 1929 figures were also above those of December 1928, when 113 failures involving \$1,860,640 in liabilities were reported, but the district increases in the current figures were smaller in percentage than the average for the United States. Total Fifth district figures for the year 1929 show 1,420 insolvencies, with aggregate liabilities amounting to \$24,705,654, the best annual record since 1923 in the number of bankruptcies and since 1920 in total liabilities involved.

**EMPLOYMENT**—During the past month or six weeks, there seems to have been a distinct decline in employment at most points in the Fifth reserve district, and more skilled workers are out of work than at any previous time for many months. To a considerable extent present conditions are due to seasonal influences which retard outside work, but to this normal factor has been added a marked decline in construction activities. On the whole the industries of the district are using their usual quota of workers, but many workers in all branches of building trades and construction work cannot find steady employment. No signs of immediate improvement in the demand for labor are visible at present, but the consensus of opinion from leaders in many lines of business is that there will probably be a marked increase in employment in the late spring or summer. At present it appears that future improvement in employment conditions is largely dependent upon an increase in construction work.

**COAL**—Bituminous coal production in the United States in December 1929 totaled 46,200,000 net tons, a larger output than 45,677,000 tons in November and 44,083,000 tons in December 1928. Total production in the calendar year 1929 was approximately 525,358,000 net tons, an increase of 24,613,000 tons, or 4.9 per cent, over the production of 500,745,000 tons in 1928. West Virginia led all bituminous coal producing states in 1929, leading the next state in output in all but one or two months of the year.

**TEXTILES**—Textile mills in the Fifth reserve district consumed 202,317 bales of cotton in December 1929, of which the North Carolina mills used 105,357 bales, the South Carolina mills 89,442 bales, and the Virginia mills 7,518 bales. December consumption not only showed a seasonal decline from 243,209 bales used in November 1929, but was 10.8 per cent less than 226,764 bales consumed in December 1928. However, the decline in December consumption in comparison with that of December 1928 was less in percentage than the drop in National consumption, and the Fifth district used 44.57 per cent of the cotton consumed in the United States last month, compared with 42.52 per cent used in the district in December 1928. The three textile manufacturing states in the Fifth district consumed 3,039,884 bales of cotton in 1929, an increase of 201,048 bales, or 7.1 per cent, over 2,838,836 bales consumed in 1928. The mills in the district in 1929 consumed nearly twice as much cotton as the district produced, consumption exceeding production by slightly more than 1,400,000 bales.

### **BUILDING OPERATIONS FOR THE MONTHS OF DECEMBER 1929 AND 1928.**

Building permits issued in thirty-two leading cities of the Fifth reserve district in December 1929 were less numerous and the estimated valuation was less than in December 1928. Permits issued last month for new construction totaled only 772, with estimated valuation of \$6,849,608, compared with 942 permits and a valuation of \$11,524,794 issued in December 1928. Alteration and repair permits issued last month totaled 1,395, compared with 1,373 in the corresponding month a year ago, but last month's valuation figures for this class of work amounted to only \$904,797 compared with \$1,498,789 in

December 1928. Combined valuation figures for all classes of work totaled \$7,754,405 in December 1929, a decline of \$5,269,178, or 40.5 per cent, under the total of \$13,023,583 for December 1928. Only eleven of the thirty-two reporting cities showed higher figures for December 1929 than for the corresponding month of the preceding year. Among the larger centers, Baltimore and Richmond reported larger figures last month than in the same month in 1928, but Washington, Norfolk, Winston-Salem and Charlotte reported smaller figures, the decline in Washington being nearly \$5,500,000.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	%
		New		Repairs		1929	1928	1929	1928			
		1929	1928	1929	1928							
1	Baltimore, Md.....	322	238	760	582	\$ 2,916,480	\$ 1,304,960	\$ 364,800	\$ 689,080	\$ 1,287,240	64.6%	1
2	Cumberland, Md....	6	15	5	3	10,637	15,315	1,500	2,060	— 5,238	— 30.1	2
3	Frederick, Md.....	4	9	4	4	645	304,400	1,695	11,100	— 313,160	— 99.3	3
4	Hagerstown, Md....	11	10	1	5	80,750	28,380	1,500	26,075	27,795	51.0	4
5	Salisbury, Md.....	15	14	5	3	30,460	6,975	7,950	900	30,535	387.7	5
6	Danville, Va.....	3	7	5	7	6,062	4,295	1,795	1,600	1,962	33.3	6
7	Lynchburg, Va....	13	11	27	12	163,390	10,240	10,390	7,016	156,524	907.1	7
8	Norfolk, Va.....	36	49	56	45	70,075	131,845	15,295	56,635	— 103,110	— 54.7	8
9	Petersburg, Va....	1	2	2	2	1,250	18,250	3,950	2,500	— 15,550	— 74.9	9
10	Portsmouth, Va....	8	12	12	7	6,050	16,610	12,783	2,825	— 602	— 3.1	10
11	Richmond, Va.....	48	57	53	31	313,785	246,812	101,444	96,159	72,258	21.1	11
12	Roanoke, Va.....	22	29	7	20	150,658	121,737	1,460	9,055	21,326	16.3	12
13	Bluefield, W. Va..	3	8	0	3	1,165	15,445	0	800	— 15,080	— 92.8	13
14	Charleston, W. Va.	38	48	6	3	161,361	121,400	4,392	36,050	8,303	5.3	14
15	Clarksburg, W. Va.	6	19	5	12	3,590	11,175	12,750	12,800	— 7,635	— 31.8	15
16	Huntington, W. Va.	16	18	2	0	5,000	37,500	560	0	— 31,940	— 85.2	16
17	Parkersburg, W. Va.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	17
18	Asheville, N. C....	2	10	26	29	91,810	50,940	9,480	20,650	29,700	41.5	18
19	Charlotte, N. C....	23	40	28	23	79,825	394,805	14,167	38,975	— 339,788	— 78.3	19
20	Durham, N. C.....	21	20	1	3	262,350	150,755	1,600	155,830	— 42,635	— 13.9	20
21	Greensboro, N. C..	6	20	19	19	4,965	71,420	11,022	15,405	— 70,838	— 81.6	21
22	High Point, N. C..	10	30	1	1	21,600	35,775	8,000	375	— 6,550	— 18.1	22
23	Raleigh, N. C.....	11	19	5	10	12,000	330,250	57,925	13,000	— 273,325	— 79.6	23
24	Rocky Mount, N. C.	10	6	3	2	11,980	4,945	3,150	600	9,585	172.9	24
25	Salisbury, N. C....	4	4	0	1	2,725	12,600	0	1,500	— 11,375	— 80.7	25
26	Wilmington, N. C..	9	5	9	7	20,700	17,750	5,400	9,100	— 750	— 2.8	26
27	Winston-Salem, N. C.	26	32	40	49	20,965	213,390	22,539	20,603	— 190,489	— 81.4	27
28	Charleston, S. C....	10	13	21	22	6,015	28,880	4,500	26,765	— 45,130	— 84.1	28
29	Columbia, S. C.....	9	28	26	46	118,025	123,150	15,650	17,595	— 7,070	— 5.0	29
30	Greenville, S. C....	5	13	24	15	31,080	107,500	26,605	6,325	— 56,140	— 49.3	30
31	Rock Hill, S. C....	4	10	3	6	1,375	8,395	675	1,335	— 7,680	— 78.9	31
32	Spartanburg, S. C..	23	6	19	10	69,385	3,450	3,940	3,896	65,979	898.2	32
33	Washington, D. C..	47	140	220	386	2,173,450	7,575,450	177,880	212,180	— 5,436,300	— 69.8	33
	Totals.....	772	942	1,395	1,368	\$ 6,849,608	\$11,524,794	\$ 904,797	\$1,498,789	\$—5,269,178	— 40.5%	

— 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.

Total building permit figures for the entire year 1929 show a decrease in the number of permits issued for new work in comparison with 1928, and valuation figures also showed a marked decline last year. The thirty-two cities issued 16,354 permits for new construction in 1929, compared with 17,996 permits issued for similar work in 1928, and the 1929 valuation of \$104,480,968 compares even more unfavorably with a total valuation of \$143,208,256 in 1928.

The F. W. Dodge Corporation reports contracts actually awarded in the Fifth reserve district totaling only \$13,417,233 in December 1929, of which \$5,474,923 was for residential construction. Contracts awarded in December 1928 totaled \$29,972,785, more than twice the figure for last month. Total contract award figures in the district in 1929 reached \$384,926,005, a decrease of 14.7 per cent under the total of \$451,030,185 awarded in 1928. The decline in residential construction last year was slightly larger than the decrease in other construction.

**COTTON STATISTICS**—Spot cotton prices on leading Southern markets did not change materially during the month between December 13th and January 17th, but the trend was slightly upward. On December 13th the average price for middling upland short staple cotton on ten markets was 16.61 cents per pound, but after dropping slightly lower during the week ended December 20th the price decline was checked and rose to an average of 16.80 cents on January 17th, the latest date for which figures are available. On January 18, 1929, the average price was 19.12 cents per pound, or approximately \$11.50 a bale higher than on the corresponding date this year.

Cotton consumption in American mills in December totaled 453,892 bales, according to the report of the Bureau of the Census made public on January 15th. This figure shows a decrease from 544,510 bales consumed during the month of November last year, and is 14.9 per cent less than 533,301 bales

consumed in December 1928. Total consumption during the five months of the present cotton year amounted to 2,742,602 bales, compared with 2,779,359 bales consumed during the five months ended December 31, 1928. Cotton on hand at manufacturing establishments on December 31, 1929, totaled 1,844,248 bales, compared with 1,671,829 bales held on November 30, 1929, and 1,733,930 bales held on December 31, 1928. Bales in public warehouses and compresses numbered 5,914,422 at the end of December, against 5,841,950 at the end of November, and 5,236,722 on December 31, 1928. Exports of cotton totaled 910,321 bales in December, compared with 1,048,760 bales sent abroad in November 1929 and 1,057,075 bales in December 1928. Imports last month totaled 36,190 bales, compared with 35,502 bales imported in November and 39,630 bales in December 1928. Consumption of cotton in the cotton growing states totaled 353,971 bales in December, compared with 404,807 bales used in December 1928. Last month's consumption in the cotton growing states amounted to 77.99 per cent of National consumption, compared with 75.91 per cent of National consumption used in the cotton growing states in December a year ago. Of the 353,971 bales consumed in the cotton growing states last month, Fifth reserve district states used 202,317 bales, or 57.2 per cent.

**CROP ESTIMATES**—The yields of most crops were larger in the Fifth reserve district in 1929 than in 1928, although the price situation for cotton, one of the leading crops, was less satisfactory. Corn, cotton, tobacco, sweet potatoes, oats, wheat and peanuts turned out larger yields than in 1928, while Irish potato, hay, apples and sorghum syrup yields were less. Prices for Irish potatoes were practically three times as high in 1929 as in 1928, however, and last year's crop was much more profitable than the earlier one. We include a table showing yields for 1929 and 1928 of the principal crops in the district, the figures being final official estimates as of December 1st.

<i>Crops</i>	<i>Years</i>	<i>Maryland</i>	<i>West Virginia</i>	<i>Virginia</i>	<i>North Carolina</i>	<i>South Carolina</i>
Corn (bus.)	.....1929	18,135,000	13,892,000	44,138,000	48,623,000	23,321,000
	.....1928	20,000,000	16,524,000	44,715,000	40,830,000	17,064,000
Cotton (bales)	.....1929	.....	.....	44,000	735,000	845,000
	.....1928	.....	.....	42,000	836,000	726,000
Tobacco (lbs.)	.....1929	25,600,000	6,588,000	118,320,000	508,060,000	82,992,000
	.....1928	21,930,000	5,100,000	104,864,000	499,408,000	82,288,000
Irish Potatoes (bus.)	.....1929	3,345,000	6,555,000	17,461,000	8,130,000	2,354,000
	.....1928	4,630,000	7,500,000	21,618,000	10,545,000	4,068,000
Sweet Potatoes (bus.)	.....1929	*	240,000	6,705,000	9,126,000	5,750,000
	.....1928	1,500,000	204,000	6,336,000	7,840,000	4,214,000
Oats (bus.)	.....1929	210,000	5,616,000	3,841,000	6,192,000	11,016,000
	.....1928	559,000	5,712,000	4,641,000	4,202,000	7,751,000
Wheat (bus.)	....1929	9,290,000	1,782,000	8,960,000	5,347,000	768,000
	.....1928	8,586,000	1,586,000	9,758,000	5,150,000	800,000
Hay (tons)	.....1929	391,000	1,163,000	1,400,000	920,000	316,000
	.....1928	508,000	1,199,000	1,479,000	860,000	380,000
Peanuts (lbs.)	.....1929	.....	.....	146,080,000	224,400,000	10,290,000
	.....1928	.....	.....	141,056,000	215,250,000	9,660,000
Apples (bus.)	.....1929	*	5,600,000	13,000,000	2,628,000	308,000
	.....1928	1,700,000	8,750,000	16,100,000	5,040,000	480,000
Apples, Commercial (bbls.)	.....1929	455,000	1,400,000	3,100,000	150,000	.....
	.....1928	442,000	1,470,000	3,700,000	250,000	.....
Sorghum Syrup (gals.)	.....1929	.....	630,000	810,000	1,880,000	1,292,000
	.....1928	.....	616,000	1,032,000	1,720,000	1,296,000

\* These figures not available.

**TOBACCO MARKETING**—**North Carolina** tobacco markets sold 44,320,840 pounds of producers' tobacco in December 1929, compared with 50,503,248 pounds sold in December 1928. Total sales this season to January 1, 1930, amounted to 445,484,653 pounds, practically the same as sales totaling 445,722,991 pounds sold of the 1928 crop prior to January 1, 1929. Prices received in North Carolina last month averaged \$18.60 per hundred pounds, a lower figure than \$18.95 per hundred received for tobacco sold in December a year ago. Winston-Salem led in sales in December with 8,714,925 pounds, and Wilson ranked second with 6,153,688 pounds. In total sales this season, Wilson leads with 72,992,182 pounds, Greenville ranking second with 45,757,905 pounds and Winston-Salem a close third with 43,784,828 pounds. Fuquay Springs led in price in December with an average of \$21.67 per hundred pounds, Mebane being second with \$21.04. **Virginia** leaf tobacco markets sold 24,105,346 pounds for growers in December, at an average price of \$18.25 per hundred pounds. In December 1928, Virginia markets sold 21,228,552 pounds of tobacco, at \$16.59 per hundred pounds. Total sales this season to January 1st were 81,826,767 pounds, compared with 73,827,948 pounds of the 1928 crop sold during the corresponding period a year ago. The tobacco sold in Virginia in December was of the following

types: flue-cured, 15,356,966 pounds, at \$17.65 per hundred; fire-cured, 5,246,964 pounds, at \$18.29 per hundred; burley, 2,374,154 pounds, at \$24.11 per hundred; and sun-cured, 1,127,262 pounds, at \$14.04 per hundred. The burley market at Abingdon opened December 1st, and scales during December were the largest on record for the month. Sales of fire-cured were the largest for any December since 1925, and the price received for sun-cured tobacco last month was the highest December price in four years. The quality of tobacco sold last month was better than in most years, the fire-cured crop being especially good. Among the individual markets, Danville led in sales last month with 7,756,022 pounds, and South Boston was second with 3,557,977 pounds, both cities being flue-cured markets. Lynchburg led in fire-cured sales with 1,582,940 pounds, Farmville ranking second with 1,363,577 pounds. All sun-cured tobacco was sold on the Richmond market, and Abingdon handled the Burley sales. South Hill led the flue-cured markets in average price with \$19.21 per hundred pounds, and Amelia led the fire-cured markets with \$20.35 per hundred, but Amelia sold only 94,950 pounds.

### WHOLESALE TRADE, DECEMBER 1929

Percentage increase in December 1929 sales, over sales in December 1928:				
<i>27 Groceries</i>	<i>10 Dry Goods</i>	<i>5 Shoes</i>	<i>15 Hardware</i>	<i>12 Drugs</i>
— 4.4	— 7.9	1.1	—16.1	—12.4
Percentage increase in December 1929 sales, over sales in November 1929:				
— 8.5	—28.9	—50.6	—14.2	— 7.0
Percentage increase in total sales during 1929, compared with sales in 1928:				
— 3.0	— 5.9	— 1.5	— 4.6	— .6
Percentage increase in stock on Dec. 31, 1929, over stock on Dec. 31, 1928:				
— 5.5(10*)	—13.4(4*)	21.9(4*)	— 4.8(8*)	....
Percentage increase in stock on Dec. 31, 1929, over stock on Nov. 30, 1929:				
—11.3(10*)	— 4.4(4*)	20.3(4*)	— 4.9(8*)	....
Percentage of collections in December to accounts receivable on December 1, 1929:				
62.6(17*)	39.9(7*)	40.7(4*)	35.2(12*)	54.7(9*)

— Denotes decreased percentage.

\* Number of reporting firms.

Sixty-nine wholesale firms, representing five leading lines, sent reports to the Federal Reserve Bank of Richmond on their December 1929 business. All lines showed lower sales during the month than in November, most of the decreases being seasonal, but all of the five lines except shoes also showed lower sales last month in comparison with sales in December a year ago, hardware and drugs reporting declines of 16.1 per cent and 12.4 per cent, respectively. Total sales in the year 1929 were lower in every line for which figures are available than sales in 1928, dry goods showing the greatest decline with 5.9 per cent.

Stock figures are available for four of the five lines of trade reported upon, and three of them show seasonal reductions in December in comparison with stocks on hand at the end of November. At the end of 1929 stocks of groceries, dry goods and hardware were smaller than those on December 31, 1928, but shoe stocks were materially larger on December 31, 1929, than on either December 31, 1928, or November 30, 1929.

Collections were somewhat better in December 1929 than in November in all lines except hardware, but were slower than in December 1928 in all lines except drugs, in which the percentage of receivables collected during the month was exactly the same as in the previous December.

### FIGURES ON RETAIL TRADE

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

Percentages increase in December 1929 sales, compared with sales in December 1928:				
<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>		<i>District</i>
6.2	.4	— 4.6		1.8
Percentage increase in total sales during 1929, over total sales in 1928:				
5.4	3.2	— 2.0		3.2
Percentages increase in December sales over December sales during the three years 1923-1925, inclusive:				
20.6	16.9	2.2		15.7
Percentage increase in stock on hand December 31, 1929, over stock on December 31, 1928:				
— 5.5	2.4	— 3.8		— 2.2
Percentage increase in stock on hand December 31, 1929, over stock on November 30, 1929:				
—18.2	—20.4	—20.8		—19.6
Percentage of sales in December 1929 to average stock carried during that month:				
51.4	55.7	41.3		51.1
Percentage of total sales during 1929 to average stock carried each month:				
366.1	376.4	280.1		352.5
Percentage of collections in December to total accounts receivable on December 1st:				
21.5	31.2	31.0		26.2

— Denotes decreased percentage.

Department store sales in the Fifth reserve district were 1.8 per cent larger in dollar amount in December 1929 than in December 1928, and total sales during the year 1929 exceeded 1928 sales by an

average of 3.2 per cent, the percentages being based on reports furnished by thirty leading stores. The district increase last month was chiefly due to a gain of 6.2 per cent in Baltimore stores, although Washington stores also averaged a small increase of 4/10ths of 1 per cent. The stores in Other Cities, many of which depend to a considerable degree upon rural trade, nearly all reported decreased sales in December 1929, this group of stores averaging a decline of 4.6 per cent.

Average stocks decreased 19.6 per cent during December, and at the end of the year were 2.2 per cent less than stocks on hand on December 31, 1928. Stocks in the Washington stores were larger on December 31st than a year earlier, but Baltimore and the Other Cities stores reported smaller figures. December 1929 sales average 51.1 per cent of stock carried during that month, and aggregate sales in 1929 amounted to 352.5 per cent of average monthly stocks carried during the year. This figure shows a stock turnover of 3.525 times during the year 1929, a better record than the 3.347 rate in 1928.

Collections in Baltimore and Washington were slower in December 1929 than in the corresponding month a year earlier, but collections in the Other Cities were better last month. The district average shows that 26.2 per cent of receivables outstanding on December 1st were collected during the month, compared with 28.9 per cent collected in December 1928.

(Compiled January 21, 1930)

## BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity declined further in December. There was little change in commodity prices and conditions in the money market continued easy.

**PRODUCTION AND EMPLOYMENT.**—Industrial production, as measured by the Federal Reserve Board's index, which is adjusted for seasonal variations, declined by 6 per cent in December, following upon a decline of 9 per cent for the preceding month. Nearly all industries reported larger than seasonal reductions in December, except the food industries, which showed little change, and coal, in which output increased. The largest declines in December, as in earlier months, were in automobiles and iron and steel. Production in the textile, shoe, lumber, and the nonferrous metals industries also decreased considerably. Stocks of cotton textiles, copper, zinc, and lumber increased in December.

In the first three weeks in January, steel plants increased their operations somewhat from the low rate prevailing at the holiday season, but were considerably less active than in January, 1928 or 1929. There were further decreases in the output of copper and lumber, while production of crude petroleum increased.

Employment in factories in December declined more than the usual amount in the automobile, steel, textile, clothing, and lumber industries. Little change was reported for the food industries and car-repair shops, while at meat-packing plants and in the paper and printing industries there was some increase in employment.

Building contract awards also declined further in December. Residential contracts continued to be in small volume and there were large decreases in awards for commercial buildings and public works and utilities. During the first half of January awards were larger on a daily average basis than in December.

**DISTRIBUTION.**—Freight-car loadings in December, as in the preceding month, showed more than the usual seasonal decline. The decline occurred primarily in shipments of merchandise and of lumber products, while loadings of coal and grain were larger than in November.

Sales at department stores in leading cities were about 3 per cent smaller than in December 1928, according to reports to the Federal Reserve System. Decreases in sales were reported for ten Federal reserve districts, but there was an increase of 2 per cent for the Richmond district and little change for the San Francisco district.

**WHOLESALE PRICES.**—During December wholesale prices of commodities fluctuated rather narrowly. Grain, livestock, meat, and bituminous coal prices increased somewhat, while prices of hides and leather products, textiles, petroleum, and pig iron declined. In the first half of January there was little further change in prices.

**BANK CREDIT.**—Member bank credit increased less than usual over the year-end and in January continued to reflect the liquidation which began early in November. On January 15, total loans and investments of member banks in leading cities were \$478,000,000 below the level of December 11, 1929. This decline occurred both at banks in New York City and outside and was in "all other loans", apparently reflecting a seasonal decrease in interbank loans together with a decreased demand for credit by commercial borrowers. Investments and loans on securities increased slightly during the period.

Reserve bank credit outstanding increased during the latter half of December in response to seasonal demands for currency and gold exports, but declined in January as currency returned from circulation. Between the week ending December 14 and the week ending January 18, there was a net decline of \$277,000,000 in currency in circulation, and also a decline of \$37,000,000 in member bank reserve balances. Of the funds thus released \$64,000,000 served to offset a loss in the monetary gold stock of the country and \$244,000,000 was used to retire reserve bank credit. Reserve bank holdings of Government securities showed an increase of \$90,000,000 for the period, acceptances showed little change, while discounts for member banks declined by \$347,000,000.

Money rates in the short-term open markets firmed somewhat over the year-end but eased early in January, and throughout the first half of the month remained generally at the lowest levels since the spring of 1928. The discount rate at the Federal Reserve Bank of Philadelphia was lowered on January 16 from 5 to 4½ per cent, the rate prevailing at six other Federal reserve banks.