

# MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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THERE were signs of seasonal improvement in business in certain lines of trade in the Fifth Federal reserve district during August and the first half of September, but the increase was less than in most years and on the whole recent developments have been unfavorable for early resumption of active business. The severe drought which damaged crops in the upper half of the district so severely in July continued through August in most affected sections, and further reduced agricultural prospects for this season. On the other hand, there were no upward trends in prices for agricultural products insofar as the leading money crops of the Fifth district are concerned, cotton prices continuing to decline and tobacco markets opening at or near record low levels.

Reserve bank credit needed in the Fifth district did not increase between the middle of August and the middle of September as it usually does, but the volume of reserve notes in circulation turned upward slightly, about a month later than in most years. Member bank condition statements changed very little last month, there being relatively small demand for loans. Debits to individual accounts in leading cities declined during the four weeks ended September 10 in comparison with debits during the four preceding weeks this year and the corresponding like period in 1929. Business failures last month, on the other hand, compared quite favorably with the National record, being fewer in number and lower in liabilities than in August 1929 in the Fifth district, while for the United States as a whole increases in both number of failures and liabilities involved in August 1930 were reported. Employment showed little or no change last month. Coal production in August showed a seasonal increase over July production, but the increase was relatively small and the output was considerably below the tonnage mined in August last year. The situation in the textile field, which has been very unsatisfactory for many months, changed little in August. Less consumption of raw cotton was reported, there was no increase in forward orders, and Fifth district mills continued operations on restricted schedules. Building permits issued in the leading cities of the Fifth reserve district last month were fewer in number and lower in estimated valu-

ation than those issued in August 1929, and contracts actually awarded for construction work were also materially lower than in August a year ago, the value of contracts awarded for residential types of construction being especially small. Retail trade, as reflected in department store sales, was 5.6 per cent less in dollar amount in August 1930 than in August 1929, and wholesale trade in August was much below the volume of business done last year, the declines ranging from 10.3 per cent in groceries to 29.3 per cent in dry goods. There were some seasonal increases in dry goods and shoe sales in August in comparison with July sales, however.

## Reserve Bank Statement

ITEMS	000 omitted		
	Sept. 15 1930	Aug. 15 1930	Sept. 15 1929
Rediscounts held .....	\$ 19,473	\$ 20,460	\$ 66,691
Open market paper .....	10,279	8,393	6,373
Government securities .....	16,983	16,983	1,809
Total earning assets .....	46,735	45,836	74,873
Circulation of Fed. Res. notes.....	64,526	63,782	82,983
Members' reserve deposits .....	63,582	62,017	66,288
Cash reserves .....	91,282	92,049	83,960
Reserve ratio .....	70.80	71.46	56.08

During the month between August 15 and September 15, rediscounts for member banks held by the Federal Reserve Bank of Richmond usually show some increase, but this year this seasonal increase did not occur. Instead, rediscounts held by the Richmond institution declined \$987,000, or 4.8 per cent, during the month. However, total earning assets of the Bank rose by \$899,000, or 2.0 per cent, an increase of \$1,886,000 in the holdings of open market paper more than balancing the drop in rediscounts. A normal expansion in the Federal reserve notes in actual circulation began between August 15 and September 15, rising by \$744,000, or 1.2 per cent. Note circulation rises during the fall months as a result of crop marketing, and later because of increased needs for funds for the holiday trade. The member banks built up their reserve balances at the Federal Reserve Bank of

Richmond by \$1,565,000, or 2.5 per cent, during the past month. The several changes enumerated, with others of less importance, lowered the cash reserves of the Richmond bank by \$767,000, and the ratio of reserves to note and deposit liabilities combined by slightly more than half a point.

In comparison with condition figures reported a year ago, September 15, 1929, the figures for September 15, 1930, show some wide variations. At the middle of September this year rediscounts for member banks held by the reserve bank totaled \$47,218,000, or 70.8 per cent, less than rediscounts held a year earlier. On the other hand, the Richmond bank increased its portfolio of open market paper by \$3,906,000 during the year, and added \$15,174,000 to its holdings of Government securities. These changes resulted in a net decline of \$28,138,000 during the year in the total earning assets of the Federal Reserve Bank of Richmond. The actual circulation of Federal reserve notes on September 15, 1930, aggregated \$18,457,000 less than the circulation on the corresponding date last year, a decline due at least in part to lower price levels this year, especially for agricultural products now being marketed in the Fifth district, and partly to a generally lower level of business activity. Member banks reduced their reserve balances by \$2,706,000 during the year. The changes in the several items resulted in a net increase in the cash reserves of the Richmond bank totaling \$7,322,000, and raised the ratio of reserves to note and deposit liabilities combined by 14.72 points.

### Member Bank Statement

ITEMS	000 omitted		
	Sept. 10 1930	Aug. 13 1930	Sept. 11 1929
Loans on stocks and bonds (including Governments) .....	\$177,960	\$176,995	\$197,743
All other loans .....	289,359	289,965	317,393
Total loans and discounts.....	467,319	466,960	515,136
Total inv. in stocks and bonds.....	183,064	182,537	153,634
Reserve bal. with F. R. Bank....	41,010	40,722	38,458
Cash in vaults.....	11,115	10,932	12,659
Demand deposits .....	353,454	352,135	344,998
Time deposits .....	256,462	253,002	239,729
Borrowed from Fed. Res. Bank..	4,375	3,899	27,933

The accompanying table shows the principal items of condition reported on three dates by fifty-six regularly reporting member banks in thirteen of the larger cities of the Fifth reserve district. The figures as of September 10, 1930, are shown in contrast with those of August 13, 1930, and for September 11, 1929, thus affording an opportunity for comparison of the latest available figures with those of the preceding month and the preceding year. During the year covered in the second comparison, changes in the number of reporting banks have occurred, chiefly due to combinations among the reporting institutions themselves, but insofar as is possible the figures have been adjusted to make the several figures comparable.

The fifty-six reporting banks slightly increased their outstanding loans during the month between August 13 and September 10, all of the rise occurring in se-

curity loans, which gained \$965,000, while all other loans, which are chiefly agricultural or commercial in nature, declined by \$606,000. The net increase in outstanding loans amounted to \$359,000. During the same period the banks further increased their investments in bonds and securities, this item rising by \$527,000, and the aggregate reserve balance of the fifty-six institutions at the reserve bank rose by \$288,000. Cash in vaults increased \$183,000. Deposits rose during the period under review, demand deposits gaining \$1,319,000 and time deposits rising \$3,460,000. The reporting banks increased their rediscounts at the Federal Reserve Bank of Richmond by \$476,000 between August 13 and September 10.

The 1930 figures in the table show some interesting variations from the 1929 figures. Loans outstanding show an aggregate decline of \$47,817,000 during the year, security loans declining \$19,783,000 and all other loans receding \$28,034,000. On the other hand, the reporting banks show material increases in deposits. Demand deposits rose \$8,456,000, or 2.5 per cent, during the year, and time deposits increased \$16,733,000, or 7.0 per cent, an aggregate deposit gain of \$25,189,000. This decreased demand for local loans coincident with an increase in deposits was reflected in a reduction of \$23,558,000 in rediscounts at the reserve bank and in an increase of \$29,430,000 in investments of reporting member banks. Larger deposits this year also made necessary an increase in the reporting banks' reserve balances at the Federal reserve bank, this item rising by \$2,552,000 during the year. Cash in vaults declined \$1,544,000 between September 11, 1929, and September 10, 1930, chiefly due to the fact that the introduction of new currency in July 1929 caused a material increase in vault cash while the bulk of the old notes were being gradually retired.

### Debits to Individual Accounts

The debits to individual accounts figures shown in the accompanying table for three equal periods of four weeks include all checks drawn against depositors' accounts in the banks of twenty-four leading trade centers of the Fifth Federal reserve district. Figures for the four weeks ended September 10, 1930, are included, and for comparison the corresponding figures for the preceding four weeks this year, ended August 13, 1930, and the same four weeks last year, ended September 11, 1929, are also listed. These figures serve as an approximate measure of general business, if proper allowance be made for price changes between the periods under review.

There was an average decline in debits during the past four weeks amounting to 5.3 per cent, but the reporting cities divided evenly in reporting higher and lower figures, in comparison with the figures for the preceding four weeks. Baltimore and Washington reported decreased totals for the later period, but Richmond showed higher figures. The changes in percentage were not marked in most instances, and the increases or decreases were not caused by any particular developments in special industries.

In comparison with debits in the four weeks ended

September 11, 1929, the figures for the four weeks ended September 10, 1930, show declines in every reporting city except Portsmouth, Virginia, the declines averaging 11.5 per cent. The decline in debits can be attributed in part to the decline in prices. The Department of Labor's wholesale price index for August 1930 was approximately 14 per cent below the index for August 1929.

CITIES	000 omitted		
	Total debits, four weeks ended		
	Sept. 10, 1930	Aug. 13, 1930	Sept. 11, 1929
Asheville, N. C.....	\$ 18,104	\$ 17,893	\$ 22,222
Baltimore, Md. ....	345,025	376,581	375,521
Charleston, S. C.....	19,209	21,622	19,421
Charleston, W. Va.....	34,742	33,780	34,952
Charlotte, N. C.....	36,383	37,630	48,316
Columbia, S. C.....	16,250	14,698	17,036
Cumberland, Md. ....	8,479	8,043	8,874
Danville, Va. ....	6,353	5,845	6,868
Durham, N. C.....	24,388	23,655	26,557
Greensboro, N. C.....	15,810	16,871	18,936
Greenville, S. C.....	14,872	12,461	17,587
Hagerstown, Md.....	8,217	8,663	9,305
Huntington, W. Va.....	17,600	17,087	19,774
Lynchburg, Va. ....	14,525	15,654	16,501
Newport News, Va.....	9,533	10,247	9,639
Norfolk, Va. ....	43,968	49,950	55,167
Portsmouth, Va. ....	4,618	4,203	3,731
Raleigh, N. C.....	14,160	18,200	15,257
Richmond, Va. ....	119,423	111,371	134,413
Roanoke, Va. ....	25,416	25,474	28,499
Spartanburg, S. C.....	7,719	8,186	10,152
Washington, D. C.....	182,616	206,797	212,670
Wilmington, N. C.....	10,776	10,341	14,210
Winston-Salem, N. C...	26,548	26,547	31,881
District Totals.....	\$1,024,734	\$1,081,798	\$1,157,489

### Savings and Time Deposits

Twelve mutual savings banks in Baltimore reported a slight seasonal decline in deposits during August. At the close of business August 31, 1930, these twelve institutions had deposits aggregating \$195,664,767, compared with \$195,806,687 on July 31, 1930, a drop of \$141,920 during the month. However, the August 31st figure was \$6,949,437 above deposits aggregating \$188,715,330 reported by the same banks on August 31, 1929. Fifty-six regularly reporting member banks had time deposits aggregating \$256,462,000 on September 10, 1930, a figure higher than \$253,002,000 reported on August 13, 1930, and \$239,729,000 reported on September 11, 1929.

### Commercial Failures

Business failures in the Fifth reserve district in August this year numbered 119, with aggregate liabilities amounting to \$1,187,400. In July this year there were only 114 insolvencies in the district, but liabilities for the earlier month totaled \$1,342,100. August 1929 failures numbered 122, and liabilities totaled \$2,453,641. The number of failures in the Fifth district last month made a favorable comparison with the number

of failures reported in the United States as a whole, the district figure declining 2.5 per cent in comparison with the number of failures in August 1929 while the National total showed an increase of 8.6 per cent this year. In liabilities involved, the Fifth district decline of 51.6 per cent in comparison with liabilities in August 1929 compared even more favorably with an increase of 45.7 per cent for the United States. Fifth district liabilities in August were the lowest reported for any August since 1920, and were also the lowest reported for any month since October last year.

### Employment

No changes of importance occurred in employment conditions during August and the first half of September. There is some unemployment in nearly all localities in the Fifth district, and the failure of construction work to pick up during the summer prevented much improvement in conditions over those of last winter and spring. Most of the industries of the district are operating on restricted schedules, but in many cases workers are being retained on part time. Some scattered cases of wage reductions have been noted, but this policy has not been generally adopted.

### Coal Production

Bituminous coal produced in the United States in August totaled 35,661,000 net tons, an increase over 34,715,000 tons mined in July this year but less than 44,475,000 tons brought to the surface in August 1929. Total production of bituminous coal this calendar year to September 6 (approximately 211 working days) amounted to 309,066,000 net tons, a decrease of 11.6 per cent under 349,797,000 tons mined in the corresponding period last year. The August 23 report of the Bureau of Mines, Department of Commerce, gave coal production figures by states for the month of July 1930. West Virginia with 9,914,000 tons took first place in production from Pennsylvania, which produced 9,863,000 tons. Total production in the Fifth district was 10,901,000 net tons, or 31.4 per cent of National production for the month, compared with 12,807,000 tons, or 31.1 per cent of National production, mined in the Fifth district in July 1929.

Retail coal yards are adequately stocked with all desired sizes of coal, and consumers are stocking bins for winter heating. Some advance in price has been reported at scattered yards, but as a rule summer prices still prevail in the latter part of September.

### Textiles

There was no improvement in conditions in the cotton textile field during August and the first half of September, but on the contrary steadily declining cotton prices tended to hold back any forward orders which might have been placed in anticipation of increased fall trade. The textile mills in the Fifth district consumed only 156,712 bales of cotton in August, of which North Carolina mills used 82,886 bales, South

Carolina mills 68,244 bales, and Virginia mills only 5,582 bales. In July this year the Fifth district mills consumed 166,730 bales, and in August 1929 they used 236,772 bales. Consumption of cotton in the Fifth district in August amounted to 44.47 per cent of National consumption, compared with 44.0 per cent of National consumption used in the district in July this year and 42.37 per cent in August 1929. These figures seem to indicate that the depression in textiles, while quite marked over the entire cotton manufacturing region of the United States, is somewhat less serious in the Fifth district than in other sections.

### Cotton Statistics

*Cotton prices* paid on ten leading Southern spot markets continued to decline between the middle of August and the middle of September, dropping to an average of 10.24 cents per pound on September 12, the latest date for which official figures are available. This was the lowest average price reported since July 2, 1921, when the price was down to 9.97 cents. The September 12 price represents a decrease of \$39.55 a bale in comparison with the average price on September 13, 1929.

*Condition figures* on the 1930 cotton crop, the second report of the year, were issued by the Department of Agriculture on September 8. This report estimated probable production in 1930 at 14,340,000 bales, based on the September 1 condition of 53.2 per cent of a normal on 44,791,000 acres remaining in cultivation. The production estimate compares with a forecast on August 1 of 14,362,000 bales and a crop in 1929 of 14,828,000. The September report placed Virginia's 1930 crop at 40,000 bales, compared with 42,000 bales forecast on August 1 and final ginnings of 48,000 bales in 1929. North Carolina's probable production was given as 819,000 bales, compared with 782,000 bales forecast on August 1, 1930, and 747,000 bales grown last year. South Carolina's September 1 estimate of 997,000 bales compares with the August 1 estimate of 930,000 bales and a 1929 crop of 830,000 bales. The Department of Agriculture's report, while lowering the forecast of National production, raised the figures for the Fifth district states to a total of 1,856,000 bales, an increase of 102,000 bales over the August 1 forecast, and 231,000 bales above final production in 1929.

*Ginning figures* on this year's crop, released by the Census Bureau on September 8 and including ginnings to September 1, indicate that the crop is earlier than the 1929 crop, which in turn developed earlier than in most years. The crop this year generally matured and opened quite rapidly, and there were complaints of unripe bolls opening prematurely because of dry weather. Ginnings this year prior to September 1 totaled 1,878,253 bales, compared with 1,568,434 bales ginned before the corresponding date last year and only 956,577 bales ginned to September 1 in 1928.

*Cotton consumption* in the United States in August 1930 totaled 352,335 bales, compared with 378,835 bales used in July this year and 558,754 bales in August 1929. Manufacturing establishments held 1,011,-

661 bales on August 31, compared with 1,183,167 bales held on July 31 and 800,989 bales on August 31, 1929. Public warehouses and compresses held 3,464,699 bales in storage at the end of August this year, compared with 2,877,416 bales so held a month earlier and 1,382,226 bales on August 31 last year. August exports totaled 366,036 bales, compared with 176,435 bales sent abroad in July 1930 and 226,018 bales exported in August 1929. Spindles active at some time during August numbered 25,873,978, compared with 26,464,444 in July this year and 30,230,386 in August 1929.

*Cotton growing states consumed* 283,731 bales in August, compared with 302,561 bales used in July and 428,771 bales in August 1929. Last month's consumption in the cotton growing states amounted to 80.53 per cent of National consumption, a higher percentage than either 79.87 per cent in July this year or 76.74 per cent in August 1929. Of the 283,731 bales of cotton consumed in the cotton growing states in August, the Fifth district mills used 156,712 bales, or 55.23 per cent, a slightly higher percentage than 55.22 per cent of Southern consumption attained by Fifth district mills in August last year.

### Tobacco

*South Carolina* auction tobacco markets opened early in August, but in spite of a record crop in the State this year the August prices were so low that growers held much of their tobacco off the sales floors. As a result, only 27,612,945 pounds of growers' tobacco were sold in August, compared with 58,588,509 pounds sold in August 1929. The 1930 sales brought a total of \$2,674,288.25, an average of \$9.68 per hundred pounds, while the tobacco sold in August 1929 brought the growers \$9,122,734.94, or an average of \$15.57 per hundred pounds. In August 1930 sales, Mullins lead with 7,565,562 pounds, Timmonsville was second with 4,258,932 pounds, and Lake City third with 4,221,392 pounds. South Carolina's total production of tobacco this year is forecast at 94,430,000 pounds, compared with 82,992,000 pounds grown in 1929. On account of severe drought damage in Virginia, South Carolina has this year gone ahead of the Old Dominion in tobacco production for the first time. *North Carolina* border markets in the South Carolina belt opened early in August, but growers sold tobacco slowly and the markets handled only 18,486,642 pounds during the month, in comparison with 29,197,856 pounds sold on the same floors in August last year. The average price paid growers last month in North Carolina was \$10.98 per hundred, compared with \$17.55 per hundred paid in August 1929. North Carolina has a record tobacco crop this year, the forecast of production being 511,550,000 pounds, compared with 497,593,000 sold in 1929 and a five year average production of only 407,697,000 pounds. *Virginia* tobacco markets were not open in August, and the drought of July and August cut the prospective yield of tobacco drastically. The forecast issued on the basis of condition as of September 1 was only 91,000,000 pounds, a reduction during the past month from a yield of 100,100,000 pounds forecast on August 1, before the drought had begun

to affect tobacco materially, and 20 per cent less than the crop of 113,865,000 pounds grown in Virginia in 1929. *Maryland* tobacco yield was also reduced greatly by the dry weather, this year's expected yield of 18,000,000 pounds comparing quite unfavorably with the August 1 forecast of 25,200,000 pounds and production in 1929 of 25,600,000 pounds. *West Virginia* tobacco improved somewhat in August, the forecast of production this year on September 1 being 5,880,000 pounds in comparison with 5,390,000 pounds predicted on August 1, but this year's yield is below the 1929 crop of 6,588,000 pounds.

### Agricultural Notes

In our *Review* last month we outlined damage done to Fifth district crops prior to August 1, but the dry weather continued through August and further reduced prospective yields in Maryland, Virginia and West Virginia. North Carolina corn and hay felt the effects of the drought to a limited degree, but South Carolina was not affected to any material extent.

*Maryland* crop prospects declined an average of 8.6 per cent during August, the composite condition of all crops on September 1 being 74.1 per cent in comparison with 85.6 per cent on August 1, average production during the past ten years being used as a base. The forecast of corn production in Maryland made on September 1 was 8,656,000 bushels, compared with a forecast of 13,525,000 bushels made a month earlier and a yield of 19,162,000 bushels in 1929. An Irish potato yield of 2,451,000 bushels this year compares with a crop of 4,000,000 bushels last year, and the 1930 crop of sweet potatoes totaling 950,000 bushels is much lower than 1,250,000 bushels in 1929. The oat crop of Maryland totaled 1,290,000 bushels, compared with 1,333,000 bushels in 1929, and this year's wheat yield of 11,707,000 bushels was above 9,468,000 bushels harvested last year, both of these grain crops having been made before the drought became serious. Hay yields totaling 473,000 tons this year contrast with 648,000 tons gathered in 1929, and the commercial apple crop of 287,000 barrels is only 63 per cent of last year's crop of 455,000 barrels. Truck and canning crops were severely reduced in yield by the drought, and on September 1 Maryland pastures were the lowest in condition in the United States, only 15 per cent of normal.

*Virginia* crops declined during August by 3.8 per cent, following the record drop of 25.2 per cent in July. The record-breaking drought continued, and rainfall during August was far below normal. The corn crop is now forecast to be 16,907,000 bushels, compared with a forecast of 21,518,000 bushels as of August 1 and a yield last year of 44,138,000 bushels. Oats turned out somewhat better than had been expected, the yield being 3,774,000 bushels, only a little below the 1929 crop of 3,841,000 bushels. The late potato crop declined about 14 per cent during August. Total production of potatoes, including the early crop, is expected to be 15,244,000 bushels, compared with 17,461,000 bushels in 1929. Shipments of early potatoes to September 1 amounted to 21,345 cars, com-

pared with 21,051 cars shipped to the same date last year. The Virginia sweet potato crop declined during August, and on September 1 was forecast to be 3,220,000 bushels, compared with 4,600,000 bushels forecast a month earlier and a yield last year of 6,705,000 bushels. Hay fields declined further in condition during August, and a crop of only 623,000 tons is expected, compared with 1,373,000 tons cut in 1929. Pastures in all sections of the State except the Southwest showed heavy declines in August, the average for the State on September 1 being 28 per cent of normal. Peanut prospects declined about 21 per cent during August, and on September 1 the crop was forecast as 117,600,000 pounds, compared with 146,080,000 pounds harvested last year. The commercial apple crop in Virginia is now forecast to be 1,950,000 barrels, compared with 3,100,000 barrels gathered in 1929. The fruit, while considerably under size, is very good, both as to quality and color. There was very little damage from insects but in many sections the drop was quite heavy.

*West Virginia* crop condition figures on September 1 averaged only 57.8 per cent of the ten-year figure, the second lowest composite percentage reported for any state in the United States. A corn crop of only 6,356,000 bushels is forecast this year, compared with 13,892,000 bushels harvested in 1929 and 15,649,000 bushels the five-year average. The oat crop yielded 4,612,000 bushels, a lower yield than 5,616,000 bushels in 1929 but better than was expected before harvest. All hay crops are extremely light and a crop of only 593,000 tons is indicated, compared with 1,149,000 tons gathered in 1929. Pastures showed a slight improvement during August, due to some light rains during the month, but the condition on September 1 was only 33 per cent of normal. Irish potatoes yielded only 3,780,000 bushels on 63,000 acres this year, while in 1929 a crop of 6,555,000 bushels was harvested from 57,000 acres. Sweet potatoes this year yielded 124,000 bushels on the same acreage which last year produced 240,000 bushels. The commercial apple production in West Virginia this year is forecast to be 651,000 barrels, compared with 1,400,000 barrels in 1929.

*North Carolina* crops remained unchanged in average condition during August, the composite condition of 94.3 per cent on September 1 being the same figure reported on August 1. Prospects for corn declined somewhat in August, the September 1 forecast of 46,778,000 bushels comparing unfavorably with 48,009,000 bushels forecast on August 1 and 48,568,000 bushels harvested last year. The prospective yield of sweet potatoes amounting to 8,280,000 bushels as of September 1 was also less than 8,550,000 bushels forecast a month earlier and 9,126,000 bushels dug in 1929. Prospects for hay also declined in August, the forecast of production on September 1 of 627,000 tons being less than 669,000 tons forecast on August 1, 1930, and 776,000 tons cut in 1929. On the other hand, in addition to increases in prospective production of cotton and tobacco this year, Irish potatoes improved in August, and on September 1 the forecast of 8,436,000 bushels was higher than either the August 1, 1930, forecast or the 1929 production. This year's oat crop

yielded 6,632,000 bushels, compared with 6,192,000 bushels threshed in 1929, but the 1930 wheat crop of 4,575,000 bushels was less than 5,347,000 bushels grown last year. The North Carolina peanut crop this year is forecast to be 191,700,000 pounds, compared with 224,400,000 pounds in 1929.

South Carolina's composite crop condition figure on September 1 was 113.9 per cent of the ten-year average, the State being exceeded by only two states, Georgia and Arizona. During August crops in South Carolina improved 2.8 per cent, the only state in the Fifth district in which conditions improved. Compared with last year, the outlook is for 20 per cent more cotton, 14 per cent more tobacco, and 6 per cent more corn. Total production of fruit is also substantially above that of 1929. However, the weather has been too dry for hay, sweet potatoes and peanuts, and prospects for these, while still fair to good, are somewhat below the good crops of 1929. This year's corn crop is forecast to be 24,634,000 bushels, compared with 23,321,000 bushels last year and a five-year average of 20,780,000 bushels. The hay yield of 217,000 tons this year is lower than 313,000 tons cut in 1929 and also less than the five-year average production of 234,000 tons. The sweet potato crop of 4,160,000 bushels is less than the record yield of 5,750,000 bushels in 1929, but is materially above the five-year average of 3,907,000 bushels. The September 1 forecast of peanut production is 6,750,000 pounds, a smaller figure than either 7,350,000 pounds gathered in 1929 or the five-year average of 7,321,000 pounds.

### Construction

Building permits issued in thirty-two cities of the Fifth Federal reserve district were fewer in number and lower in estimated valuation in August than in August 1929. Permits for new construction issued last month totaled 1,057, with estimated valuation totaling \$6,173,596, compared with 1,430 permits for new construction issued in August 1929, with estimated valuation amounting to \$8,222,322. Alteration and repair permits and valuations were also less this year. Combined valuation for all classes of work for which permits were issued totaled \$7,349,711 in August this year and \$10,011,679 in August last year, a decrease this year of \$2,661,968, or 26.6 per cent. Only 9 of the 32 reporting cities showed higher valuation figures in August 1930 than in August 1929, and several of these increases were due to unusually small figures last year rather than to large figures this year. Richmond and Norfolk reported the largest increases for this year, but both were due to very small 1929 figures.

Contracts awarded in August for construction work in the Fifth district, including both rural and urban projects, totaled \$23,676,552, compared with \$29,414,061 awarded in August 1929, according to figures collected by the F. W. Dodge Corporation. Of the awards in August this year, only \$4,249,542, or 17.9 per cent, was for residential work, while last year residential contracts totaled \$14,329,776, or 48.7 per cent of all awards.

### Retail Trade, 34 Department Stores

Baltimore	Washington	Other Cities	District
August 1930 sales, compared with sales in August 1929:			
— 3.4	— 4.0	—12.7	— 5.6
Jan.-August 1930 sales, compared with Jan.-August 1929:			
1.5	— 1.5	— 7.6	— 1.5
Aug. 31, 1930, stock, compared with stock on Aug. 31, 1929:			
— 6.5	— 9.4	— 8.9	— 8.1
Aug. 31, 1930, stock, compared with stock on July 31, 1930:			
— .1	— 2.0	— 1.6	— 1.2
Number of times stock turned in August 1930:			
.253	.26	.2	.243
Number of times stock turned since January 1, 1930:			
2.262	2.241	1.705	2.125
Percentage of August 1, 1930, receivables collected in August:			
20.7	26.9	26.4	23.6

Retail trade in the Fifth Federal reserve district in August showed about 5.0 per cent increase over July trade, but averaged 5.6 per cent below the business done in August last year, according to reports from thirty-four leading department stores in the district. Total sales this year, through August 31, were 1.5 per cent less than sales from January 1 through August a year ago.

Stocks on the shelves of the thirty-four reporting stores decreased 1.2 per cent during August, and on August 31 were 8.1 per cent less in retail selling value than stocks on hand on August 31, 1929. The reporting stores turned their stocks .243 times in August, and since January 1 stocks have been turned an average of 2.125 times, a slightly higher figure than 2.066 times for the corresponding period last year.

Collections during August in thirty-three of the thirty-four reporting stores averaged 23.6 per cent of receivables outstanding on August 1, a lower figure than 24.5 per cent collected in August a year ago. Collections were generally slower in August 1930 throughout the district, 25 stores reporting lower percentages this year, 7 reporting higher percentages, and 1 reporting the same figure.

### Wholesale Trade, 65 Firms

24	9	5	15	12
Groceries	Dry Goods	Shoes	Hardware	Drugs
August 1930 sales, compared with sales in August 1929:				
—10.3	—29.3	—17.5	—27.4	—13.0
August 1930 sales, compared with sales in July 1930:				
5.6	49.4	56.5	— 5.7	— 4.1
Jan.-August 1930 sales, compared with Jan.-August 1929 sales:				
— 4.2	—14.9	— 5.9	—13.6	— 4.5
Aug. 31, 1930, stocks, compared with Aug. 31, 1929, stocks:				
—14.0(9*)	—19.2(4*)	24.7(4*)	— 8.8(8*)	.....
Aug. 31, 1930 stocks, compared with July 31, 1930, stocks:				
— 4.1(9*)	— 4.6(4*)	— 6.1(4*)	.1 (8*)	.....
Percentage of August 1, 1930, receivables collected in August:				
62.4(15*)	31.8(6*)	17.6(5*)	25.3(12*)	54.2(9*)

—Denotes decreased percentage. \*Number of reporting firms.

There was some seasonal increase in wholesale trade in August in the Fifth reserve district, sales in groceries, dry goods and shoes being larger than sales in July, with especially large gains in dry goods and shoes. In comparison with sales in August 1929, however, sales in August this year in all lines were smaller, declines ranging from 10.3 per cent in groceries to 29.3

per cent in dry goods. Total sales in the first eight months of 1930 were lower in all of the five lines for which data are available than sales in the corresponding period of 1929.

Stocks on hand declined during August in all lines except hardware, which increased over the July 31 figure by one-tenth of 1 per cent. On August 31,

1930, stocks were smaller in all lines than on August 31, 1929, except in shoes, which reported an increase of 24.7 per cent.

Collections in groceries in August this year were slightly better than in August last year, but the other lines reported lower percentages for 1930.

(Compiled September 20, 1930)

### BUILDING OPERATIONS FOR THE MONTHS OF AUGUST 1930 AND 1929.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	No.
		New		Repairs		1930	1929	1930	1929		
		1930	1929	1930	1929						
1	Baltimore, Md.....	438	513	977	1,249	\$ 1,881,680	\$ 2,976,840	\$ 468,960	\$ 599,520	\$-1,225,720	1
2	Cumberland, Md.....	18	16	6	9	29,819	43,480	4,850	9,464	— 18,275	2
3	Frederick, Md.....	4	10	5	3	4,175	179,618	1,705	745	— 174,483	3
4	Hagerstown, Md.....	10	19	3	2	7,620	106,166	3,450	250	— 95,346	4
5	Salisbury, Md.....	14	18	8	7	40,575	31,483	3,650	4,150	— 8,592	5
6	Danville, Va.....	8	7	7	11	16,421	770	3,484	7,765	— 11,370	6
7	Lynchburg, Va.....	23	33	21	24	42,782	65,600	6,195	21,618	— 38,241	7
8	Norfolk, Va.....	79	80	34	62	394,365	88,275	26,035	133,375	— 198,750	8
9	Petersburg, Va.....	5	8	8	4	15,385	60,150	5,811	3,400	— 42,354	9
10	Portsmouth, Va.....	11	11	30	20	3,750	13,535	15,542	22,808	— 17,051	10
11	Richmond, Va.....	65	87	69	95	636,966	131,136	165,302	102,411	— 568,721	11
12	Roanoke, Va.....	22	44	22	24	61,234	433,910	16,301	8,795	— 365,170	12
13	Bluefield, W. Va.....	3	5	4	5	14,500	18,010	6,800	865	— 2,425	13
14	Charleston, W. Va.....	17	57	19	23	68,218	217,238	30,000	93,142	— 212,162	14
15	Clarksburg, W. Va.....	22	38	11	12	13,365	55,618	8,640	3,660	— 37,273	15
16	Huntington, W. Va.....	20	22	8	6	43,550	21,320	1,000	15,000	— 8,230	16
17	Asheville, N. C.....	5	5	29	56	15,000	79,825	7,315	13,903	— 71,413	17
18	Charlotte, N. C.....	28	33	61	50	89,713	273,050	82,536	66,259	— 167,060	18
19	Durham, N. C.....	9	12	14	16	75,388	62,850	6,425	47,975	— 29,012	19
20	Greensboro, N. C.....	17	25	25	27	34,160	153,005	12,060	77,153	— 183,938	20
21	High Point, N. C.....	9	20	2	4	11,950	107,450	1,100	3,550	— 97,950	21
22	Raleigh, N. C.....	15	19	9	17	36,760	53,440	9,936	51,385	— 58,129	22
23	Rocky Mount, N. C.....	12	26	7	3	26,235	85,650	21,175	3,060	— 41,300	23
24	Salisbury, N. C.....	6	4	2	2	119,775	9,700	250	1,050	— 109,275	24
25	Wilmington, N. C.....	6	15	13	11	11,800	36,600	12,900	16,200	— 28,100	25
26	Winston-Salem, N. C.....	36	23	74	106	77,050	677,234	30,425	34,041	— 603,800	26
27	Charleston, S. C.....	11	33	17	38	60,660	93,905	7,880	5,133	— 30,498	27
28	Columbia, S. C.....	12	16	37	43	79,350	49,200	14,485	13,370	— 31,265	28
29	Greenville, S. C.....	8	23	17	36	15,935	78,400	4,123	33,630	— 91,972	29
30	Rock Hill, S. C.....	7	10	15	14	18,750	19,525	9,175	14,695	— 6,295	30
31	Spartanburg, S. C.....	7	24	24	24	14,215	101,669	4,435	5,775	— 88,794	31
32	Washington, D. C.....	110	174	391	398	2,212,450	1,897,670	184,170	375,210	— 123,740	32
	Totals.....	1,057	1,430	1,969	2,401	\$ 6,173,596	\$ 8,222,322	\$1,176,115	\$1,789,357	\$-2,661,968	

— 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.

*Business Conditions in the United States  
will be found on next page.*

**BUSINESS CONDITIONS IN THE UNITED STATES**

(Compiled by the Federal Reserve Board)

Industrial production as a whole was in the same volume in August as in July, contrary to the usual upward trend at this season, although there were seasonal increases in activity in a number of basic industries. Factory employment and payrolls declined further. The general level of commodity prices at wholesale, which had declined continuously for a year, remained unchanged between July and August, advances in price being reported for certain important agricultural staples.

**Production**

The Board's index of industrial production, which makes allowance for seasonal variations, continued to decline in August. Production of automobiles, pig iron, lumber, and sugar decreased, and there was a reduction in the consumption of cotton and wool. In the bituminous coal and silk industries, there was less increase than is usual at this season, while in steel, cement, flour, and shoes the increase was slightly more than seasonal. During the first two weeks of September, activity at steel plants increased, while a further reduction in output of automobiles was reported.

Building contracts awarded, as reported to the F. W. Dodge Corporation, were in slightly smaller volume during August, largely on account of reductions in educational and industrial construction projects. Residential building contracts continued small. During the first two weeks in September, awards averaged about the same as in August.

At the middle of August, the latest date for which figures are available, the number of wage earners employed in factories and the volume of factory payrolls was smaller than in the middle of July. There were decreases in employment in the iron and steel and cotton textile industries, and at foundries and machine shops, automobile plants, and saw mills. Substantial seasonal increases occurred in the canning and preserving, bituminous coal mining, and clothing industries.

**Agriculture**

September first estimates by the Department of Agriculture indicate a corn crop of 1,983,000,000 bushels, about 700,000,000 bushels less than the five-year average; a spring wheat crop of 240,000,000 bushels, slightly larger than last year's unusually small crop, making the total wheat crop about equal to the five-year average; and a crop of oats of about the

usual size. Condition of pastures on September first was reported to be unusually poor. The cotton crop is expected to be about 14,340,000 bales, nearly one-half million bales less than last year.

**Distribution**

Volume of freight shipped by rail increased by slightly less than the usual seasonal amount during August. Sales of department stores were larger than in July, but continued considerably smaller than a year ago.

**Wholesale Prices**

There were increases during August in prices of many agricultural products, especially meats, livestock, and grains, while the price of cotton decreased. Prices of mineral and forest products and of imported raw materials and their manufactures in general declined, with the principal exception of silk. The Bureau of Labor Statistics index of wholesale prices showed no change from the preceding month.

During the first half of September, there were pronounced declines in prices of wheat, corn, hogs, pork, and rubber. Prices of cotton and woolen textiles remained fairly stable, while those of hides and coffee increased.

**Bank Credit**

Between August 20 and September 17 there was an increase in member bank holdings of investments and in their loans on securities, while all other loans, which include loans for commercial purposes, declined, contrary to the usual seasonal trend.

The volume of reserve bank credit outstanding showed a growth for the period, as is usual at this season, but the increase was relatively small owing to the fact that the seasonal demand for currency was smaller than in other recent years and owing to an addition of \$15,000,000 to the country's stock of gold. The increase was in holdings of acceptances, offset in part by a further decline in discounts for member banks to the lowest level since 1917.

Money rates continued at low levels during August and the first half of September, and the yield on high-grade bonds declined further. Discount rates at the Federal Reserve Banks of Dallas and Minneapolis, the only banks which had maintained a 4 per cent rate, were reduced to 3½ per cent during September.