

# MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

OCTOBER 31, 1930

ALL trade opened up in September and early October, but in smaller volume than in preceding years, with considerable unemployment in cities and unsatisfactory conditions in agricultural sections. The banks of the district are finding less demand for credit this year than a year ago, due to generally lower levels of commercial and industrial activity, and they have had to resort to investments to an increased degree to keep their funds employed. Debits to individual, firm and corporation accounts during the five weeks ended October 15 this year showed a seasonal increase over debits in the preceding five weeks, but were approximately 8 per cent less than debits during the corresponding period a year ago. Commercial failures in the Fifth district in September were more numerous than in September 1929, and were relatively more numerous than in most other sections of the United States. Coal production in September showed some increase over that of August, but was materially below the production of September 1929, when industrial production was at a higher rate than at present. Conditions in the textile field showed a few signs of improvement last month, but mills are still operating at a lower rate than a year ago, and are working on such close margins that profits are reported very small on the business being done. Retail trade in September, as reflected in department store sales, made an exceptionally poor comparison with the same month of the preceding year, averaging 9 per cent less in dollar amount. Wholesale trade in five leading lines showed seasonal improvement in September in comparison with August, but compared unfavorably with September 1929 business. Construction work provided for in permits issued and contracts awarded in September in the Fifth reserve district reached the lowest levels for many months.

The outstanding factors tending to influence the trend of business in the Fifth district at present are, as previously mentioned, a large volume of unemployment and very unsatisfactory conditions in agricultural sections. With relatively little building going on, and many industrial plants finding it necessary to cut their production more or less, employment has decreased further during recent weeks.

Prices of cotton and tobacco, the Fifth district's two leading money crops, are very low, cotton especially selling at the lowest price for ten years. Production figures for nearly all crops were relatively good this year in the two Carolinas, but the crops are not profitable at present prices. In Virginia, Maryland and West Virginia the effect of low prices is greatly increased by poor yields due to the record drought which cut yields of most crops from 25 to 50 per cent, and in some cases even more. Feed crops were perhaps hurt worse than the money crops, and in many cases farmers have been compelled to sell off most of their live stock, funds from cash crops being insufficient to enable them to purchase food for animals.

## Reserve Bank Statement

ITEMS	000 omitted		
	Oct. 15 1930	Sept. 15 1930	Oct. 15 1929
Rediscounts held .....	\$18,002	\$19,473	\$51,152
Open market paper.....	8,392	10,279	17,167
Government securities .....	16,983	16,983	1,809
Total earning assets.....	43,377	46,735	70,128
Circulation of Fed. Res. notes.....	66,809	64,526	84,688
Members' reserve deposits.....	63,822	63,582	62,089
Cash reserves .....	97,236	91,282	87,444
Reserve ratio .....	72.37	70.80	58.02

Rediscounts for member banks held by the Federal Reserve Bank of Richmond declined by \$1,471,000 between September 15 and October 15, both this year, fall liquidation of indebtedness by country banks more than balancing a small increase in city bank borrowing. At this season of the year banks serving agricultural sections repay rediscounts with funds received from crop marketing, while city banks tend to increase borrowing to meet the needs of merchant customers in connection with their purchases of fall and winter merchandise. During the past month the Richmond bank also decreased its portfolio of open market paper, by \$1,887,000. This decrease, with the decline in rediscount holdings, lowered the total earning assets by \$3,358,000, or 7.2 per cent. A seasonal increase in the circulation of Federal reserve notes amounting to

\$2,283,000 occurred between the middle of September and the middle of October, but member bank reserve deposits showed only a daily fluctuation, increasing by \$240,000 between the two dates selected for comparison. The several changes mentioned, with others of less importance, gave a net increase of \$5,954,000 in total cash reserves of the Federal Reserve Bank of Richmond during the month, and raised the ratio of cash reserves to note and deposit liabilities combined by 1.57 points.

A comparison of the figures on the statement for October 15, 1930, with corresponding figures reported on October 15, 1929, shows greater changes in every item than occurred during the past month. Rediscounts for member banks declined \$33,150,000 during the year, a drop of 64.8 per cent, and the bank's holdings of open market paper decreased by \$8,775,000, or 51.1 per cent, in the same period. On the other hand, holdings of Government securities rose by \$15,174,000. The reductions in rediscounts and open market paper were greater than the increase in Government securities, and the Richmond bank's total earning assets therefore declined \$26,751,000, or 38.1 per cent, between October 15, 1929, and October 15, 1930. The circulation of Federal reserve notes at the middle of October this year showed a decline of \$17,879,000 in comparison with the circulation on the corresponding date a year ago, the decrease being partly due to lower price levels this year, especially for many agricultural products, and to a generally lower level of business activity. Member bank reserve deposits increased \$1,733,000 during the year under review, larger reserves being required against increased deposits this year. The changes in the items mentioned resulted in a net increase in cash reserves during the year totaling \$9,792,000, and raised the ratio of cash reserves to note and deposit liabilities combined by 14.35 points.

### Member Bank Statement

ITEMS	000 omitted		
	Oct. 15 1930	Sept. 10 1930	Oct. 16 1929
Loans on stocks and bonds (including Governments) .....	\$174,239	\$177,960	\$197,218
All other loans.....	294,213	289,359	318,745
Total loans and discounts.....	468,452	467,319	515,963
Total inv. in stocks and bonds.....	191,492	183,064	153,876
Reserve bal. with F. R. Bank.....	41,235	41,010	40,020
Cash in vaults.....	10,913	11,115	12,079
Demand deposits .....	351,720	353,454	348,534
Time deposits .....	256,208	256,462	241,002
Borrowed from Fed. Res. Bank.....	4,787	4,375	24,035

The accompanying table shows the principal items of condition of fifty-six regularly reporting member banks as of three dates, October 15, 1930, September 10, 1930, and October 16, 1929, thus affording an opportunity for comparison of the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions on the report dates only, and do not necessarily show the highest or lowest fig-

ures that occurred during the interval between the dates.

The reporting member banks are located in thirteen of the larger cities of the Fifth reserve district, and therefore an increase in loans during the past month amounting to \$1,138,000 was a seasonal development. Loans on stocks and bonds declined by \$3,721,000, but all other loans, which are chiefly commercial or industrial at this time of year, rose by \$4,854,000. The reporting banks increased their investments in bonds and other securities by \$8,428,000 during the past month. Cash in vaults declined \$202,000 while reserve balances at the reserve bank rose \$225,000 between September 10 and October 15, both daily fluctuations only. A seasonal decline in demand deposits amounting to \$1,734,000 occurred during the period under review, merchants drawing upon their deposit balances at this season for the purchase of fall goods. A small decline also was reported in time deposits, amounting to \$254,000. Borrowing by the fifty-six reporting banks at the Federal reserve bank changed little, being \$412,000 higher in amount on October 15 than on September 10.

A comparison of the 1930 figures in the table with those for 1929 shows a marked decrease in the demand for credit at the reporting banks this year. Loans on stocks and bonds declined by \$22,979,000, or 11.7 per cent, and all other loans dropped \$24,532,000, or 7.7 per cent, during the year, a total decline in loans and discounts amounting to \$47,511,000, or 9.2 per cent. On the other hand, deposits in the reporting institutions rose \$18,282,000, of which \$3,186,000 was in demand and \$15,096,000 in time deposits. Larger deposit liabilities caused an increase in reserve balances at the reserve bank, these rising by \$1,215,000 during the year. Increased deposits in the reporting banks, with a decrease in the demand for local loans, enabled the banks to reduce their borrowing at the reserve bank by \$19,248,000 during the year, and to increase their investments in stocks and bonds by \$37,616,000. There was an unusually large reduction in cash in vaults during the past year, but this was caused by a special condition which arose in 1929 in connection with the introduction of the new type of currency.

### Debits to Individual Accounts

The debits to individual accounts figures shown in the accompanying table for three equal periods of five weeks include all checks drawn against depositors' accounts in the banks of twenty-four leading trade centers of the Fifth Federal reserve district, and if proper allowance be made for price changes during the periods under review, the figures serve as an approximate measure of general business.

During the five weeks ended October 15, 1930, aggregate debits to individual accounts showed a seasonal increase of \$281,158,000, or 22.1 per cent, over debits during the preceding like period this year, ended September 10, the increase being due to quarterly settlements on October 1st and to the opening of early fall trade during the later period. Twenty-two of the reporting cities showed higher figures for the more re-

cent period, while only two failed to show the usual increase.

In comparison with figures reported for five weeks last year, ended October 16, 1929, corresponding figures for the five weeks ended October 15, 1930, show a decrease of \$132,601,000, or 7.9 per cent, a not wholly unfavorable comparison in view of generally lower price levels prevailing this year. All of the reporting cities showed lower 1930 figures except three, Asheville, Newport News, and Richmond.

CITIES	000 omitted		
	Total debits, five weeks ended		
	Oct. 15, 1930	Sept. 10, 1930	Oct. 16, 1929
Asheville, N. C.....	\$ 40,770	\$ 22,816	\$ 37,688
Baltimore, Md. ....	512,062	425,999	524,948
Charleston, S. C.....	30,483	24,411	33,271
Charleston, W. Va.....	44,874	42,519	47,062
Charlotte, N. C.....	54,882	46,158	68,970
Columbia, S. C.....	27,741	20,058	29,487
Cumberland, Md. ....	11,075	10,472	12,850
Danville, Va. ....	8,733	7,618	10,884
Durham, N. C. ....	30,402	30,494	33,079
Greensboro, N. C.....	24,445	19,467	29,484
Greenville, S. C.....	19,609	17,958	26,594
Hagerstown, Md. ....	10,712	10,303	13,698
Huntington, W. Va.....	22,710	21,551	28,159
Lynchburg, Va. ....	24,892	18,317	26,162
Newport News, Va.....	13,001	12,086	12,475
Norfolk, Va. ....	61,778	54,171	73,658
Portsmouth, Va. ....	4,827	5,575	4,881
Raleigh, N. C.....	31,783	17,721	33,917
Richmond, Va. ....	178,373	147,067	177,714
Roanoke, Va. ....	32,141	31,221	39,655
Spartanburg, S. C.....	14,033	9,504	17,246
Washington, D. C.....	295,827	231,850	332,232
Wilmington, N. C.....	16,342	13,212	20,274
Winston-Salem, N. C...	42,978	32,767	52,686
District Totals .....	\$1,554,473	\$1,273,315	\$1,687,074

### Savings and Time Deposits

Savings deposits in twelve mutual savings banks in Baltimore increased in September, and at the end of the month totaled \$196,729,159, compared with \$195,664,767 on August 31, 1930, and \$189,193,610 on September 30, 1929. Time deposits in fifty-six regularly reporting member banks totaled \$256,208,000 on October 15 this year, a slightly lower figure than \$256,462,000 reported on September 10, 1930, but 6.3 per cent above \$241,002,000 in time deposits in the same banks on October 16, 1929.

### Commercial Failures

Business failures in the Fifth Federal reserve district numbered 114 in September this year, with aggregate liabilities amounting to \$1,831,506, compared with 119 insolvencies and liabilities totaling \$1,187,400 in August 1930 and only 70 bankruptcies and liabilities amounting to \$1,111,141 in September last year. The Fifth district increases in both number of failures and aggregate liabilities involved were relatively greater in September this year in comparison with September 1929 than the increases for the United States as a whole.

### Employment

No improvement in employment conditions in the Fifth reserve district occurred in September and early October, but on the contrary the outlook became worse with the approach of inclement weather for outside work. There was some seasonal increase in employment in coal mines, but this was more than offset by decreases in other industries. As a result of the very severe drought, combined with low prices for the Fifth district's two leading money crops, many farmers who ordinarily spend their winters doing odd jobs on their lands, living on their summer's surplus, find themselves without any surplus this year, and in a great many cases without sufficient funds to pay up this year's indebtedness. These people are beginning to seek remunerative employment, to tide them over the winter, and thus are coming into competition with the already numerous workers in various trades who are out of work. Many persons are asking for work at reduced wages. There is no stoppage of industry through industrial disputes except at Danville, Virginia, where approximately 4,000 textile workers went on strike on September 29 and are still idle as this is written in the third week of October.

### Coal Production

There was a seasonal increase in the production of bituminous coal in September, and 38,632,000 net tons were mined, compared with 35,661,000 tons dug in August this year and 45,334,000 tons in September 1929. Total production of soft coal in the United States in the present calendar year to October 11 (approximately 241 working days) amounted to 355,071,000 net tons, compared with 406,410,000 tons mined during the corresponding period last year and 377,639,000 tons in 1928. Coal shipped through Hampton Roads in September totaled 1,698,784 tons, and shipments since January 1 totaled 16,283,521 tons. Total shipments this year through Fifth district ports amounted to 18,575,728 net tons, or 67 per cent of shipments through all tidewater ports, and exceed shipments during the corresponding periods of the past two years.

In its September 27 report, the Bureau of Mines, Department of Commerce, gave bituminous coal production figures for the month of August, and West Virginia with 10,036,000 tons led the country, Pennsylvania ranking second with 9,620,000 tons. On October 11, the Bureau issued total production figures for all states in 1929, West Virginia being placed second with 138,518,855 tons. Virginia produced 12,748,306 tons in 1929, and Maryland mines brought up 2,649,114 tons.

### Textiles

For the first time in many months, September and early October showed some signs of better basic conditions in textile manufacturing in the Fifth district. There was no marked improvement, but a tendency toward slightly increased operating time developed, cotton consumption increased in comparison with Au-

gust, and there was some increase in interest among buyers of textile products. Stocks in secondary hands are relatively low, making necessary a considerable volume of replacement orders at frequent intervals. Fifth district cotton mills consumed 177,575 bales in September, of which North Carolina mills used 98,478 bales, South Carolina mills 73,053 bales, and Virginia mills 6,044 bales. In August this year the Fifth district mills consumed 156,712 bales, and in September 1929 they used 239,909 bales. Consumption of cotton in the Fifth district in September amounted to 45.04 per cent of National consumption, compared with 44.47 per cent of National consumption used in the district in August this year and 43.95 per cent in September 1929.

### Cotton Statistics

*Cotton prices* continued to decline during the past month, and on October 17 averaged only 9.50 cents per pound for 7/8 inch, upland cotton, middling grade, on ten leading Southern spot markets. With the exception of a quotation of 9.34 cents per pound on June 25, 1921, last week's price was the lowest official quotation since the demoralization of export trade by submarine warfare during the early months of the World War.

*Condition figures* on the 1930 cotton crop, based on the October 1 condition of the crop, were issued by the Department of Agriculture on October 8. This report raised the estimate of production in the United States to 14,486,000 equivalent 500-pound bales, in comparison with an estimate of 14,340,000 bales on September 1, 1930, and final ginnings of 14,828,000 bales in 1929. The October 1 report raised this year's probable production figures for North Carolina and South Carolina, but lowered the Virginia estimate. South Carolina's yield is estimated at 1,010,000 bales, compared with prospects for 997,000 bales on September 1 and 830,000 bales grown last year. North Carolina's crop of 870,000 bales compares with an estimate of 819,000 bales on September 1, and 747,000 bales ginned in 1929. Virginia's prospective yield of 34,000 bales compares unfavorably with 40,000 bales predicted a month earlier and 48,000 bales in 1929. Total production in the Fifth district is forecast at 1,914,000 bales, an increase of 58,000 bales during September and 289,000 bales above last year. The marked decline in condition of the Virginia crop last month is a direct result of the prolonged drought.

*Ginning figures to October 1*, released by the Census Bureau on October 8, showed 6,304,608 bales ginned from this year's crop, compared with 5,903,265 bales of last year's crop ginned before October. Dry weather over much of the cotton belt made for early opening, reduced damage by boll weevils to a minimum, and caused bolls to open completely which makes picking easier. Picking is behind in some sections, perhaps due in part to reduced prices offered for picking this season's cheap crop.

*Cotton Consumption* in the United States in September 1930 showed an increase over consumption in the longer month of August, but was materially less

than in September last year. The number of bales used totaled 394,321 in September 1930, compared with 352,335 bales used in August this year and 545,834 bales in September 1929. Total consumption this cotton year—August 1 through September 30—amounted to 746,656 bales, against 1,104,588 bales consumed in the corresponding two months of last season. Manufacturing establishments held 967,936 bales on September 30, compared with 1,011,661 bales held on August 31 and 790,772 bales on September 30, 1929. Public warehouses and compresses held 5,247,525 bales in storage at the end of September this year, compared with 3,464,699 bales so held a month earlier and 3,208,546 bales on September 30 last year. September exports totaled 902,956 bales, compared with 366,036 bales exported in August and 725,876 bales sent abroad in September 1929. Total exports during the two months of the present cotton year (August 1-September 30, inclusive) totaled 1,265,992 bales, a substantial increase over 951,894 bales shipped over seas during the corresponding two months last year. Spindles active at some time during September numbered 26,087,004, compared with 25,873,978 in August this year and 30,035,470 in September 1929.

*Cotton growing states consumed* 314,623 bales in September, compared with 283,731 bales in August and 423,789 bales in September 1919. Last month's consumption in the cotton growing states amounted to 79.79 per cent of National consumption, a lower percentage than 80.53 per cent in August this year but higher than 77.64 per cent in September 1929. Of the 314,623 bales of cotton consumed in the cotton growing states in September, the Fifth district mills used 177,575 bales, or 56.44 per cent, a slightly lower figure than 56.61 per cent of Southern consumption attained by Fifth district mills in September last year.

### Tobacco

*South Carolina* auction markets sold 36,306,991 pounds of producers' tobacco in September, at an average price of \$13.13 per hundred pounds, compared with 26,201,783 pounds sold in September 1929, at \$14.91 per hundred. Total sales for the 1930 season to the end of September amounted to 60,391,747 pounds, and the average season price was \$11.74 per hundred. Mullins led in sales last month with 14,485,824 pounds, Lake City ranking second with 6,946,294 pounds. South Carolina tobacco production in 1930 was forecast on October 1 as 94,430,000 pounds, compared with 82,992,000 pounds grown in 1929. This year's crop is the largest ever grown in the state.

*North Carolina* growers sold 111,231,294 pounds of tobacco on auction floors in September, at an average price of \$11.84 per hundred pounds, compared with 107,569,257 pounds sold in September 1929 for \$14.10 per hundred. Total sales for this season have been relatively light for the large crop, and amount to 129,717,936 pounds prior to October 1. Prices are distinctly lower than a year ago, as a result of a large crop in the United States as well as in North Carolina. On October 1 the 1930 tobacco yield for North Carolina was estimated at 539,095,000 pounds, compared

with 511,550,000 pounds forecast on September 1 and 497,593,000 pounds harvested in 1929. The crop this year turned out better than was expected, the leaves being heavier than usual.

*Virginia* tobacco warehouses opened at the end of September and sold 615,321 pounds for an average of \$9.24 per hundred pounds. Last year the markets did not open until October. The tobacco sold during September was of very inferior grade. September weather was favorable for harvesting and curing tobacco, and the October 1 forecast of 92,274,000 pounds this year shows some improvement over 91,000,000 pounds forecast on September 1 but is far below 113,865,000 pounds grown in 1929.

*Maryland's* prospective yield of 18,000,000 pounds of tobacco this year was unchanged during September, and compares very unfavorably with 25,600,000 pounds grown in 1929. Maryland and Virginia are the Fifth district states in which tobacco suffered most severely from the drought.

*West Virginia* tobacco improved in September, and the October 1 forecast of 6,664,000 pounds exceeds 6,588,000 pounds grown in 1929.

### Agricultural Notes

Crop prospects as a whole improved in the two Carolinas and West Virginia during September, but declined further in Maryland and Virginia as the long drought continued unbroken in sections of the two states.

*Maryland's* composite condition figure on October 1 was 72.6 per cent of average conditions during the ten years 1919-1928, compared with 74.1 per cent on September 1. The forecast of corn production in Maryland made on October 1 was 8,115,000 bushels, compared with a forecast of 8,656,000 bushels a month earlier and a yield of 19,162,000 bushels in 1929. The oat crop estimate was raised from 1,290,000 bushels on September 1 to 1,376,000 bushels on October 1, which compares favorably with 1,333,000 bushels harvested in 1929. Hay yields were cut further in September, and the October 1 estimate of 408,000 tons was lower than 473,000 tons predicted on September 1 and 648,000 tons cut last year. An Irish potato crop of 3,079,000 bushels this year shows an improvement during September, but is much lower than 4,000,000 bushels dug in 1929. Sweet potato prospects, on the other hand, declined last month from 950,000 bushels as of September 1 to 800,000 bushels on October 1, only two-thirds of the 1929 yield of 1,250,000 bushels. The commercial apple crop of Maryland is now forecast at 279,000 barrels, compared with 455,000 barrels gathered in 1929. Pastures improved from 15 per cent to 20 per cent of the ten-year average during September, but still showed the poorest condition of any state in the United States. Maryland wheat farmers are confronted with a serious difficulty in their efforts to plant wheat for next season, the ground being too dry to work or to germinate seed, but some farmers have been successful in disking wheat fields.

*Virginia* crops suffered further loss during September as a result of the continued drought over most of

the state. Of the individual crops, peanuts showed the greatest deterioration during September, while corn lost approximately one-half bushel per acre. The hot, dry weather caused crops to mature much earlier than usual and harvest is now sufficiently advanced to indicate that yields of the major crops will be even less than was expected earlier in the season. The lack of moisture has prevented the preparation of land for fall seeding and this work has been greatly delayed. The total production of corn based on the October 1 condition is expected to be 16,138,000 bushels, compared with 16,907,000 bushels indicated on September 1 and 44,138,000 bushels harvested last year. Peanuts indicate a total production of only 80,850,000 pounds, compared with 146,080,000 pounds harvested last year. Reports on the yield of hay show that the crop is very short in all sections of the state. The estimated total production of 623,000 tons is about 45 per cent of last year's production. All late hay crops, including cowpeas and soy beans, are extremely short. Pastures improved slightly in September, but are still extremely short, a condition of only 30 per cent of the ten-year average being reported for October 1. Late potato prospects are very poor. The October 1 condition indicates a yield of 15,093,000 bushels including a commercial early crop of 11,880,000 bushels. Last year the total crop was 17,461,000 bushels while the early crop amounted to 12,070,000 bushels. The sweet potato crop is the shortest produced during recent years. The forecast of 3,220,000 bushels is 3,485,000 bushels less than the 1929 crop. Car lot shipments of sweet potatoes for Virginia to October 4 this season amounted to 2,865 cars against 3,937 cars shipped to the same date last season. The yield of oats is estimated to be 3,876,000 bushels, which is about equal to last year's crop of 3,841,000 bushels. Virginia commercial apple prospects declined further during September and the present forecast of 1,680,000 barrels is 270,000 barrels below the September 1 estimate and 1,420,000 barrels less than the 1929 crop. The number of apples on the trees is about the same as last year, but the fruit is stunted and of poor color, and frequently of inferior quality.

*West Virginia* late crops were benefitted by favorable weather in September, but 1930 is turning out one of the poorest crop years in the history of the state. The composite yield of all crops on October 1 averaged only 58.4 per cent of the ten-year average, the second lowest figure reported for any state in the country. Corn production is now estimated at 6,356,000 bushels and is only 46 per cent of the 13,892,000 bushels harvested in 1929. Oats produced 4,612,000 bushels this year, compared with 5,616,000 bushels harvested last season. The buckwheat crop indicates a production of 380,000 bushels as compared with 760,000 bushels harvested in 1929. The October 1 estimate of 593,000 tons of hay this year is little more than half of the 1,149,000 tons cut last year. The Irish potato crop is forecast at 4,095,000 bushels, as compared with 6,555,000 bushels harvested in 1929. Sweet potatoes indicate a yield of 132,000 bushels, about half the average production for the past five years. West

Virginia's apple crop suffered further injury during the past month and present indications are for a yield of 3,808,000 bushels against 5,600,000 bushels in 1929. The commercial apple crop of 608,000 barrels is less than half 1,400,000 barrels gathered last year.

*North Carolina* crops as a whole improved during September, and on October 1 prospective yield this year averaged 99.6 per cent of the past ten-year average. The corn crop is one of the best in the history of the state in some counties but suffered considerably from drought in others. The forecast of production this year is 49,240,000 bushels, compared with 48,568,000 bushels harvested last year. The peanut crop is short in commercial areas, due to lack of rain in peanut counties, and this season's prospective yield of 175,725,000 pounds is 21.7 per cent below 224,400,000 pounds raised in 1929. The condition of the Irish potato crop changed little in September and on October 1 a yield of 8,494,000 bushels was indicated, an increase of about 4 per cent over 8,130,000 bushels harvested last season. The sweet potato crop, grown primarily in the eastern part of the state where weather conditions were fairly favorable, is forecast at 8,460,000 bushels, but is below the 1929 yield of 9,126,000 bushels. The apple crop of North Carolina improved considerably during September, but the expected production of 2,555,000 bushels this year is 2.8 per cent less than 2,628,000 bushels gathered in 1929, and the 1930 commercial yield of 128,000 barrels is nearly 15 per cent less than 150,000 barrels harvested last year. The 1930 hay yield of 711,000 tons compares with 776,000 tons cut last year.

*South Carolina* weather during September was generally favorable for maturing and harvesting crops and the outlook on October 1 was for average yields 17 per cent above the ten-year average. Compared with last year, prospects indicate production of about 21 per cent more cotton, 14 per cent more tobacco, and 3 per cent more corn. Sweet potatoes and hay are about 19 per cent below last year's exceptional returns but are 20 per cent and 8 per cent, respectively, above the five-year average production. A corn crop of 23,888,000 bushels is indicated compared with 23,321,000 bushels last year. Sweet potatoes promise a yield of about 4,680,000 bushels, compared with 5,750,000 bushels dug in 1929 and a five-year average of 3,907,000 bushels. Timely rains about the middle of September improved the crop of sweet potatoes about 12 per cent. The early and late Irish potato crops combined show a total production of 3,337,000 bushels, compared with 2,354,000 bushels last year. September rains improved peanut prospects and the estimate of production is now 7,000,000 pounds, compared with 7,350,000 pounds gathered in 1929. The hay crop is forecast at 253,000 tons, which is less than the very large yield of 313,000 tons last year but above the five-year average of 234,000 tons.

### Construction

*Building permits* issued by building inspectors in thirty-two cities in the Fifth district in September reached the lowest level for several years, probably the

lowest for any month since the war years when construction work was discouraged unless for necessary public use. Permits for new work issued in September in the 32 reporting cities totaled 1,022, with estimated valuation of only \$4,459,957. In September last year permits for new work numbered 1,449, with valuation figures totaling \$8,461,487. Total valuation figures in September for all classes of work, including alterations and repairs, totaled only \$5,663,587, a decrease of 42 per cent in comparison with \$9,771,487 in September 1929, which was itself a relatively poor month. Only seven of the thirty-two reporting cities show higher valuation figures for September 1930 than for September 1929, and in some cases these increases were due to small figures last year rather than to large ones this year. Richmond made the best record last month in proportion to population, but Baltimore and Washington figures were considerably less than usual.

*Contracts awarded* in September for construction work in the Fifth district, including both rural and urban projects, totaled only \$16,162,532, compared with \$23,676,552 in August 1930 and \$22,711,510 in September 1929. Of the awards in September this year, \$6,496,947, or 40.2 per cent, was for residential work, a higher percentage than went for similar construction in August this year or September last year.

### Retail Trade, 34 Department Stores

<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
September 1930 sales, compared with sales in September 1929:			
—13.0	— 4.2	— 9.6	— 9.0
Jan.-September 1930 sales, compared with Jan.-September 1929:			
— .3	— 1.8	— 7.9	— 2.4
Sept. 30, 1930, stock, compared with stock on Sept. 30, 1929:			
— 2.4	— 6.4	— 9.8	— 5.6
Sept. 30, 1930, stock, compared with stock on Aug. 31, 1930:			
18.4	13.7	8.3	14.3
Number of times stock turned in September 1930:			
.28	.301	.223	.274
Number of times stock turned since January 1, 1930:			
2.521	2.524	1.919	2.383
Percentage of Sept. 1, 1930, receivables collected in September:			
21.3	27.7	26.9	24.3

Retail trade in the Fifth Federal reserve district in September showed an increase of about 20 per cent over the volume of business done in August, but lacked 9 per cent of equaling the amount of sales in September 1929, according to reports from thirty-four leading department stores in the district. The September increase over August was somewhat less than occurs in most years, and in comparison with the corresponding month of the preceding year September made the poorest record of any month for several years. Only 5 of the 34 reporting stores showed higher sales figures for September 1930 than for September 1929. Total sales this year, through September 30, averaged 2.4 per cent less than sales from January 1 through September 1929, although total sales in the first five months of this year slightly exceeded sales in the corresponding period last year.

Stocks on the shelves of the 34 reporting stores increased 14.3 per cent during September, a regular seasonal development, but on September 30 averaged 5.6 per cent less in retail selling value than stocks on hand

on September 30, 1929. Part of this decrease in stocks is due to lower price levels in many lines this year. The reporting stores turned their stock .274 times in September, and since January 1 stocks have been turned an average of 2.383 times, a slightly higher figure than 2.337 times for the corresponding period last year.

Collections during September in 33 of the 34 reporting stores averaged 24.3 per cent of receivables outstanding on September 1, a lower figure than 25.7 per cent collected in September a year ago. Ten of the 33 stores reported better collections in September 1930, but 23 reported lower percentages.

**Wholesale Trade, 65 Firms**

Wholesale trade showed a seasonal increase in September over business done in August this year, but was in less volume in every line for which data are available than in September 1929. Cumulative sales this year since January 1 were lower in every line reported upon than in the corresponding nine months last year.

Stocks increased during September in grocery and

hardware lines, but declined in dry goods and shoes. At the end of September 1930, stocks were smaller in all lines for which figures are available than a year ago, except in shoes, which shows a material increase this year.

Collections in September were better than a year ago in groceries, but were slower in the other four lines reported upon. On the other hand, all of the five lines reported better collections in September than in August this year except groceries.

	24	9	5	15	12
	Groceries	Dry Goods	Shoes	Hardware	Drugs
September 1930 sales, compared with sales in September 1929:	- 8.7	-31.5	-19.0	-23.4	- 4.0
September 1930 sales, compared with sales in August 1930:	2.4	16.7	.6	14.3	9.0
Jan.-Sept. 1930 sales, compared with Jan.-Sept. 1929 sales:	- 4.8	-17.7	- 8.0	-14.8	- 4.4
Sept. 30, 1930, stocks, compared with Sept. 30, 1929, stocks:	- 7.2(9*)	-16.9(4*)	21.6(4*)	- 8.7(8*)	.....
Sept. 30, 1930, stocks, compared with Aug. 31, 1930, stocks:	16.6(9*)	- 5.1(4*)	-10.5(4*)	1.2(8*)	.....
Percentage of Sept. 1, 1930, receivables collected in September:	62.0(15*)	32.2(6*)	18.8(5*)	27.9(12*)	54.8(9*)

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

(Compiled October 21, 1930)

**BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER 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.....	427	523	953	1,391	\$ 1,548,512	\$ 2,692,840	\$ 457,440	556,400	\$-1,243,288	1
2	Cumberland, Md.....	7	14	4	10	22,300	94,536	849	4,156	- 75,543	2
3	Frederick, Md.....	12	14	13	2	21,869	11,516	17,030	220	27,163	3
4	Hagerstown, Md.....	9	25	5	2	3,795	124,240	2,285	1,075	- 119,235	4
5	Salisbury, Md.....	14	21	14	12	11,050	17,525	2,955	3,600	- 7,120	5
6	Danville, Va.....	4	10	8	12	5,528	13,940	1,604	10,070	- 16,878	6
7	Lynchburg, Va.....	23	26	21	23	22,715	41,240	8,125	25,760	- 36,160	7
8	Norfolk, Va.....	74	71	51	75	185,467	133,960	14,235	40,550	25,192	8
9	Petersburg, Va.....	4	5	1	12	5,640	17,380	90	13,320	- 24,970	9
10	Portsmouth, Va.....	23	17	24	27	30,380	24,570	20,147	12,045	13,912	10
11	Richmond, Va.....	73	82	81	73	1,104,928	152,437	53,095	118,241	887,345	11
12	Roanoke, Va.....	33	46	13	16	142,515	164,590	7,180	6,565	- 21,460	12
13	Bluefield, W. Va.....	12	11	2	3	15,370	36,585	375	8,500	- 29,340	13
14	Charleston, W. Va.....	31	58	12	14	99,508	73,932	11,885	16,850	20,611	14
15	Clarksburg, W. Va.....	9	13	12	8	14,990	16,505	6,025	3,610	900	15
16	Huntington, W. Va.....	17	34	6	5	21,005	58,000	5,000	3,447	- 35,442	16
17	Asheville, N. C.....	2	10	33	47	64,015	227,340	5,467	26,985	- 184,843	17
18	Charlotte, N. C.....	29	43	65	43	114,390	161,875	26,611	27,962	- 48,836	18
19	Durham, N. C.....	13	12	11	14	30,970	69,400	6,985	17,200	- 48,645	19
20	Greensboro, N. C.....	14	25	23	23	20,100	86,364	9,424	8,851	- 65,691	20
21	High Point, N. C.....	7	34	2	3	5,540	156,875	1,015	650	- 150,970	21
22	Raleigh, N. C.....	14	20	10	8	44,450	76,225	8,650	51,725	- 74,850	22
23	Rocky Mount, N.C.....	5	13	7	1	9,350	20,255	8,915	1,000	- 2,990	23
24	Salisbury, N. C.....	2	4	4	3	1,600	28,250	125	4,650	- 31,175	24
25	Wilmington, N. C.....	11	11	11	11	24,400	21,900	10,400	4,900	8,000	25
26	Winston-Salem, N. C.....	25	50	77	55	43,025	518,922	36,501	21,291	- 460,687	26
27	Charleston, S. C.....	9	27	21	20	56,375	67,190	10,198	3,530	- 4,147	27
28	Columbia, S. C.....	16	31	29	35	81,650	111,000	14,120	13,175	- 28,405	28
29	Greenville, S. C.....	8	13	27	28	23,765	210,100	38,740	18,445	- 166,040	29
30	Rock Hill, S. C.....	1	9	8	11	3,000	20,210	2,164	14,310	- 29,356	30
31	Spartanburg, S. C.....	8	13	21	30	15,705	44,035	4,235	5,767	- 29,862	31
32	Washington, D. C.....	86	164	377	584	666,050	2,967,750	411,760	265,150	-2,155,090	32
	Totals.....	1,022	1,449	1,946	2,601	\$ 4,459,957	\$ 8,461,487	\$1,203,630	\$1,310,000	\$-4,107,900	

- 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**

(Compiled by the Federal Reserve Board)

Volume of factory production increased by about the usual seasonal amount in September, while factory employment increased somewhat less than in other recent years. The general level of prices, which had advanced during August, declined during September and the first half of October. At member banks in leading cities there was a liquidation of security loans, and a considerable growth in commercial loans and in investments.

**Industrial Production and Employment.**

Output of factories increased seasonally in September, while that of mines declined. The Board's seasonally adjusted index of production in factories and mines, which had shown a substantial decrease for each of the preceding four months, declined by about one-half per cent in September. Production of iron and steel, lumber, and cement decreased, and the output of automobiles continued to be in small volume. Activity in the textile industries, including cotton, wool, and silk, increased substantially, and stocks of cotton cloth were further reduced. At bituminous coal mines there was an increase in output of more than seasonal amount; output of copper was larger than in August, and there was a further increase in stocks of copper. Anthracite coal and petroleum production and shipments of iron ore declined.

Employment in manufacturing establishments increased less than is usual at this season, the increase being chiefly in fruit and vegetable canning and in clothing industries, while reductions in number of employees were reported for the iron and steel, automobile, and lumber industries. Outside of factories, increased employment was reported in retail establishments and coal mines.

Residential building increased materially in September, contrary to the usual seasonal trend, while the volume of contracts for commercial buildings and public works and utilities decreased. Total value of building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change during the month. In the first ten days of October there was an increase in the daily average volume of contracts awarded.

Department of Agriculture estimates based on Oc-

tober 1 conditions indicate somewhat larger crops than the estimates made a month earlier for cotton, corn, oats, hay, potatoes, and tobacco.

**Distribution.**

Freight car loadings continued at low levels during September, the increases reported for most classes of freight being less than ordinarily occur in this month. Dollar volume of department store sales increased by nearly 30 per cent, an increase about equal to the estimated seasonal growth.

**Wholesale Prices.**

The index of wholesale prices on the average for the month of September as a whole, according to the Bureau of Labor Statistics, was at about the same level as in July and August. The movement of prices, however, was upward in August, reflecting chiefly advances in the prices of livestock and meats, while in September the movement was downward, reflecting declines in a large number of commodities, including grains, livestock, meats, cotton, and copper. In the first half of October there were wide fluctuations in many agricultural prices, decreases in prices of non-ferrous metals, and considerable increases in the prices of sugar and coffee.

**Bank Credit.**

Security loans of reporting member banks in leading cities increased in the latter part of September, but declined rapidly early in October, the decline reflecting a large volume of liquidation in loans to brokers and dealers in securities. Commercial loans, which up to the last week in September had not shown the usual seasonal growth, increased by \$150,000,000 in the following three weeks. The banks' holdings of investments continued to increase.

In response to the seasonal demand for currency, outstanding volume of reserve bank credit showed an increase of \$30,000,000 on the average between the weeks ending September 20 and October 18.

Money rates in the open market continued at low levels. The yield on high grade bonds declined further until early in October, when bond prices declined and there was a corresponding rise in yields.