

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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GENERAL business conditions in the Fifth Federal reserve district continued in October to compare unfavorably with those of a year ago. There has been no improvement in employment in recent weeks, but on the contrary the completion of work undertaken in the spring and summer has added to the number of idle workers. Crop yields are very spotted in the Fifth district, but on the whole the quantity yield of money crops compares fairly well with yields in recent years. The price situation is unfavorable, however, with cotton and tobacco, the two leading cash crops, selling at the lowest prices for many years.

During the month between October 15 and November 15, member banks increased their borrowing at the reserve bank, a seasonal development due to needs of city customers. The circulation of Federal reserve notes also showed a seasonal increase, marketing of agricultural products and the opening of fall trade creating a demand for additional currency. Member bank loans showed little change during the month, but their deposits, both demand and time, increased. Debits to individual accounts in twenty-four cities of the Fifth district for the four weeks ended November 12 showed a seasonal decline in comparison with debits during the four weeks ended October 15 this year, and also totaled 15.9 per cent less than debits in the corresponding four weeks last year, ended November 13, 1929. Part of the decrease from last year's figure was due to lower price levels this year. Commercial failures in the district were more numerous in October than in either September this year or October a year ago, and aggregate liabilities involved also rose last month in comparison with both the earlier periods. Coal production in October showed some seasonal increase, but total figures were considerably below those of October 1929. The textile industry, on the other hand, seems to have improved slightly in October, cotton consumption increasing over recent figures and buyers manifesting more interest, but the

rate of operation in the mills is still much below that of last year. Cotton prices increased slightly in the latter part of October and continued firm during the first half of November, but are still around \$30 to \$35 a bale below prices at the same time a year ago. Condition figures on the leading crops as of November 1 showed some general improvement over the forecasts as of October 1, October weather having favored late development and harvesting in all of the district except Maryland, but the improvement was relatively negligible in comparison with the damage done by the long summer and early fall drought. Department store sales increased in October by more than the usual seasonal amount, and showed an increase over sales in October 1929, due principally to special sales and intensive advertising by a few large stores in leading cities. Wholesale trade showed larger sales in most lines than in September, but all lines reported upon showed smaller sales last month than in October 1929.

Reserve Bank Statement

ITEMS	000 omitted		
	Nov. 15 1930	Oct. 15 1930	Nov. 15 1929
Rediscounts held	\$ 19,005	\$ 18,002	\$ 51,295
Open market paper.....	11,151	8,392	19,027
Government securities	16,983	16,983	1,809
Total earning assets.....	47,139	43,377	72,131
Circulation of Fed. Res. notes.....	68,903	66,809	93,288
Members' reserve deposits.....	64,171	63,822	62,395
Cash reserves	96,229	97,236	92,995
Reserve ratio	70.66	72.37	58.89

Rediscounts for member banks held by the Federal Reserve Bank of Richmond increased \$1,003,000 between October 15 and November 15, as a result of increased borrowing by city customers. The reserve bank also increased its holdings of bankers' acceptances purchased in the open market during the month, this item rising by \$2,759,000. There was no change in the holdings of Government securities. Total earning assets of the Richmond bank rose \$3,762,000, as a result of the increases in rediscounts and open market paper holdings. The volume of Federal reserve notes in actual circulation rose \$2,094,000 between October

15 and November 15, a greater demand for currency arising with the increased marketing of tobacco and cotton, and the approach of the holiday shopping season. Member bank reserve deposits showed little change during the period under review. The several changes enumerated, with others of less importance, lowered the ratio of cash reserves to note and deposit liabilities combined by 1.71 points.

Comparison of the November 15, 1930, figures in the accompanying table with those reported for November 15, 1929, shows more marked changes than those which occurred during the past month. On the whole, the comparison indicates that member banks have much less need for reserve bank credit this year. Rediscounts for member banks held by the Richmond bank declined by \$32,290,000 during the year, and the portfolio of open market paper decreased by \$7,876,000. On the other hand, the Bank increased its holdings of Government securities by \$15,174,000 during the year. As a result of the changes mentioned in rediscounts, open market paper and Government security holdings, total earning assets of the Federal Reserve Bank of Richmond showed a net decline of \$24,992,000, between November 15, 1929, and November 15, 1930. Circulation of Federal reserve notes at the middle of November this year totaled \$24,385,000, less than the circulation on November 15 last year, but attention is again called to the fact that the circulation was temporarily increased during the last half of last year by a change in the size of currency. Member bank reserve deposits rose by \$1,776,000 during the year, and the cash reserves of the Richmond bank increased by \$3,234,000. The ratio of cash reserves to note and deposit liabilities combined rose 11.77 points between November 15, 1929, and November 15, 1930.

Member Bank Statement

ITEMS	000 omitted		
	Nov. 12 1930	Oct. 15 1930	Nov. 13 1929
Loans on stocks and bonds (including Governments)	\$174,372	\$174,239	\$185,563
All other loans.....	292,969	294,213	318,726
Total loans and discounts.....	467,341	468,452	504,289
Total inv. in stocks and bonds....	188,809	191,492	152,065
Reserve bal. with F. R. Bank.....	38,861	41,235	39,647
Cash in vaults.....	11,852	10,913	12,728
Demand deposits	354,121	351,720	344,584
Time deposits	256,825	256,208	235,328
Borrowed from Fed. Res. Bank....	6,465	4,787	23,734

The accompanying table shows the principal items of condition of fifty-five regularly reporting member banks in the Fifth reserve district as of three dates, thus affording an opportunity for comparison of the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

Total loans and discounts in the fifty-five reporting banks declined by \$1,111,000 during the past month,

the decrease being entirely in ordinary commercial, agricultural and industrial loans. Total investments in bonds and other securities also declined, by \$2,683,000. Cash in vaults rose \$939,000 between October 15 and November 12. In spite of increased deposits, aggregate reserve balances of the reporting banks at the reserve bank declined by \$2,374,000 during the past month. Demand deposits rose \$2,401,000 and time deposits increased \$617,000 between October 15 and November 12. The reporting institutions increased their borrowing at the Federal Reserve Bank of Richmond by \$1,678,000 between October 15 and November 12.

Between November 13, 1929, and November 12, 1930, the fifty-five reporting banks reduced their outstanding loans and discounts by \$36,948,000, loans on securities declining \$11,191,000 and all other loans \$25,757,000. Release of these funds enabled the banks to increase their investments in stocks and bonds, this item rising by \$36,744,000 during the year, almost the same amount as the reduction in outstanding loans. On November 12 this year aggregate reserve balances of the reporting banks at the reserve bank and cash in vaults showed declines of \$786,000 and \$876,000, respectively, in comparison with the figures on November 13 last year. Deposits in the fifty-five banks rose materially during the year, demand deposits gaining \$9,537,000 and time deposits \$21,497,000.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	Nov. 12 1930	Oct. 15 1930	Nov. 13 1929
Asheville, N. C.....	\$ 28,125	\$ 31,180	\$ 22,284
Baltimore, Md.....	389,863	415,653	437,125
Charleston, S. C.....	20,873	23,502	26,600
Charleston, W. Va.....	33,303	34,874	41,239
Charlotte, N. C.....	42,575	43,457	57,875
Columbia, S. C.....	23,068	22,637	22,555
Cumberland, Md.....	8,421	8,622	10,403
Danville, Va.....	8,338	7,104	14,119
Durham, N. C.....	26,411	23,868	28,247
Greensboro, N. C.....	18,262	19,463	23,358
Greenville, S. C.....	15,682	15,678	24,977
Hagerstown, Md.....	8,193	8,576	10,794
Huntington, W. Va.....	16,953	17,865	23,674
Lynchburg, Va.....	15,257	20,501	19,475
Newport News, Va.....	10,238	10,122	10,227
Norfolk, Va.....	50,092	50,032	61,703
Portsmouth, Va.....	4,198	3,833	5,788
Raleigh, N. C.....	23,040	25,968	20,134
Richmond, Va.....	135,316	142,496	157,176
Roanoke, Va.....	25,549	25,369	33,765
Spartanburg, S. C.....	11,717	11,801	18,193
Washington, D. C.....	218,339	241,480	267,637
Wilmington, N. C.....	13,582	13,171	18,833
Winston-Salem, N. C.....	32,324	35,481	46,599
District Totals	\$1,179,719	\$1,252,733	\$1,402,780

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.

A comparison of the total of \$1,179,719,000 in debits reported for the four weeks ended November 12, 1930, with the total reported for the preceding four weeks, ended October 15 this year, shows a decrease of \$73,014,000, or 5.8 per cent, the decrease being due chiefly to the large volume of quarterly payments on or about October 1. Nine cities reported higher figures for the more recent period, in spite of a seasonal trend downward, but fifteen cities reported declines. Norfolk was the only one of the larger cities to show an increase in debits last month.

In comparison with total debits reported for the four weeks ended November 13, 1929, those reported for the corresponding period ended November 12, 1930, showed a decrease of \$223,061,000, or 15.9 per cent. Twenty of the twenty-four cities reported lower figures for the 1930 period, only four cities exceeding their 1929 figures. These four cities were Asheville, Columbia, Newport News and Raleigh, and withdrawals or shifts of public funds probably accounted for the increases in all of these except Newport News.

Savings and Time Deposits

Deposits in twelve mutual savings banks in Baltimore aggregated \$198,704,801 at the close of business October 31, 1930, a higher figure than either \$196,729,159 on September 30, 1930, or \$189,687,177 on October 31, 1929. Time deposits in fifty-five regularly reporting member banks on November 12 totaled \$256,825,000, which also showed an increase over both \$256,208,000 reported on October 15 this year and \$235,328,000 on November 13 last year.

Commercial Failures

Commercial failures in the Fifth Federal reserve district numbered 121 in October this year, with aggregate liabilities amounting to \$1,430,900, compared with 114 insolvencies and liabilities totaling \$1,831,506 reported for the shorter month of September this year and 91 failures with liabilities aggregating \$1,066,027 reported for October 1929. An increase in October failures over those of September has occurred in the Fifth District in eight of the past eleven years. The district increase of 33 per cent in bankruptcies in October in comparison with October 1929 was greater than the average increase of 17 per cent in the United States, but the increase of 34 per cent in aggregate liabilities in the district was much less than the National increase of approximately 80 per cent.

Employment

Little if any real improvement occurred in employment conditions in most of the Fifth reserve district during the past month. There was a further seasonal increase in employment in coal mines, and textile mills in the Carolinas also increased operating time to some extent. As a result of the drought during the summer, many farmers are seeking employment off the farms, thus coming

into competition with city and town workers. There appear to be fewer floating laborers in the Fifth district, especially in Virginia cities, than there were a year or two ago when much industrial development was under way. The strike of textile employees in Danville continues, the workers having been out since September 29. Many plans looking to increased employment on either full or part time are being made in the district, the seriousness of the situation being generally recognized, but most of the relief work is yet in a tentative stage.

Coal Production

Bituminous coal production in the United States totaled 44,150,000 net tons in October 1930, a seasonal increase over 38,632,000 tons mined in September this year but considerably below the output of 52,174,000 tons in October 1929. Total production of soft coal during the present calendar year to November 8—approximately 264 working days—amounted to 394,590,000 net tons, the lowest production in more than five years. Shipments of coal through Hampton Roads in October totaled 1,643,507 tons, and total shipments since January 1 amounted to 17,927,028 tons. Total shipments during the first nine months of this year through all Fifth district ports totaled 20,502,910 tons, approximately 67 per cent of all tidewater shipments.

In its October 25 report, the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of September and for the first nine months of this year. These figures credit West Virginia with 10,552,000 tons of bituminous coal last month, while Pennsylvania, the second ranking state, produced only 10,160,000 tons. However, Pennsylvania with 92,034,000 tons of soft coal during the first nine months of this year exceeded West Virginia's production of 90,818,000 tons.

Textiles

The textile industry reported an improved outlook early in November, although not much definite progress has yet been made. Mills in the Carolinas increased operating time during October, most of them now being on full time daylight shifts. Textile executives among our correspondents write more optimistically than for many months. Fifth district cotton mills consumed 195,520 bales in October, of which North Carolina mills used 110,738 bales, South Carolina mills 81,466 bales, and Virginia mills 3,316 bales. The low figure for Virginia was due to the strike at Danville, which practically eliminated the largest independent mill in the South from October consumption figures. In September this year the Fifth district mills consumed 177,575 bales, and in October 1929 they used 274,414 bales. Consumption of cotton in the Fifth district in October amounted to 43.99 per cent of National consumption, compared with 45.04 per cent of National consumption used in the district in September this year and 42.89 per cent in October 1929.

Cotton Statistics

Cotton prices, after declining slowly but steadily during the past year to the lowest level since 1915, turned slightly upward in the latter part of October and continued firm during the first half of November. The average price at ten leading Southern markets on November 14 was 10.23 cents for upland 7/8 inch cotton, middling basis, as compared with a low average price of 9.50 cents reached a month earlier.

Condition figures on the 1930 cotton crop, based on the November 1 condition of the crop, were issued by the Department of Agriculture on November 8. This report lowered the estimate of production in the United States to 14,438,000 bales, in comparison with the estimate of 14,486,000 bales on October 1, 1930, and final ginnings of 14,828,000 bales in 1929. The November 1 report raised this year's probable production figures for South Carolina and Virginia, but lowered the North Carolina estimate. South Carolina's yield is estimated at 1,030,000 bales, compared with prospects for 1,010,000 bales on October 1 and 830,000 bales grown last year. North Carolina's crop of 840,000 bales compares with an estimate of 870,000 bales on October 1, and 747,000 bales ginned in 1929. Virginia's prospective yield of 39,000 bales compares with 34,000 bales predicted a month earlier and 48,000 bales grown in 1929. Total production in the Fifth district is forecast at 1,909,000 bales, a decrease of 5,000 bales during October but 284,000 bales above last year.

Ginning figures to November 1, released by the Census Bureau on November 8, showed 10,863,601 bales ginned from this year's crop, compared with 10,891,940 bales of last year's crop ginned before November. Weather during the past month was generally favorable for picking, which progressed at about the usual rate for this time of the year.

Cotton consumption in the United States in October showed an increase over consumption in the shorter month of September, but was materially less than in October last year. The number of bales used totaled 444,494 in October 1930, compared with 394,321 bales used in September this year and 639,759 bales in October 1929. Total consumption this cotton year—August 1 through October 31—amounted to 1,191,150 bales, against 1,744,347 bales consumed in the corresponding three months of last season. Manufacturing establishments held 1,352,885 bales on October 31, compared with 967,936 bales held on September 30 and 1,355,998 bales on October 31, 1929. Public warehouses and compresses held 7,542,596 bales in storage at the end of October this year, compared with 3,464,699 bales so held a month earlier and 5,296,077 bales on October 31 last year. October exports totaled 1,004,120 bales, compared with 902,956 bales exported in September and 1,251,300 bales sent abroad in October 1929. Total exports during the three months of the present cotton year—August 1-October 31, inclusive—totaled 2,-

270,112 bales, a higher figure than 2,203,194 bales shipped overseas during the corresponding three months last year. Spindles active at some time during October numbered 26,153,792, compared with 26,087,004 in September this year and 30,107,434 in October 1929.

Cotton growing states consumed 352,933 bales of cotton in October, compared with 314,623 bales in September and 488,660 bales in October 1929. Last month's consumption in the cotton growing states amounted to 79.40 per cent of National consumption, a lower percentage than 79.79 per cent in September this year but higher than 76.38 per cent in October 1929. Of the 352,933 bales of cotton consumed in the cotton growing states in October, the Fifth district mills used 195,520 bales, or 55.40 per cent, a slightly lower figure than 56.16 per cent of Southern consumption attained by Fifth district mills in October last year.

Tobacco Marketing

North Carolina tobacco market sold 142,094,665 pounds of growers' tobacco in October 1930, at an average price of \$14.92 per hundred pounds. These figures compare with 138,606,781 pounds sold for an average of \$19.91 per hundred in October 1929, a decrease in cash returns of approximately \$6,300,000 for the month's sales. Total sales this season of 272,132,427 pounds show a decrease from 278,175,860 pounds sold in 1929 before November 1, but final production for 1930 is expected to turn out 8.3 per cent more than the crop of 1929. Wilson led the North Carolina markets in October sales with 22,527,520 pounds, but Carthage led in price at \$17.71 per hundred. Greenville ranked second in sales with 19,568,334 pounds, but Durham was second in price with an average of \$17.62 per hundred pounds.

Virginia leaf tobacco markets sold 12,899,668 pounds of producers' tobacco in October, at an average price of \$10.97 per hundred pounds. Last year the October sales amounted to 22,951,030 pounds at an average of \$17.21 per hundred. October sales consisted entirely of flue-cured types as the other markets did not open until November. Danville led all markets with total sales of 6,044,489 pounds, South Boston ranking second with 2,550,080 pounds. Danville and Lawrenceville tied in price at \$12.57 per hundred pounds. The quality of the tobacco sold on Virginia markets was very poor last month, averaging 11 per cent good, 28 per cent medium, and 61 per cent common, in comparison with tobacco averaging 24 per cent good, 41 per cent medium, and 35 per cent common sold in October 1929.

Tobacco Manufacturing

According to a report issued by the Internal Revenue Bureau on October 30, Fifth reserve district states paid taxes on manufactured tobacco products amounting to \$264,995,571 during the first nine months of 1930, compared with taxes totaling

\$242,482,550 paid during the first nine months of 1929. This year the district paid taxes amounting to \$1,041,578.59 on cigars, nearly all of which was paid by Virginia factories; \$241,714,512.84 on cigarettes, of which approximately \$180,000,000 was paid by North Carolina and \$62,000,000 by Virginia; and \$22,239,479.62 on chewing, smoking and other manufactured tobacco, of which over \$17,500,000 was paid by North Carolina. Taxes paid on cigars showed a decline in comparison with 1929 taxes, but taxes paid on cigarettes and other manufactured tobacco increased this year. The tax payments show that the tobacco manufacturing industry in Virginia increased relatively more this year than in other parts of the district. During the first nine months of 1930, North Carolina paid taxes on the manufacture of 59,889,468,000 cigarettes, and Virginia paid on 20,682,014,000 cigarettes. The Fifth district states manufactured 87.5 per cent of the National total output of cigarettes during the first three-quarters of this year, and also manufactured 43.5 per cent of the country's smoking and chewing tobacco, but paid only 7.3 per cent of the total tax on cigars.

Agricultural Notes

Composite condition figures for all crops in Maryland, Virginia, West Virginia and South Carolina increased between October 1 and November 1, but North Carolina's average condition declined. The changes were slight, however, varying from an increase of 2.4 points in Virginia to a decrease of 3/10 of 1 point in North Carolina.

Maryland's weather was not very favorable for the maturing of late harvested crops. Light showers fell in scattered areas, but were not of sufficient extent or duration to cause material improvement in pastures or fall sown grains. Yields of grains are very low this year. Production of fruit crops is also light, but prospects for apples, pears and grapes improved during October. Corn production in Maryland is now estimated at 8,115,000 bushels, compared with 19,162,000 bushels harvested in 1929. The drought was hard on corn and it is estimated that less than half of the crop is of merchantable quality this year. The late potato crop was poor in Maryland, due to the drought, and total production is estimated at 2,981,000 bushels compared with 4,000,000 bushels last year. Estimated production of apples, pears and grapes is higher on November 1 than on October 1, but is lower than 1929 yields. The apple crop is forecast at 1,826,000 bushels, the pear crop at 180,000 bushels, and the grape crop at 1,368 tons. Maryland tobacco production is estimated at 19,260,000 pounds, with average quality of about 66 per cent.

Virginia farmers are securing yields of most crops slightly above earlier expectations. The combined yield of all crops, however, is the lowest on record, being only 67 per cent of the ten year average. Weather conditions during October were

favorable for harvest but quite unfavorable for preparing land and seeding fall grain. Wheat has germinated very poorly and is expected to enter the winter with rather short growth. The corn crop yielded somewhat better than was forecast on October 1, and production of 17,676,000 bushels compares favorably with 16,138,000 bushels forecast last month, but shows a drastic reduction from 44,138,000 bushels harvested last year. Preliminary estimates of tobacco yields are approximately the same as those of October 1. The Virginia crop is now estimated to be 92,820,000 pounds, compared with 113,865,000 pounds grown in 1929. The quality of the crop is exceedingly low, being reported at 56 per cent, compared with 85 per cent last year and 76 per cent during the past ten years. Although peanuts have been dug, they have not been threshed or picked, and the yield is therefore still uncertain. The present estimate of production is 88,200,000 pounds, compared with 146,080,000 pounds last year. The Virginia sweet potato crop suffered severely from the drought, and a crop of only 3,680,000 bushels is expected, compared with 6,705,000 bushels last year and a five year production of 5,142,000 bushels. Shipments from the Eastern Shore to November 1 amounted to 4,127 cars, while to the same date last year 5,618 cars had been shipped. Late Irish potatoes yielded quite poorly, and total production of potatoes is now estimated to be 14,896,000 bushels, including 11,880,000 bushels of the early commercial crop. Last year total production was 17,461,000 bushels, including 12,070,000 bushels of commercial early. The Virginia commercial apple crop is estimated to be 1,350,000 barrels, which is 330,000 barrels less than the October 1 forecast, 1,750,000 barrels below the 1929 crop, and only slightly more than half the average production during the previous five years. Carlot shipments to November 1 of 3,872 cars indicate that the total shipments for the season will amount to about 7,000 cars. The short crop resulted chiefly from the damaging effects of the prolonged summer drought. The quality of the crop and the size of the fruit are reported by orchardists to be much below average, thus causing a larger percentage to run to the lower grades. An unusually large percentage of the crop is being disposed of for by-product purposes.

West Virginia's prospective crop yields of November 1 as a percentage of average during the ten years preceding is only 58.8 per cent, the poorest average for any state in the country. All feed supplies in the state are short, and water supplies are still low in many sections. The 1930 corn crop was the poorest ever harvested in West Virginia. The preliminary estimate indicated a yield of only 6,129,000 bushels, compared with 13,892,000 bushels harvested in 1929. The quality of the crop this year is inferior to last year and although there is little soft corn the amount that can be utilized for seed will be much less than last year. The November 1 estimate of 4,410,000 bushels for the

Irish potato crop is more than 2,000,000 bushels less than the 6,555,000 bushels harvested in 1929. Sweet potato production is estimated at 150,000 bushels against 240,000 bushels dug last year. The tobacco crop of West Virginia improved remarkably at the end of the growing season and the expected crop of 6,566,000 pounds is only a little below 6,588,000 pounds gathered in 1929. Harvest of the tobacco crop was hastened by cold weather and the frosts of October 19 and 20 did considerable damage to tobacco which had not reached the proper curing stage. The total apple production for the state is estimated at 3,944,000 bushels, compared with 5,600,000 bushels in 1929. The commercial apple crop of 629,000 barrels compares with 1,400,000 barrels harvested last year.

North Carolina was fortunate in experiencing relatively little of the severe drought during the summer and early fall, and weather was favorable for harvesting and for the preparation of fields for seeding small grain. Late pastures are fairly good. Corn shows a much better yield than was expected, particularly in the southeastern half of the state. This year's production of 50,471,000 bushels shows an increase over 48,588,000 bushels harvested last year. The tobacco crop showed an appreciable increase in both acreage and yield this year, and North Carolina's production is now estimated to be 539,095,000 pounds, compared with 497,593,000 pounds grown in 1929. The quality of the tobacco does not seem to be particularly good this year. The prospective yield of peanuts is 181,050,000 pounds this year, compared with 224,400,000 pounds in 1929 and a five year average of 198,039,000 pounds. Growers are of the opinion that the North Carolina peanuts may turn out better than now expected. The apple crop improved late in October and a crop of 2,555,000 bushels is now indicated. The commercial crop is shorter than last year, the estimate being for 128,000 barrels. The after harvest reports show that small grains are of unusually good quality this year. For the first time in several years, the weight of grain is fully up to standard. The Irish potato crop shows a yield of 8,494,000 bushels, compared with 8,130,000 bushels dug in 1929, and the sweet potato yield of 8,550,000 bushels compares fairly well with 9,126,000 bushels last year. With favorable harvesting conditions, the keeping qualities of potatoes are expected to be good, as they should be fairly free from surplus sap.

South Carolina crops are better than those of any other state in the Fifth district, and with the exception of New Hampshire and Georgia are the best in the United States, average yields for all crops combined being 19.1 per cent above the ten year average. South Carolina has had two good corn years in succession. This year's crop is estimated at 24,634,000 bushels, compared with 23,321,000 bushels last year and a five year average of 20,780,000 bushels. The estimate of 94,430,000 pounds of tobacco is the largest ever produced in

the state, and compares with 82,992,000 pounds last year and a five year average of 66,469,000 pounds. Timely rains during the fall improved sweet potatoes materially and the outturn is much better than anticipated earlier in the season. Production is estimated to be 5,200,000 bushels, compared with the extra good crop of 5,750,000 bushels last year and a five year average of 3,907,000 bushels. The Irish potato crop yielded 3,337,000 bushels, compared with 2,354,000 bushels last year. The yield of peanuts totaling 7,300,000 pounds is about the usual crop.

Construction

Building permits issued for new construction in thirty-two leading cities of the Fifth Federal reserve district in October 1930 numbered 1,093, with estimated valuation totaling \$5,539,480, compared with 1,438 permits issued for new work in October 1929, valued at \$8,094,903. Alteration and repair permits also declined in both number and estimated valuation last month in comparison with the corresponding month of the preceding year. Total valuation for all classes of permits issued in October this year amounting to \$6,967,531 showed a decline of \$3,013,801 in comparison with permits totaling \$9,981,332 issued in the same cities in October 1929. Only seven of the thirty-two reporting cities showed higher valuation figures this year, and of these seven only three, Roanoke, Va., Charleston, W. Va., and Charleston, S. C., showed figures in keeping with population.

Contracts awarded in October for construction work in the Fifth district, including both rural and urban projects, totaled \$25,569,298, compared with \$25,600,760 awarded in October 1929 and \$40,328,757 in October 1928, according to figures collected by the F. W. Dodge Corporation. Of the awards in October this year, \$4,805,083 was for residential work, compared with \$8,652,055 for this type of work in 1929.

Retail Trade, 34 Department Stores

	Baltimore	Washington	Other Cities	District
October 1930 sales, compared with sales in October 1929:	+ 4.1	+ 2.3	- 4.6	+ 1.8
Jan.-October 1930 sales, compared with Jan.-October 1929:	+ 3	- 1.2	- 7.5	- 1.8
October 31, 1930 stock, compared with stock on Oct. 31, 1929:	- 8.4	- 9.9	- 10.2	- 9.3
Oct. 31, 1930 stock, compared with stock on Sept. 30, 1930:	+ 7.0	+ 7.5	+ 7.2	+ 7.2
Number of times stock was turned in October 1930:	.373	.401	.264	.358
No. of times stock was turned between Jan. 1 and Oct. 31, 1930:	2.895	2.921	2.179	2.739
Percentage of Oct. 1, 1930, receivables collected in October:	24.5	31.5	32.6	28.2

Retail trade in thirty-four department stores in the Fifth reserve district made somewhat more than the usual seasonal gain in October in comparison with September, and averaged 1.8 per cent more in aggregate amount than in October 1929, although only 12 stores reported higher figures last

month while 22 fell below their October 1929 sales. However, many of the declines this year were small, while some of the city stores went ahead considerably, chiefly as a result of special sales which were put on earlier this year than in most years. Cumulative sales for the first ten months of 1930 averaged 1.8 per cent less than total sales in the first ten months of 1929, a good showing in view of lower prices in many lines.

Stocks carried by the reporting stores at the end of October showed a seasonal increase amounting to 7.2 per cent over stocks on hand a month earlier, September 30, 1930, but averaged 9.3 per cent less in selling value than stocks on hand on October 31, 1929. Part of the decline in stocks during the year is of course due to lower prices this year in many lines handled by the reporting stores. The stores turned their stock .358 times in October, and since January 1 stocks have been turned an average of 2.739 times, a higher figure than 2.657 times stock was turned in the corresponding ten months of 1929.

Collections during October in 33 of the 34 re-

porting stores showed a seasonal increase over September collections but were not quite up to the average of October last year. Collections in Washington were slightly better last month than in October 1929, but Baltimore and the Other Cities showed lower percentages of collections to total outstanding receivables.

Wholesale Trade, 67 Firms

	24	9	7	15	12
	Groceries	Dry Goods	Shoes	Hardware	Drugs
October 1930 sales, compared with sales in October 1929:	-13.8	-13.9	-18.9	-19.6	-11.9
October 1930 sales, compared with sales in September 1930:	+ 2.5	+12.3	- 7.7	+11.1	+ 2.9
Jan.-Oct. 1930 sales, compared with Jan.-Oct. 1929 sales:	- 5.8	-17.2	- 9.1	-15.3	- 5.3
Oct. 31, 1930 stocks, compared with Oct. 31, 1929 stocks:	- 9.3(9*)	-20.0(4*)	+ 9.5(4*)	-10.2(8*)
Oct. 31, 1930 stocks, compared with Sept. 30, 1930 stocks:	+ 9.9(9*)	- 8.0(4*)	- 6.3(6*)	- 1.0(8*)
Percentage of Oct. 1, 1930 receivables collected in October:	65.5(14*)	39.9(6*)	42.2(7*)	34.6(12*)	54.1(9*)

-Denotes decreased percentage. *Number of reporting firms.

(Compiled November 21, 1930)

BUILDING OPERATIONS FOR THE MONTHS OF OCTOBER 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.....	393	403	1,112	1,379	\$ 1,407,600	\$ 2,559,960	\$ 533,760	661,320	\$-1,279,920	1
2	Cumberland, Md.....	14	17	4	7	8,620	17,786	4,315	5,729	- 10,580	2
3	Frederick, Md.....	8	13	7	9	17,637	39,820	2,362	6,703	- 26,524	3
4	Hagerstown, Md.....	28	16	8	3	43,950	21,720	4,420	2,000	24,650	4
5	Salisbury, Md.....	23	19	11	15	40,450	42,925	1,900	17,050	- 17,625	5
6	Danville, Va.....	9	12	11	13	15,785	2,370	6,610	4,550	15,475	6
7	Lynchburg, Va.....	25	16	31	29	75,780	47,575	35,420	10,928	52,697	7
8	Norfolk, Va.....	112	58	55	84	94,458	93,838	32,096	89,376	- 56,660	8
9	Petersburg, Va.....	5	7	2	4	17,290	179,050	300	3,550	- 165,010	9
10	Portsmouth, Va.....	21	17	16	29	28,825	21,950	7,250	19,038	- 4,913	10
11	Richmond, Va.....	54	77	94	80	266,843	316,434	138,853	226,752	- 137,490	11
12	Roanoke, Va.....	27	42	17	18	474,230	131,173	7,015	20,054	330,018	12
13	Bluefield, W. Va.....	11	9	2	5	14,445	6,440	200	9,295	- 1,090	13
14	Charleston, W. Va.....	30	69	23	30	712,475	149,277	22,650	86,515	499,333	14
15	Clarksburg, W. Va.....	19	15	14	10	14,995	26,209	2,930	5,625	- 13,909	15
16	Huntington, W. Va.....	18	30	5	6	18,000	53,105	2,001	4,500	- 37,604	16
17	Asheville, N. C.....	3	5	37	40	11,401	8,575	8,044	31,245	- 20,375	17
18	Charlotte, N. C.....	35	71	52	63	82,848	175,540	11,073	59,262	- 140,881	18
19	Durham, N. C.....	11	14	5	10	71,750	117,156	6,000	32,372	- 71,778	19
20	Greensboro, N. C.....	14	22	38	33	69,624	68,385	14,086	13,444	1,881	20
21	High Point, N. C.....	11	13	2	9	10,140	47,000	6,200	4,250	- 34,910	21
22	Raleigh, N. C.....	10	12	7	10	6,213	38,430	3,100	3,375	- 32,492	22
23	Rocky Mount, N.C.....	4	17	7	1	8,941	15,305	6,965	3,500	- 2,899	23
24	Salisbury, N. C.....	2	1	8	3	1,555	275	1,005	4,400	- 2,115	24
25	Wilmington, N.C.....	10	14	9	17	29,300	30,200	6,400	20,100	- 14,600	25
26	Winston-Salem, N. C.....	35	35	70	88	51,085	866,295	15,798	17,707	- 817,119	26
27	Charleston, S. C.....	23	25	37	44	199,990	78,490	13,495	19,624	115,371	27
28	Columbia, S. C.....	6	11	64	70	11,825	160,900	20,955	18,365	- 146,485	28
29	Greenville, S. C.....	16	11	30	39	18,295	49,085	11,090	9,008	- 28,708	29
30	Rock Hill, S. C.....	4	8	6	10	10,850	56,265	1,430	18,432	- 62,417	30
31	Spartanburg, S. C.....	1	16	28	44	7,500	55,175	5,443	9,850	- 52,082	31
32	Washington, D. C.....	111	343	500	185	1,696,780	2,618,195	494,885	448,510	- 875,040	32
	Totals.....	1,093	1,438	2,312	2,387	\$ 5,539,480	\$ 8,094,903	\$ 1,428,051	\$ 1,886,429	\$-3,013,801	

- 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 industrial production and factory employment declined in October, and there was a further downward movement of commodity prices. Volume of sales by department stores increased by more than the usual seasonal amount. There was a considerable inflow of gold from South America and the Orient, and a further slight easing of money rates.

Production and Employment

Industrial production, including both factories and mines, decreased by about 3 per cent in October, according to the Federal Reserve Board's index, which makes allowance for usual seasonal changes. This decline reflected chiefly a further decrease in output of steel ingots, contrary to the usual seasonal movement, and a larger than seasonal decline in the output of automobiles. Output in the shoe industry was also curtailed. Consumption of cotton by domestic mills showed a further increase of slightly more than the usual seasonal amount, and stocks of cotton cloth were further reduced; increased activity was also reported for the silk industry. Output of coal was in substantially larger volume than in September, while production of copper and petroleum declined.

Number of workers employed showed a decrease for the month in foundries and in the automobile, machine tool, woolen, and shoe industries, while increases were reported in number of persons employed in the production of silk goods, hosiery, and radios. Employment at coal mines increased considerably, partly in response to seasonal influences.

Value of contracts for residential building, as reported by the F. W. Dodge Corporation, which had shown a growth in September, increased further in October, but by an amount smaller than is usual for that month. Contracts for public works and utilities also increased somewhat, reflecting a larger volume of awards for pipe lines. Owing to a substantial decrease in contracts for industrial building, however, there was little change in the total value of building contracts awarded.

Distribution

Volume of distribution of commodities by rail

showed a decline from September to October. Retail trade, however, as indicated by sales of department stores, increased by considerably more than the seasonal amount, according to preliminary reports to the Federal Reserve System.

Wholesale Prices

The general level of wholesale prices, as measured by the Bureau of Labor Statistics index, declined in October, and the decline continued in the first half of November. Further decreases in the prices of many agricultural products, including grains, livestock and meats, were accompanied by reduction in the prices of hides, tin, petroleum and gasoline, while sugar and copper advanced. The price of cotton rose considerably at the end of October from the low level prevailing early in the month.

Bank Credit

Total volume of credit at reporting member banks in leading cities showed relatively little change for the four-week period ending November 12. Loans on securities declined further by \$350,000,000, reflecting reductions in loans to brokers and dealers in securities, while all other loans increased by \$150,000,000, partly on account of purchases of acceptances by the member banks. The banks also increased their holdings of investments. The volume of reserve bank credit in use showed little change between the middle of October and the middle of November. There was a further addition of \$30,000,000 to the stock of monetary gold and a decline of \$20,000,000 in money in circulation, while member bank reserve balances increased. No material change in the composition of the reserve bank portfolio was shown for the month.

Money rates in the open market have eased slightly since the middle of October. The rate on prime commercial paper declined from 3 per cent to a range from 2 3/4 to 3 per cent and there was a reduction in the rate on bankers' acceptances of the longer maturities. Long-time money rates, as measured by yields on United States Government securities, declined slightly.