

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

JANUARY 31, 1931

| STATISTICAL SUMMARY | 1930 | 1929 |
|--|------------------|------------------|
| Debits to Individual Accounts (24 Cities)..... | \$15,588,979,000 | \$16,851,269,000 |
| Number of Commercial Failures, 5th District..... | 1,572 | 1,420 |
| Liabilities Involved in Failures, 5th District..... | \$ 32,806,719 | \$ 24,705,654 |
| Cotton Consumption, 5th District Mills (Bales)..... | 2,375,299 | 3,039,884 |
| Cotton Grown in Fifth District (Bales)..... | 1,877,000 | 1,625,000 |
| Tobacco Grown in Fifth District (Pounds)..... | 741,721,000 | 726,748,000 |
| Farm Value, All Crops in Fifth District..... | \$ 544,949,000 | \$ 737,887,000 |
| Building Permits for New Work (32 Cities)..... | 12,653 | 16,420 |
| Value of Permits for New Work (32 Cities)..... | \$ 83,454,134 | \$ 105,060,685 |
| Value of Contracts Awarded, 5th District..... | \$ 352,912,092 | \$ 385,963,047 |
| Total Sales, 34 Department Stores, 5th District..... | \$ 108,545,598 | \$ 112,070,045 |
| Total Sales, 66 Wholesale Firms in 5 Lines..... | \$ 59,324,766 | \$ 66,291,736 |
| Bituminous Coal Production, U. S. (Tons)..... | 461,630,000 | 534,989,000 |

Trade in the Fifth Federal reserve district in December and early January was about on seasonal level, in comparison with the volume of business during the past few months. There was a natural increase in retail trade over earlier months of the fall and winter, and on the whole the holiday business was probably up to expectations. Sales in December 1930 in thirty-four Fifth district department stores were 4.1 per cent less than sales in December 1929, but at least part of the decline was due to price changes. The tension affecting banking in certain localities eased considerably after the end of the year, and bank statements at the end of December indicated that an unusually large number of banks are in a more liquid condition than is normally the case. Member banks reduced their rediscounts at the reserve bank between the middle of December and the middle of January, and the circulation of Federal reserve notes declined seasonally after Christmas demands for currency had passed. Member banks reduced their outstanding loans, a normal development at this season when liquidation of agricultural and commercial indebtedness is under way. Reporting banks continued to carry more cash in their vaults than they usually keep on hand. Debits to individual accounts figures during the five weeks ended January 14, 1931, showed a seasonal increase of 2.3 per cent over debits for the five weeks ended Decem-

ber 10, 1930, but lacked 6.2 per cent of equaling the total of debits in the five weeks ended January 15, 1930, when the general price level was distinctly higher than at present. Savings deposits in Baltimore mutual savings banks showed some increase in December, but time deposits in reporting member banks declined. Commercial failures in the Fifth district in December showed an increase over those of November in both number and liabilities involved, and also exceeded the failures reported in December 1929. Employment conditions made no improvement in December and early January, but on the contrary the number of people unable to obtain work was probably increased by unfavorable weather for outside work. Coal production showed a decline in daily tonnage in comparison with November tonnage, and was also considerably below the output of December 1929. Textile mills reported no further progress in December, but continued to operate at about the rate of the two preceding months, when some increase in running time was noted. Cotton prices firmed up nearly half a cent a pound during the first half of January, after touching the lowest level in fifteen years at the middle of December. Tobacco markets reported large sales for December, but prices were far below those of the preceding year, partly due to the large percentage of inferior grades in the 1930 tobacco crop. Building permits issued last

month in the leading cities of the Fifth district dropped to the lowest level in several years, both in number and estimated valuation, but, on the other hand, construction contracts actually awarded in the district, including rural as well as city projects, were considerably higher than those of either November 1930 or December 1929. Wholesale trade in December compared unfavorably with the business done in December a year ago.

At the top of this month's *Review* we present a statistical summary of some of the leading activities of the Fifth district in 1930 and 1929. Most of the figures for 1930 compare unfavorably with those for 1929. Debits figures for last year totaled 7.5 per cent less than debits in 1929, department store sales declined 3.1 per cent, wholesale trade in five leading lines decreased 10.5 per cent, and contracts awarded for construction work in the district declined 8.6 per cent. However, all of these decreases were due in part to lower price levels in 1930. Commercial failures increased last year in both number and liabilities involved. Production of the district's two leading money crops, cotton and tobacco, exceeded production of the previous year, but the income derived from them was considerably smaller in 1930 because of much lower prices. While the decline in construction work in 1930 was marked, and played a leading part in increasing unemployment, the two most serious factors which adversely affected the district in 1930 were the record drought in the upper half of the district and the drastic slump in cotton and tobacco prices. If the Carolinas had received 1928 or 1929 prices for their 1930 crops, they would have been very favorably situated, and better prices would have alleviated, to some extent at least, the disastrous effects of last summer's drought in Virginia, Maryland and West Virginia.

Reserve Bank Statement

| ITEMS | 000 omitted | | |
|-------------------------------------|-----------------|-----------------|-----------------|
| | Jan. 15 1931 | Dec. 15 1930 | Jan. 15 1930 |
| Rediscounts held | \$ 23,332 | \$ 37,039 | \$ 29,918 |
| Open market paper | 7,384 | 117,965 | 11,736 |
| Government securities | 17,261 | 12,261 | 9,902 |
| Total earning assets..... | 47,977 | 61,096 | 51,556 |
| Circulation of Fed. Res. notes..... | 90,569 | 106,241 | 86,378 |
| Members' reserve deposits..... | 60,892 | 60,578 | 64,114 |
| Cash reserves | 118,405 | 119,028 | 105,916 |
| Reserve ratio | 72.71 | 71.11 | 69.06 |

Rediscounts for member banks held by the Federal Reserve Bank of Richmond declined by \$13,707,000 between December 15, 1930, and January 15, 1931, partly due to seasonal liquidation of agricultural indebtedness but chiefly due to a lessening of the tension caused by bank failures in November and December, which influenced some member banks to rediscount at the reserve bank in order to strengthen their cash positions. The marked increase in rediscounted paper in late November and early December was an unusual development at that season, and the decline between December 15 and January 15 was a return to more nearly normal conditions. During the month under review, the reserve bank decreased its portfolio of open

market paper by \$4,412,000, but increased its holdings of Government securities by \$5,000,000. The several changes in assets resulted in a net decline of \$13,119,000 in total earning assets during the month. The volume of Federal reserve notes in actual circulation declined seasonally last month, being \$15,672,000 lower on January 15, 1931, than on December 15, 1930. No change of importance occurred in member bank reserve deposits during the month. The changes in the items enumerated, with others of less importance, lowered the cash reserves of the Federal Reserve Bank of Richmond by \$5,523,000 between December 15 and January 15, but the ratio of cash reserves to note and deposit liabilities combined rose 1.60 points.

A comparison of the condition figures as of January 15 this year with those for the corresponding date a year earlier shows reductions during the year in total earning assets and member bank reserve deposits, but the circulation of Federal reserve notes, cash reserves, and the reserve ratio were all higher on the 1931 date. It should be understood, however, that the figures mentioned reflect the condition of the Bank on the report dates only, and are not necessarily the highest or lowest figures that occurred between the dates used. Rediscounts for member banks totaled \$6,586,000 less on January 15, 1931, than on January 15, 1930, and open market paper held showed a decrease of \$4,352,000 in the same period, but these declines were partly offset by an increase of \$7,359,000 in Government security holdings. The net decrease in total earning assets was \$3,579,000. The circulation of Federal reserve notes on January 15 this year was higher by \$4,196,000 than at the middle of January last year. Member bank reserve deposits declined \$3,222,000 during the year under review, lower reserves being required on reduced deposits in member banks. The total of cash reserves of the Federal Reserve Bank of Richmond on January 15, 1931, was higher by \$7,589,000, and the ratio of reserves to note and deposit liabilities combined was higher by 3.65 points, than the corresponding figures on January 15, 1930.

Member Bank Statement

| ITEMS | 000 omitted | | |
|--|-----------------|-----------------|-----------------|
| | Jan. 14 1931 | Dec. 10 1930 | Jan. 15 1930 |
| Loans on stocks and bonds (in- cluding Governments) | \$171,538 | \$171,397 | \$188,682 |
| All other loans..... | 274,979 | 289,272 | 309,650 |
| Total loans and discounts..... | 446,517 | 460,669 | 498,332 |
| Total inv. in stocks and bonds..... | 177,324 | 182,401 | 153,199 |
| Reserve bal. with F. R. Bank..... | 36,691 | 38,367 | 39,709 |
| Cash in vaults..... | 14,286 | 14,058 | 11,481 |
| Demand deposits | 334,505 | 344,875 | 352,924 |
| Time deposits | 241,731 | 245,375 | 235,410 |
| Borrowed from Fed. Res. Bank..... | 6,700 | 14,042 | 14,258 |

The accompanying table shows the principal items of condition of fifty-four 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, but it should be understood that the figures shown reflect the condition

on the report dates only, and are not necessarily the highest or lowest figures that occurred during the periods under discussion.

During the month between December 10 and January 14, total loans and discounts held by the fifty-four reporting banks declined by \$14,152,000, all of the decrease occurring in agricultural and commercial loans. A decrease in loans at the end of the year is seasonal. The reporting banks also reduced their investments in stocks and bonds, by \$5,077,000, and lowered their reserve deposits at the reserve bank by \$1,676,000. Their cash in vaults showed no material change, but was slightly higher on January 14 than a month earlier. Aggregate deposits in the reporting institutions declined approximately \$14,000,000 last month, demand deposits falling by \$10,370,000 and time deposits by \$3,644,000. A reduction in outstanding loans naturally brought an accompanying reduction in deposits, and lower deposits in turn reduced the reserve requirements. Rediscounts of the fifty-four banks at the Federal reserve bank were reduced by

\$7,342,000 during the past month.

A comparison of January 14, 1931, figures with those for January 15, 1930, shows total loans outstanding to be \$51,815,000 less this year, loans on securities declining \$17,144,000 and all other loans decreasing \$34,671,000. On the other hand, the investments in securities held by the fifty-four reporting banks rose by \$24,125,000 during the year, and on January 14 this year the banks were borrowing \$7,558,000 less at the Federal reserve bank than on January 15 last year. Although time deposits in the reporting banks rose by \$6,321,000 during the past year, a decline of \$18,419,000 in demand deposits more than offset the gain and brought a net deposit decline of \$12,098,000. Aggregate reserve balances of the fifty-four reporting banks at the Federal reserve bank declined \$3,018,000 between January 15, 1930, and January 14, 1931, partly due to lower requirements on reduced deposits, but cash in vaults totaled \$2,805,000 more on the 1931 date.

DEBITS TO INDIVIDUAL ACCOUNTS

| CITIES | Total Debits During the Five Weeks Ended | | | ANNUAL TOTALS | |
|---------------------------|--|-----------------|-----------------|------------------|------------------|
| | Jan. 14, 1931 | Dec. 10, 1930 | Jan. 15, 1930 | 1930 | 1929 |
| Asheville, N. C. | \$ 15,465,000 | \$ 19,473,000 | \$ 31,526,000 | \$ 298,131,000 | \$ 359,603,000 |
| Baltimore, Md. | 494,672,000 | 509,158,000 | 506,345,000 | 5,165,821,000 | 5,213,517,000 |
| Charleston, S. C. | 22,170,000 | 23,370,000 | 30,650,000 | 290,223,000 | 311,091,000 |
| Charleston, W. Va. | 56,016,000 | 45,431,000 | 59,447,000 | 502,862,000 | 520,814,000 |
| Charlotte, N. C. | 50,722,000 | 52,920,000 | 66,596,000 | 582,145,000 | 712,645,000 |
| Columbia, S. C. | 46,426,000 | 29,512,000 | 33,676,000 | 303,263,000 | 298,498,000 |
| Cumberland, Md. | 10,149,000 | 10,527,000 | 10,912,000 | 112,145,000 | 122,986,000 |
| Danville, Va. | 10,134,000 | 12,941,000 | 13,613,000 | 98,781,000 | 117,541,000 |
| Durham, N. C. | 29,783,000 | 32,114,000 | 33,005,000 | 321,971,000 | 365,631,000 |
| Greensboro, N. C. | 26,133,000 | 23,284,000 | 28,185,000 | 257,023,000 | 298,587,000 |
| Greenville, S. C. | 19,453,000 | 20,416,000 | 27,823,000 | 218,680,000 | 271,800,000 |
| Hagerstown, Md. | 10,538,000 | 10,455,000 | 12,567,000 | 116,180,000 | 135,037,000 |
| Huntington, W. Va. | 25,099,000 | 23,615,000 | 29,381,000 | 251,691,000 | 282,341,000 |
| Lynchburg, Va. | 23,496,000 | 21,331,000 | 26,221,000 | 231,174,000 | 245,153,000 |
| Newport News, Va. | 14,228,000 | 14,586,000 | 14,117,000 | 138,258,000 | 131,734,000 |
| Norfolk, Va. | 68,099,000 | 63,765,000 | 71,755,000 | 681,618,000 | 777,358,000 |
| Portsmouth, Va. | 5,449,000 | 6,415,000 | 5,815,000 | 58,573,000 | 64,673,000 |
| Raleigh, N. C. | 34,453,000 | 24,072,000 | 31,222,000 | 287,663,000 | 300,057,000 |
| Richmond, Va. | 168,447,000 | 171,416,000 | 172,596,000 | 1,655,672,000 | 1,771,945,000 |
| Roanoke, Va. | 34,333,000 | 36,687,000 | 40,901,000 | 365,827,000 | 390,311,000 |
| Spartanburg, S. C. | 15,125,000 | 14,449,000 | 19,885,000 | 144,674,000 | 177,427,000 |
| Washington, D. C. | 288,136,000 | 271,170,000 | 290,373,000 | 2,899,966,000 | 3,252,732,000 |
| Wilmington, N. C. | 17,014,000 | 15,028,000 | 22,087,000 | 170,001,000 | 215,279,000 |
| Winston-Salem, N. C. | 40,097,000 | 39,379,000 | 47,916,000 | 436,637,000 | 514,509,000 |
| District Total | \$1,525,637,000 | \$1,491,514,000 | \$1,626,614,000 | \$15,588,979,000 | \$16,851,269,000 |

The accompanying table shows debits to individual, firm and corporation accounts in the clearing house banks of twenty-four trade centers in the Fifth Federal reserve district, three equal periods of five weeks being given to allow for comparison of the latest available figures with those of the preceding like period and the corresponding period a year ago. In addition, total debits are shown by cities and the district for the calendar years 1930 and 1929.

Debits figures for the five weeks ended January 14, 1931, totaled \$1,525,637,000, an increase of \$34,123,000, or 2.3 per cent, over \$1,491,514,000 reported for the preceding like period, ended December 10, 1930. This increase was seasonal, due to large figures on and around January 1, but the increase this year was less

than in most years. Of the twenty-four reporting cities, exactly half reported larger and half reported smaller totals for the later period, the increases slightly more than offsetting the decreases. Columbia and Raleigh showed the largest gains, but both were due chiefly to State government transactions. Among the largest cities, Washington and Norfolk showed gains for the period ended January 14, but Baltimore, Charlotte and Richmond reported lower figures.

In comparison with debits aggregating \$1,626,614,000 reported for five weeks ended January 15, 1930, this year's figures for the corresponding period show a decline of \$100,977,000, or 6.2 per cent. Only three cities, Columbia, Newport News and Raleigh, reported higher figures for the current period.

Total debits in the twenty-four reporting cities for 1930 showed a decrease of \$1,262,290,000, or 7.5 per cent, in comparison with debits in 1929. Columbia and Newport News were the only cities reporting higher figures for the later year, Columbia's increase being due to State transfers in connection with an extensive road construction program. Newport News is the only city which reported higher figures because of a larger volume of ordinary business.

Savings and Time Deposits

Savings deposits in twelve mutual savings banks in Baltimore increased slightly during December, probably due to the crediting of interest at the year's end. Deposits on December 31 totaled \$198,794,363, compared with \$198,623,483 on November 30 and \$189,048,745 on December 31, 1929. It is interesting to note that during 1930, when there was much unemployment, deposits in the twelve Baltimore savings banks rose by \$9,745,618, while in 1929, a much more favorable year, deposits in the same institutions rose only \$1,887,273. Time deposits in fifty-four regularly reporting member banks did not follow last month the upward movement of mutual savings deposits, but declined from \$245,375,000 on November 30 to \$241,731,000 on December 31. The December 31, 1930, figure was higher than time deposits totaling \$235,410,000 in the same banks on December 31, 1929.

Commercial Failures

Business failures usually increase in December as a result of the pressure of year-end settlements, and the Fifth district showed this tendency last month. Insolvencies in the district numbered 139 in December, compared with 121 in November, and last month's liabilities totaling \$3,131,419 compared even more unfavorably with liabilities totaling \$1,718,380 in November. The December 1930 figures also compared unfavorably with those for December 1929, when there were 116 insolvencies with liabilities aggregating \$2,032,894.

The year 1930 witnessed 1,572 commercial failures in the Fifth reserve district, with liabilities totaling \$32,806,719. These figures show increases of 10.7 per cent and 32.8 per cent, respectively, over 1,420 failures and liabilities totaling \$24,705,654 in 1929. The number of insolvencies last year was less than those of 1927 and 1922, but exceeded those of all other years since the World War. Last year's liabilities, however, compared much more favorably with earlier years, being less than the liabilities reported in seven of the preceding eleven years. The four years which showed lower liabilities than 1930 were 1929, 1926, 1920 and 1919.

Employment

There was no marked change in employment conditions in the Fifth reserve district in December and early January, although unfavorable weather for outdoor work probably increased the number of idle workers to some extent. Building operations continued to lag behind other recent years, and the industries of the district did not experience improved demand for their

products. Wage reductions have been made in some instances, chiefly in attempts to hold working forces together without too serious financial loss until conditions improve, but on the whole wages have been held to previous levels. The textile strike in Danville continues, being now in its fourth month, but the mills involved are operating to some extent with non-union labor.

Coal Production

Bituminous coal production in the United States in December totaled 39,716,000 net tons, a higher figure than 38,122,000 tons mined in November, but on a daily basis December showed a decline from the output of the earlier month. In December 1929, production of soft coal totaled 47,046,000 net tons. Total production for the year 1930 was approximately 461,630,000 net tons, compared with 534,989,000 tons mined in 1929. Shipments of coal through Hampton Roads in December totaled approximately 1,957,010 tons, and total shipments from January 1 through December 31 totaled 21,617,921 tons.

The December 20 report of the Bureau of Mines, Department of Commerce, gave bituminous coal production by states for the month of November. West Virginia continued in second place with 9,358,000 tons, Pennsylvania ranking first with an output of 9,730,000 tons.

Textiles

There was no material change in conditions in the textile field in the Fifth district during December. Cotton consumed in the district in December totaled 184,815 bales, of which North Carolina mills used 97,862 bales, South Carolina mills 82,156 bales, and Virginia mills 4,797 bales. These figures show a seasonal decrease in comparison with consumption in November, the mills usually closing several days at Christmas. In November 1930 the mills in the Carolinas and Virginia consumed 191,245 bales, and in December 1929 they used 202,317 bales. Total consumption in 1930 amounted to 2,375,299 bales, a decrease of 21.86 per cent under 3,039,884 bales consumed in 1929. Every month since October 1929 showed a lower consumption figure than the figure for the corresponding month of the preceding year. Consumption of cotton in the Richmond reserve district in December 1930 totaled 45.5 per cent of National consumption, compared with 46.1 per cent in November 1930 and 44.7 per cent in November 1929.

Cotton Statistics

Cotton prices reached the lowest figure in fifteen years at the middle of December, declining to an average of 8.88 cents per pound on ten Southern spot markets on December 19. However, the price turned upward after that date, and gradually rose to an average of 9.29 cents on January 16, the latest date for which quotations are available. The average price on January 17, 1930, the corresponding date a year ago, was 16.80 cents per pound, approximately \$37.50 a bale higher than this year's price.

Cotton consumption in American mills in December totaled 406,207 bales, according to the report of the Bureau of the Census made public on January 14. This figure shows a seasonal decrease from 414,887 bales consumed during the month of November, and is 10.3 per cent less than 452,685 bales consumed in December 1929. Total consumption during the five months of the present cotton year amounted to 2,012,244 bales, compared with 2,738,185 bales consumed during the five months ended December 31, 1929. Cotton on hand at manufacturing establishments on December 31, 1930, totaled 1,659,432 bales, compared with 1,566,854 bales held on November 30, 1930, and 1,841,079 bales held on December 31, 1929. Bales in public warehouses and compresses numbered 8,377,720 at the end of December, against 8,397,800 at the end of November, and 5,898,596 on December 31, 1929. Exports of cotton totaled 765,835 bales in December, compared with 907,649 bales sent abroad in November 1930 and 910,321 bales in December 1929. Imports last month totaled 4,461 bales, compared with 3,409 bales imported in November and 36,190 bales in December 1929. Consumption of cotton in the cotton growing states totaled 322,136 bales in December, compared with 353,072 bales used in December 1929. Last month's consumption in the cotton growing states amounted to 79.30 per cent of National consumption, compared with 78.00 per cent of National consumption used in the cotton growing states in December a year ago. Of the 322,136 bales consumed in the cotton growing states last month, Fifth reserve district states used 184,815 bales, or 57.37 per cent.

Tobacco Marketing

North Carolina tobacco markets sold 73,449,151 pounds of producers' tobacco in December 1930, compared with 44,320,840 pounds sold in December 1929. Total sales this season to January 1, 1931, amounted to 488,931,007 pounds, compared with sales totaling 445,484,653 pounds sold of the 1929 crop prior to January 1, 1930. Prices received in North Carolina last month averaged \$12.54 per hundred pounds, a much lower figure than \$18.60 per hundred received for tobacco sold in December a year ago. Part of the price decline was due to generally lower grades of tobacco offered for sale. Winston-Salem led in sales in December with 11,681,408 pounds, and Wilson ranked second with 11,346,025 pounds. In total sales this season, Wilson leads with 72,912,040 pounds, Greenville ranking second with 59,734,011 pounds and Rocky Mount third with 40,311,996 pounds. Fuquay Springs led in price in December with an average of \$15.54 per hundred pounds, Durham being second with \$15.27 and Asheville third with \$15.26.

Virginia leaf tobacco markets sold 27,997,414 pounds for growers in December, at an average price of only \$9.18 per hundred pounds. In December 1929, Virginia markets sold 24,105,346 pounds, at \$18.45 per hundred pounds. Total sales this season to January 1 were 76,951,098 pounds, compared with 81,826,767 pounds of the 1929 crop sold during the corresponding period a year ago. The tobacco sold in Virginia in December was of the following types: flue-cured, 19,-

071,339 pounds at \$7.89 per hundred; fire-cured, 5,-878,201 pounds at \$9.83 per hundred; burley, 2,200,696 pounds at \$19.30 per hundred; and sun-cured, 847,178 pounds at \$7.42 per hundred. The quality of tobacco sold last month was poorer than in most years, averaging 13 per cent good, 29 per cent medium, and 58 per cent common, compared with 27 per cent good, 42 per cent medium, and only 31 per cent common in December 1929. Among the individual markets, Danville led in sales last month with 8,723,055 pounds, and South Boston was second with 3,890,859 pounds, both cities being flue-cured markets. Lynchburg led in fire-cured sales with 1,631,856 pounds, Blackstone ranking second with 1,500,390 pounds. All sun-cured tobacco was sold on the Richmond market, and Abingdon handled the burley sales. Lawrenceville led the flue-cured markets in average price with \$9.51 per hundred pounds, and Blackstone led the fire-cured markets with \$13.35 per hundred.

Construction

Building permits issued in thirty-two Fifth district cities in December 1930 numbered only 632 for new work, with estimated valuation of \$3,427,263. These are the lowest figures reported for any month in a number of years, and are only a little more than half the figures reported for December 1929, when 1,159 permits with estimated valuation of \$6,849,608 were issued for new construction. Alteration and repair work provided for in December also compared unfavorably with December 1929 figures. Combined valuation figures for all classes of permits issued in December totaled only \$4,235,329, a decrease of \$3,519,076, or 45.4 per cent, under total valuation of \$7,754,405 in December 1929. Only 8 of the 32 reporting cities showed higher figures for December 1930, and all of these increases were due to unusually low 1929 figures rather than to large figures in 1930. During the year 1930, permits for new construction in the 32 reporting cities totaling 12,653 showed a decrease of 22.9 per cent under 16,420 permits issued in 1929, and 1930 valuation figures for new work totaling \$83,454,134 showed a decrease of 20.6 per cent in comparison with valuation figures totaling \$105,060,685 in 1929.

Contracts awarded in December for construction work in the Fifth district, including both rural and urban projects, totaled \$28,139,023, compared with only \$15,067,295 awarded in November 1930 and \$13,417,233 in December 1929, according to figures collected by the F. W. Dodge Corporation. Of the awards in December 1930, \$7,934,998 was for residential work, compared with \$5,474,923 for this type of work in December 1929. The contract award figures for December compared much more favorably with corresponding figures of the previous year than building permit figures, due to a considerable volume of road construction and industrial work provided for outside the limits of cities. Annual figures for 1930 on contracts awarded in the Fifth district total \$352,912,092, a decrease of only 8.6 per cent in comparison with contracts totaling \$385,963,047 awarded in 1929. An examination of the figures in this section on *Construc-*

tion indicates that the 1930 slump in building was much more marked in the cities than in rural districts, the favorable showing made by the latter being due chiefly to a continuation or an expansion of road and bridge construction done by the several states.

Crop Estimates

Crop yields in the Fifth reserve district in 1930 were good in the two Carolinas, but were very poor in Maryland, Virginia and West Virginia. Early grain crops, such as wheat and oats, turned out well in the entire district, these crops being made before the drought became harmful. South Carolina's composite yield in 1930 of all crops was 120.2 per cent of the ten-year average, the third highest figure in the United States, and North Carolina's yield was 99.4 per cent. On the other hand, Maryland's total production of all crops was only 73.4 per cent of the ten-year average, Vir-

ginia produced 67.7 per cent, and West Virginia with 56.9 per cent was the lowest in the country.

The low price levels for agricultural products in 1930 added to the distress caused by poor yields in the upper half of the district and more than offset the good crops in the Carolinas. According to the December 17 report of the Bureau of Agricultural Economics of the U. S. Department of Agriculture, the farm value of all crops in South Carolina in 1930 was only 86 per cent of the value of 1929 crops, North Carolina crops were worth 82 per cent of the previous year's crops, Maryland values were 65 per cent, West Virginia 58 per cent, and Virginia only 57 per cent. These figures give a 1930 district average of 74 per cent in comparison with the value of 1929 crops.

We include a table showing yields for 1930 and 1929 of the principal crops in the district, the 1930 figures in nearly all cases being final official estimates as of December 1.

| Crops | Years | Maryland | W. Virginia | Virginia | N. Carolina | S. Carolina |
|----------------------------|-------|------------|-------------|-------------|-------------|-------------|
| Corn (bus.) | 1930 | 8,115,000 | 5,865,000 | 18,032,000 | 51,865,000 | 26,978,000 |
| | 1929 | 19,162,000 | 15,876,000 | 44,138,000 | 50,828,000 | 23,321,000 |
| Cotton (bales) | 1930 | ----- | ----- | 42,000 | 795,000 | 1,040,000 |
| | 1929 | ----- | ----- | 48,000 | 747,000 | 830,000 |
| Tobacco (lbs.) | 1930 | 19,260,000 | 4,896,000 | 88,200,000 | 535,195,000 | 94,170,000 |
| | 1929 | 25,600,000 | 6,588,000 | 109,500,000 | 502,600,000 | 82,460,000 |
| Irish Potatoes (bus.) | 1930 | 2,981,000 | 4,200,000 | 14,583,000 | 8,839,000 | 2,973,000 |
| | 1929 | 4,000,000 | 6,555,000 | 17,135,000 | 8,207,000 | 2,608,000 |
| Sweet Potatoes (bus.) | 1930 | 800,000 | 150,000 | 3,760,000 | 9,506,000 | 5,200,000 |
| | 1929 | 1,250,000 | 240,000 | 6,705,000 | 9,126,000 | 5,750,000 |
| Oats (bus.) | 1930 | 1,376,000 | 4,428,000 | 3,800,000 | 6,521,000 | 9,996,000 |
| | 1929 | 1,333,000 | 5,616,000 | 3,841,000 | 6,192,000 | 11,016,000 |
| Wheat (bus.) | 1930 | 11,707,000 | 2,345,000 | 9,982,000 | 4,288,000 | 538,000 |
| | 1929 | 9,468,000 | 1,782,000 | 8,960,000 | 5,347,000 | 768,000 |
| Hay (tons) | 1930 | 408,000 | 495,000 | 596,000 | 794,000 | 303,000 |
| | 1929 | 648,000 | 1,149,000 | 1,373,000 | 864,000 | 313,000 |
| Peanuts (lbs.) | 1930 | ----- | ----- | 98,420,000 | 208,800,000 | 8,400,000 |
| | 1929 | ----- | ----- | 149,732,000 | 249,900,000 | 7,350,000 |
| Apples (bus.) | 1930 | 1,826,000 | 3,944,000 | 7,700,000 | 2,535,000 | 454,000 |
| | 1929 | 2,200,000 | 5,600,000 | 13,000,000 | 2,628,000 | 308,000 |
| Apples, Commercial (bbls.) | 1930 | 279,000 | 680,000 | 1,300,000 | 100,000 | ----- |
| | 1929 | 455,000 | 1,400,000 | 3,100,000 | 150,000 | ----- |
| Sorghum Syrup (gals.) | 1930 | ----- | 413,000 | 700,000 | 2,460,000 | 1,820,000 |
| | 1929 | ----- | 630,000 | 810,000 | 1,880,000 | 1,292,000 |

Wholesale Trade, 66 Firms

| | 24 | 9 | 6 | 15 | 12 |
|---|------------|-----------|-----------|-----------|----------|
| | Groceries | Dry Goods | Shoes | Hardware | Drugs |
| December 1930 sales, compared with sales in December 1929: | - 8.3 | -17.6 | -15.2 | -24.8 | - 9.2 |
| December 1930 sales, compared with sales in November 1930: | - 7 | -29.5 | -52.5 | -15.0 | - 1.0 |
| Total sales in 1930, compared with sales in 1929: | - 6.8 | -17.2 | - 9.3 | -16.7 | - 6.4 |
| Dec. 31, 1930 stocks, compared with Dec. 31, 1929 stocks: | - 7.5(10*) | -24.5(5*) | -22.3(5*) | -10.4(8*) | ----- |
| Dec. 31, 1930 stocks, compared with Nov. 30, 1930 stocks: | -12.6(9*) | -11.5(4*) | - 1.9(5*) | - 1.1(8*) | ----- |
| Percentage of Dec. 1, 1930 receivables collected in December: | 63.6(15*) | 37.7(6*) | 39.1(6*) | 32.9(12*) | 51.2(8*) |

*Number of reporting firms.

Retail Trade, 34 Department Stores

| | Baltimore | Washington | Other Cities | District |
|--|-----------|------------|--------------|----------|
| December 1930 sales, compared with sales in December 1929: | - 4.1 | - .3 | -12.2 | - 4.1 |
| Total sales in 1930, compared with total sales in 1929: | - 2.1 | - 1.5 | - 8.7 | - 3.1 |
| Dec. 31, 1930 stock, compared with stock on Dec. 31, 1929: | - 7.4 | -13.1 | -12.9 | -10.8 |
| Dec. 31, 1930 stock, compared with stock on Nov. 30, 1930: | -20.0 | -21.7 | -22.8 | -21.3 |
| Number of times stock was turned in December 1930: | .542 | .632 | .421 | .548 |
| Number of times stock was turned during the year 1930: | 3.804 | 3.906 | 2.839 | 3.62 |
| Percentage of Dec. 1, 1930, receivables collected in December: | 24.7 | 33.6 | 31.3 | 28.7 |

(Compiled January 21, 1931)

BUILDING OPERATIONS FOR THE MONTHS OF DECEMBER 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..... | 250 | 322 | 600 | 760 | \$ 1,594,240 | \$ 2,916,480 | \$ 248,000 | 364,800 | \$-1,439,040 | 1 |
| 2 | Cumberland, Md..... | 2 | 6 | 3 | 5 | 4,950 | 10,637 | 515 | 1,500 | — 6,672 | 2 |
| 3 | Frederick, Md..... | 4 | 4 | 2 | 4 | 1,075 | 645 | 505 | 1,695 | — 760 | 3 |
| 4 | Hagerstown, Md..... | 8 | 11 | 0 | 1 | 19,100 | 80,750 | 0 | 1,500 | — 63,150 | 4 |
| 5 | Salisbury, Md..... | 15 | 15 | 5 | 5 | 10,005 | 30,460 | 1,850 | 7,950 | — 26,555 | 5 |
| 6 | Danville, Va..... | 2 | 3 | 3 | 5 | 850 | 6,062 | 2,195 | 1,795 | — 4,812 | 6 |
| 7 | Lynchburg, Va..... | 11 | 13 | 16 | 27 | 41,325 | 163,390 | 90,585 | 10,390 | — 41,870 | 7 |
| 8 | Norfolk, Va..... | 61 | 36 | 26 | 56 | 87,918 | 70,075 | 21,230 | 15,295 | — 23,778 | 8 |
| 9 | Petersburg, Va..... | 1 | 1 | 5 | 2 | 9,500 | 1,250 | 1,005 | 3,950 | — 5,305 | 9 |
| 10 | Portsmouth, Va..... | 7 | 8 | 14 | 12 | 9,775 | 6,050 | 8,610 | 12,783 | — 448 | 10 |
| 11 | Richmond, Va..... | 35 | 48 | 42 | 53 | 76,913 | 313,785 | 49,078 | 101,444 | — 289,238 | 11 |
| 12 | Roanoke, Va..... | 16 | 22 | 9 | 7 | 14,334 | 150,658 | 27,320 | 1,460 | — 110,464 | 12 |
| 13 | Bluefield, W. Va..... | 2 | 3 | 5 | 0 | 150 | 1,165 | 14,200 | 0 | — 13,185 | 13 |
| 14 | Charleston, W. Va..... | 14 | 38 | 4 | 6 | 69,923 | 161,361 | 42,100 | 4,392 | — 53,730 | 14 |
| 15 | Clarksburg, W. Va..... | 3 | 6 | 5 | 5 | 1,650 | 3,590 | 4,900 | 12,750 | — 9,790 | 15 |
| 16 | Huntington, W. Va..... | 13 | 16 | 0 | 2 | 13,275 | 5,000 | 0 | 560 | — 7,715 | 16 |
| 17 | Asheville, N. C..... | 0 | 2 | 19 | 26 | 0 | 91,810 | 3,850 | 9,480 | — 97,440 | 17 |
| 18 | Charlotte, N. C..... | 25 | 23 | 17 | 28 | 52,585 | 79,825 | 12,834 | 14,167 | — 28,573 | 18 |
| 19 | Durham, N. C..... | 4 | 21 | 4 | 1 | 12,100 | 262,350 | 5,550 | 1,600 | — 246,300 | 19 |
| 20 | Greensboro, N. C..... | 7 | 6 | 19 | 19 | 7,350 | 4,965 | 13,970 | 11,022 | — 5,333 | 20 |
| 21 | High Point, N. C..... | 3 | 10 | 6 | 1 | 13,850 | 21,600 | 4,225 | 8,000 | — 11,525 | 21 |
| 22 | Raleigh, N. C..... | 7 | 11 | 12 | 5 | 55,475 | 12,000 | 10,105 | 57,925 | — 4,345 | 22 |
| 23 | Rocky Mount, N.C..... | 3 | 10 | 2 | 3 | 1,050 | 11,980 | 2,850 | 3,150 | — 11,230 | 23 |
| 24 | Salisbury, N. C..... | 2 | 4 | 0 | 0 | 2,525 | 2,725 | 0 | 0 | — 200 | 24 |
| 25 | Wilmington, N. C..... | 8 | 9 | 6 | 9 | 32,000 | 20,700 | 2,950 | 5,400 | — 8,850 | 25 |
| 26 | Winston-Salem, N. C..... | 20 | 26 | 32 | 40 | 23,565 | 20,965 | 17,030 | 22,539 | — 2,909 | 26 |
| 27 | Charleston, S. C..... | 14 | 10 | 22 | 21 | 35,365 | 6,015 | 4,070 | 4,500 | — 28,920 | 27 |
| 28 | Columbia, S. C..... | 6 | 9 | 20 | 26 | 18,150 | 118,025 | 5,060 | 15,650 | — 110,465 | 28 |
| 29 | Greenville, S. C..... | 4 | 5 | 17 | 24 | 26,275 | 31,080 | 3,125 | 26,605 | — 28,285 | 29 |
| 30 | Rock Hill, S. C..... | 1 | 4 | 5 | 3 | 620 | 1,375 | 2,185 | 675 | — 755 | 30 |
| 31 | Spartanburg, S. C..... | 4 | 23 | 18 | 19 | 7,050 | 69,385 | 6,364 | 3,940 | — 59,911 | 31 |
| 32 | Washington, D. C..... | 80 | 47 | 221 | 220 | 1,184,320 | 2,173,450 | 201,805 | 177,880 | — 965,205 | 32 |
| | Totals..... | 632 | 772 | 1,159 | 1,395 | \$ 3,427,263 | \$ 6,849,608 | \$ 808,066 | \$ 904,797 | \$-3,519,076 | |

— 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)

Production and factory employment declined further in December. Wholesale prices decreased during the first half of the month but thereafter were generally steadier. Conditions in the money market remained easy and in January money rates reached new low levels.

Production.

Industrial production was further reduced during December, and the Federal Reserve Board's index, which makes allowance for usual seasonal changes, showed a decline of over 2 per cent. Output of steel and iron, textiles, petroleum, cement, and copper was substantially curtailed. Activity in meatpacking plants and at anthracite mines increased in December, and in the automobile industry there was an increase in output, reflecting the introduction of new models. After the turn of the year, automobile output increased further, and steel plants were more active.

Construction contracts awarded during December were in about the same volume as in November, according to reports of the F. W. Dodge Corporation. There were slight declines, partly seasonal in nature, in contracts for residential and commercial construction, while public works and utility awards increased somewhat.

Employment and Wage-payments.

Employment in manufacturing industries was reduced further by 2.5 per cent between the middle of November and the middle of December, and factory pay rolls also declined. The largest reductions in working forces were in the canning, lumber, steel, and wearing apparel industries. There was little change in employment in railroad car shops, and in cotton and silk mills, while in the automobile, meatpacking, and paper and printing industries working forces were increased slightly.

In early January, following year-end inventory periods, reports indicate increased employment in certain industries, particularly automobiles, steel, and railroads.

Distribution.

Sales of department stores increased in December by slightly less than the amount which is usual for the holiday season, according to preliminary reports to the Federal reserve banks. In December, as in earlier months of the year, the volume of sales probably reflected the influence of declining retail prices. Distribution of commodities by freight showed a further

decline for the month of December as a whole.

Value of American exports to foreign countries was smaller in December than in November, and approximately 35 per cent below that of December, 1929, the decrease reflecting in part the decline in wholesale prices.

Wholesale Prices.

Wholesale prices of commodities declined sharply in the first half of December, while in the following four weeks average fluctuations were relatively small. For the month of December as a whole, there were large decreases in prices of corn, hogs, cotton, hides, and lumber, while prices of wheat, beef, and silk averaged somewhat higher than in November.

During the first two weeks in January, prices of corn, sugar, and silk increased, and the price of wheat in American markets remained fairly stable. Silver prices reached new low levels.

Bank Credit and Money Rates.

Loans and investments of reporting member banks declined in the four-week period ending January 14, reflecting further liquidation of security loans, as well as a reduction in "all other" loans and in investments.

Changes in the position of reserve banks in recent weeks reflected largely changes in the demand for currency. In December this demand increased more than is usual for the season, owing to the withdrawal of cash by banks and by the public in districts where there were important bank failures. In the two weeks after Christmas the return flow of currency from circulation was smaller than the usual seasonal amount and the result was that money in circulation, which during the larger part of 1930 had been in considerably smaller volume than in 1929, in January, 1931, was above the level of a year ago. In the following two weeks the return flow of currency was somewhat larger than usual, indicating a return of part of the extra currency which had been called into use in December.

Money rates in the open market continued at low levels during December, and declined further in the first half of January.

The discount rate at the Federal Reserve Bank of New York was reduced to 2 per cent on December 24, and in the following three weeks the rate at the Federal Reserve Bank of Boston was reduced to 2½ per cent, and rates at the Federal Reserve Banks of Cleveland, St. Louis, Chicago, Atlanta, and San Francisco to 3 per cent.