

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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Business in December, while not exceptionally good in the Fifth Reserve District, was up to seasonal average, and on the whole compared favorably with December 1922, notwithstanding a year ago the country appeared to be entering a boom period. Business men of all classes are trading more cautiously now than they did a year ago, but they are apparently buying what they need and a large volume of trade is going on.

Condition reports of member banks in leading cities in the Fifth District show some increases in loans and rediscounts outstanding in comparison with January 1923, but indicate continued ability on the part of the banks to care for all legitimate needs of their customers. Deposits show a substantial increase during the past month and are much larger than they were a year ago. The Reserve Bank's ratio of cash to deposit and note liabilities combined is approximately the same as at this time last year. Debits to individual accounts show a larger total for the four weeks ending January 9, 1924, than for the corresponding four weeks ending January 10, 1923, and debits for the year 1923 considerably exceeded those for 1922. Business failures were fewer in number in the Fifth District in December than in December 1922, and during the entire year the District made a better record than the national average. Labor continues to be fully and profitably employed, and the reports of the various industries indicate that the supply and demand will remain fairly balanced for at least the next few months. Coal is plentiful, and soft coal is much cheaper than it was during the winter of 1922-1923. Textile mills are suffering from a scarcity of orders, but the mills in the Fifth District have not materially curtailed their operating time. During December Fifth District mills used 39.4% of the cotton consumed in the United States. Cotton prices have recently shown some declining tendency, but are still around \$50 a bale above the same period a year ago, and the yield in the District last fall was 35.9% greater than the 1922 crop. Building operations, especially of residences and apartments, continue in unusually large volume for this season of the year, and contractors are making extensive plans for spring work. Retail trade in December was somewhat slow on staple goods, due chiefly to the unseasonably mild weather, but a large volume of holi-

day business was done, and sales in the leading department stores exceeded December 1922 sales. Wholesale trade was seasonally dull, but was up to the average for the closing month of the year, and collections were better than in recent months. Business in West Virginia is slower than in other sections of the District because of a lack of orders for bituminous coal, but outside of that state, conditions are satisfactory.

In writing our summary of conditions a year ago, in the *Review* dated January 31, 1923, we stated that the chief dark spot in the District was in South Carolina, in which state ravages of the boll weevil had cut the cotton crop to less than half the state's usual production, but at the same time we called attention to the efforts being made by a few of the state's leading farmers and others to overcome the pest. We are glad to report this year that the efforts put forth bore abundant fruit, and South Carolina has made a splendid recovery. The 1923 cotton crop was increased to 793,000 bales, a gain of 302,000 bales over the 1922 production. The tobacco crop of the state increased from 54,400,000 pounds in 1922 to 77,460,000 pounds in 1923; corn production increased from 29,309,000 bushels to 32,570,000 bushels; wheat production rose from 1,320,000 bushels to 1,925,000 bushels; the oat yield grew from 9,774,000 bushels to 10,728,000 bushels; the Irish potato crop increased from 2,508,000 bushels to 3,136,000 bushels; and peanut production rose from 27,360,000 pounds to 32,300,000 pounds. Satisfactory prices were received for practically all of the crops, especially for cotton and tobacco, and as a result a large volume of the frozen indebtedness we mentioned last year has been liquidated, farmers generally have gotten on their feet again, and merchants have enjoyed a good volume of business all fall and winter. The successful efforts made during 1923 to raise cotton under boll weevil conditions has given new encouragement to the individual farmer, a psychological effect which reaches throughout the state and which promises well for the future. In the arduous task of combating the weevil, the influence of the newspapers was of incalculable value. They gave space freely to constructive ideas advanced by farmers and scientists, and many of them went to considerable trouble and expense in employing experts to write articles bearing upon the problems of agriculture.

CONDITION OF SEVENTY-SIX REPORTING MEMBER BANKS IN SELECTED CITIES.

ITEMS	Jan. 9, 1924	Dec. 5, 1923	Jan. 10, 1923
1. Total Loans and Discounts (including all rediscounts)	\$ 472,921,000	\$ 463,140,000	\$ 447,126,000
2. Total Investments in Bonds and Securities	127,991,000	126,904,000	128,113,000
3. Total Loans and Investments	600,912,000	590,044,000	575,239,000
4. Reserve Balance with Federal Reserve Bank	37,288,000	37,084,000	36,962,000
5. Cash in Vaults	15,028,000	15,485,000	14,735,000
6. Demand Deposits	353,950,000	347,170,000	343,930,000
7. Time Deposits	152,834,000	150,679,000	147,130,000
8. Borrowed from Federal Reserve Bank	30,870,000	31,780,000	22,803,000

In the accompanying table we show the principal items of condition reported by seventy-six identical member banks on three dates, January 9, 1924, December 5, 1923, and January 10, 1923, thus affording an opportunity for comparing the totals reported for the latest date with those reported for the previous month and on the corresponding date a year ago. All of the items are comparable for the three dates.

During the month between December 5, 1923 and January 9, 1924, total loans to customers in the reporting banks increased from \$463,140,000 to \$472,921,000, an increase being usual at the end of the year when many people meet their holiday needs by borrowing for a month or two. Investments in bonds and stocks increased during the month from \$126,904,000 to \$127,991,000. Both demand and time deposits rose between December 5th and January 9th, demand deposits increasing from \$347,170,000 to \$353,950,000, and time deposits rising from \$150,679,000 to \$152,834,000. These gains are partly due to the increased volume of outstanding loans to customers previously mentioned and the transactions which resulted therefrom, and partly to the depositing of dividend and interest checks soon after the opening of the year. Reserve balances carried by the reporting banks at the Reserve Bank increased slightly during the month under review, rising from \$37,084,000 to \$37,288,000. As a result of the decreased demand for cash after the passing of the holiday season, cash in vaults declined from \$15,485,000 to \$15,028,000 between December 5th and January 9th, and a continuation of crop marketing enabled the reporting member banks to reduce the volume of their rediscounts at the Reserve Bank from \$31,780,000 to \$30,870,000.

It is interesting to compare the figures reported January 9, 1924, with those reported on January 10, 1923. This comparison is not intended to convey the idea that there were steady increases or decreases in the several items during the year, but it does show the relative resources and liabilities on the corresponding dates of the two years, and indicates the net results of the year's operations. Total loans to customers amounted to \$472,921,000 on January 9, 1924 compared with \$447,126,000 on January 10, 1923, and as a result of this increased demand for credit, borrowing by the reporting banks at the Reserve Bank totaled \$30,870,000 on January 9th this year compared with a total of \$22,803,000 on January 10th last year. Investments in bonds and stocks changed very little, standing at \$127,991,000 on January 9, 1924 compared with \$128,113,000 on January 10, 1923. Demand deposits amounted to \$353,950,000 on January 9, 1924 and to \$343,930,000 a year ago, and time deposits amounted to \$152,834,000 and \$147,130,000 on the same two dates, respectively. Reserve balance with the Federal Reserve Bank, which stood at \$37,288,000 on January 9th this year, amounted to \$36,962,000 on January 10, 1923, and cash in vaults totaled \$15,028,000 on January 9th compared with \$14,735,000 on the corresponding date a year ago.

FEDERAL RESERVE BANK OPERATIONS

During the five weeks between December 12, 1923 and January 16, 1924, Cash Reserves held by the Federal Reserve Bank of Richmond declined from \$122,161,621.50 to \$115,880,013.96. Federal Reserve Notes in Actual Circulation declined between the same dates from \$105,205,365 to \$92,701,420, and the volume of rediscounts held by the Bank fell from \$53,752,150.35 to \$45,696,304.90. On the other hand, Member Bank Reserve Deposits increased during the five weeks from \$63,519,458.03 to \$64,369,279.09. As a result of the changes mentioned, the ratio of cash reserves to combined note and deposit liabilities rose from 71.80% on December 12th to 72.36% on January 16th.

Comparing the figures for January 16, 1924 with those for January 17, 1923, it is remarkable that such slight differences are shown, since between the two dates business reached unprecedented heights and perhaps the greatest volume in history was transacted. Cash Reserves on January 16, 1924 amounted to \$115,880,013.96 compared with \$114,386,915.75 on January 17th last year; Federal Reserve Notes in Actual Circulation this year totaled \$92,701,420 compared with \$92,103,795 in January 1923; Member Bank Reserve Deposits totaled \$64,369,279.09 on January 16, 1924 compared with \$61,769,090.07 a year ago; and Rediscounts for member banks totaled \$45,696,304.90 in comparison with \$37,861,697.98 on the corresponding date in 1923. The reserve ratio of cash to combined note and deposit liabilities was 72.36% on January 16th this year compared with 73.87% on January 17th last year.

SAVINGS BANK DEPOSITS

Total deposits in the fifteen regularly reporting mutual savings banks in Baltimore increased during December, reaching at the end of that month the highest figure reported for any date since the Reserve Bank began tabulating savings deposits in January 1920. On December 31, 1923, the combined deposits in the fifteen banks amounted to \$140,660,507, compared with totals of \$132,253,796 on December 31, 1922, \$124,287,362 on December 31, 1921, and \$121,238,025 on December 31, 1920. The December 1923 total shows an increase of 6.4% over deposits a year ago and a gain of 16.0% over deposits in December 1920.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING			ANNUAL TOTALS**	
	Jan. 9, 1924	Dec. 12, 1923	Jan. 10, 1923	1923	1922
Asheville, N. C.....	\$ 21,412,000	\$ 20,391,000	\$ 17,346,000	\$ 259,243,000	\$ 213,849,000
Baltimore, Md.....	358,200,000	337,735,000	360,090,000	4,508,542,000	4,333,915,000
Charleston, S. C.....	29,383,000	29,897,000	24,456,000	352,698,000	297,862,000
Charleston, W. Va.....	36,085,000	34,213,000	39,226,000	455,846,000	393,348,000
Charlotte, N. C.....	45,011,000	44,383,000	36,603,000	492,377,000	377,394,000
Columbia, S. C.....	28,495,000	22,058,000	22,554,000	293,327,000	262,462,000
Cumberland, Md.....	8,487,000	8,649,000	7,987,000	108,912,000	95,466,000
Danville, Va.....	11,798,000	12,989,000	12,247,000	120,445,000	116,245,000
Durham, N. C.....	20,450,000	21,614,000	18,005,000	235,817,000*	-----
Greensboro, N. C.....	22,282,000	24,374,000	19,884,000	267,789,000	206,837,000
Greenville, S. C.....	28,300,000	26,575,000	18,300,000	283,354,000	199,524,000
Hagerstown, Md.....	9,611,000	10,026,000	8,715,000	124,549,000	101,179,000
Huntington, W. Va.....	25,079,000	24,818,000	27,428,000	316,948,000	248,733,000
Lynchburg, Va.....	20,442,000	19,257,000	23,069,000	246,291,000	220,704,000
Newport News, Va.....	6,757,000	8,542,000	7,146,000	90,727,000	84,547,000
Norfolk, Va.....	74,160,000	93,110,000	66,338,000	887,150,000	792,889,000
Raleigh, N. C.....	28,599,000	28,840,000	32,100,000	363,621,000	259,459,000
Richmond, Va.....	132,393,000	144,633,000	134,170,000	1,572,851,000	1,405,410,000
Roanoke, Va.....	24,154,000	24,166,000	22,928,000	290,182,000	262,664,000
Spartanburg, S. C.....	12,404,000	13,012,000	10,287,000	142,927,000	110,217,000
Washington, D. C.....	178,721,000	181,559,000	181,891,000	2,316,443,000	2,151,437,000
Wilmington, N. C.....	21,657,000	23,869,000	21,931,000	253,217,000	252,843,000
Winston-Salem, N. C.....	28,342,000	29,771,000	30,992,000	377,998,000	320,895,000
Totals.....	\$1,172,222,000	\$1,184,481,000	\$1,143,693,000	\$14,125,437,000	\$12,707,879,000

*Not included in Annual totals.

**Figures shown for 1922 run from December 29, 1921 to December 27, 1922, and those shown for 1923 run from December 28, 1922 to December 26, 1923, all dates inclusive.

As is our monthly custom, we show in the accompanying table total debits in the clearing house banks in twenty-three of the chief trade centers of the Fifth District during three equal periods of four weeks, ending on January 9, 1924, December 12, 1923, and January 10, 1923, thus affording an opportunity for comparing the latest four weeks period with (1) the preceding period and (2) the corresponding period last year. In addition to the figures for the four weeks periods, we show this month total debits for each reporting center during the years 1923 and 1922.

During the four weeks ending January 9, 1924, aggregate debits in the twenty-three centers amounted to \$1,172,222,000, compared with \$1,184,481,000 reported for the four weeks ending December 12, 1923, a decline of \$12,259,000 during the month. This decline is seasonal, reflecting the large volume of holiday buying done previous to December 12th and the comparatively small volume of business done between Christmas and New Year's.

The four weeks ending January 9, 1924, with total debits of \$1,172,222,000, show an increase of \$28,529,000 over the total of \$1,143,693,000 reported by the same cities during the four weeks ending January 10, 1923, twelve cities showing higher figures this year and eleven showing lower totals. The largest gains are shown in cotton centers, while the tobacco centers and coal centers show decreases, due to lower prices for tobacco and a lessened demand for coal in comparison with the corresponding period a year ago.

The annual figures are complete for both years from all the reporting centers except Durham, N. C., which did not begin reporting until about the middle of 1922. Every individual city shows a higher total for 1923 than for 1922, indicating clearly the greater volume of business transacted in the District during the year just closed in comparison with the preceding year.

**BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS
DECEMBER, 1923 AND 1922.**

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1923	1922		1923	1922	
Boston, First.....	157	148	6.1	\$ 2,149,587	\$ 1,610,876	33.4%
New York, Second.....	382	407	— 6.1	18,710,337	9,879,829	89.4
Philadelphia Third.....	109	73	49.3	2,272,823	4,267,289	— 46.7
Cleveland, Fourth.....	155	117	32.5	3,006,938	3,519,347	— 14.6
Richmond, Fifth.....	98	108	— 9.3	7,413,606	11,236,262	— 34.0
Atlanta, Sixth.....	94	109	—13.8	1,370,250	1,576,358	— 13.1
Chicago, Seventh.....	234	257	— 8.9	5,148,003	9,075,862	— 43.3
St. Louis, Eighth.....	96	84	14.3	1,954,500	897,491	117.8
Minneapolis, Ninth.....	93	94	— 1.1	2,842,381	1,224,152	132.2
Kansas City, Tenth.....	96	63	52.4	2,199,495	7,558,136	— 70.9
Dallas, Eleventh.....	148	129	14.7	2,046,743	2,118,607	— 3.4
San Francisco, Twelfth.....	179	225	—20.4	2,500,067	5,104,812	— 51.0
Totals.....	1,841	1,814	1.5%	\$ 51,614,730	\$ 58,069,021	11.1%

Business failures in the twelve Federal Reserve Districts totaled 1,841 in December 1923, with combined liabilities of \$51,614,730, compared with 1,814 failures in December 1922, with liabilities amounting to \$58,069,021, an increase in number of 1.5% and a decrease in liabilities of 11.1% during the more recent month. The number of failures and the liabilities involved in the December 1923 failures were both greater than in November, but an increase at the end of the year is a usual development. During 1923 the lowest number of failures during any month was 1,226 reported for September, and the lowest amount of liabilities was \$28,673,276 reported for June. The month of January 1923, with 2,126 failures, led the year in number and October, with liabilities of \$79,301,741, led in liabilities. Total bankruptcies in the United States during 1923 numbered 18,718, with liabilities amounting to \$539,386,806, compared with 23,676 bankruptcies in 1922, with aggregate liabilities of \$623,896,251. The liabilities in 1923 were swelled by many large insolvencies, not a few of them involving several million dollars in each instance. Dun's *Review* states that 69.8% of the 1923 failures occurred among traders, 26.5% represented manufacturers, and 3.7% agents, brokers, and similar interests that cannot be properly classified as either traders or manufacturers. In commenting upon the year's insolvency record, Dun's *Review* states that relatively the best exhibit is made by the South Atlantic states, with a decline of 35.8% in the number of bankruptcies in comparison with the number reported in 1922. The states included in the Fifth District are included in the group of South Atlantic states covered by the above statement.

In the Fifth Reserve District, failures in December 1923 numbered 98, with liabilities of \$7,413,606, compared with 108 failures reported in December 1922, with liabilities of \$11,236,262, indicating declines in December 1923 of 9.3% in the number of insolvencies and of 34.0% in the aggregate liabilities involved. During the year 1923 total defaults in the Fifth District numbered 1,206, with liabilities amounting to \$36,403,775, compared with 1,847 defaults with liabilities amounting to \$46,617,428, a decrease of 34.7% in the number of failures during 1923 and a decline of 21.9% in the aggregate of liabilities involved.

The average liability per failure in December 1923 was \$75,649 in the Fifth District and \$28,036 in the nation as a whole, compared with average liabilities in December 1922 of \$104,040 in the Fifth District and \$28,704 in the nation.

LABOR—Nothing of particular interest has developed in labor circles since our last month's *Review* was written. The demand for common labor has declined to some extent with the coming of cold weather, but there has not been enough change to cause any appreciable amount of unemployment. Skilled workmen are about as much in demand as during the past several months, enabling all workers to secure steady employment. Practically all the manufacturing establishments in the Fifth District are running full time, and are consequently using their normal quota of workers. No changes in wage scales have been reported during recent months. Farm labor continues scarce, the farmers being unable to offer wages that will compare with wages paid by road builders, street and sewer contractors, and builders in other lines, and in addition many workers, especially among the younger ones, prefer residence in the cities and towns on account of the greater opportunity offered for recreation and social activities. This preference for city life is as marked among the negroes as among the white population.

COAL—The Department of the Interior, through the Geological Survey, states that the total production of bituminous coal during 1923 was approximately 545,300,000 tons, an increase of more than 29 per cent over the 1922 production. In only three years—1920, 1918 and 1917—has production exceeded that of 1923, and it is possible that when final figures for the year are checked 1923 will have exceeded 1917. As a result

of the arrival of some severe weather, demand for coal picked up distinctly during the second half of December, and mines were enabled to increase working time to an appreciable degree. The Fairmont, Pocahontas, Tug River and Kanawha districts in West Virginia reported particularly notable increases. Despite the improved market conditions, however, lack of demand remains the dominant factor limiting production, in comparison with which all other factors are at present of little importance. No transportation troubles are reported from any of the coal regions. The Geological Survey states that the year 1923 was remarkable for the steadiness with which production of soft coal was maintained during the spring and summer. Consumers purchased heavily for storage during the summer, largely because the strike of 1922 had depleted stocks below a comfortable reserve.

The year's production of anthracite coal in 1923 is estimated between 95,500,000 and 95,650,000 net tons, an increase of approximately 74 per cent over the 1922 production, and but 3,000,000 tons behind 1918, the record year. Of course the great increase in 1923 production in comparison with 1922 is due to the long strike during the summer of 1922.

All retail coal dealers have plentiful stocks of soft coal in their bins, and prices have shown some tendency to decline in certain localities of the Fifth District during the past month or two. Anthracite coal is not plentiful, but dealers have been able to secure sufficient to meet the pressing needs of their customers. Prices of anthracite are more nearly up to the level of 1922 than prices of bituminous.

TEXTILES—Textile mills in the Fifth District continue to find forward orders hard to secure as a result of reluctance on the part of jobbers and retailers to commit themselves until they can discover the consumer's attitude toward higher prices for cotton goods manufactured from higher priced raw material. Most of the mills used the opportunity offered by the Christmas holidays to close down from a week to ten days, but aside from this shut-down not very much curtailment in operations has been reported in the Fifth District. Cotton consumption figures gathered by the Bureau of the Census indicate that running time in December was fully equal to running time in November, except for Christmas week, the number of bales consumed in the three cotton manufacturing states in the District in December being only 13% less than the number of bales used in November. North Carolina mills consumed 94,202 bales in December, South Carolina mills used 80,509 bales, and Virginia mills used 7,331 bales, a total of 182,042 bales in comparison with 209,399 bales consumed in November 1923 and 184,253 bales consumed in December 1922. The Fifth District consumption during December amounted to 39.4% of national consumption.

COTTON—The cotton market fluctuated rather widely during the past month, but on the whole the fluctuations tended to balance, and little net change resulted. In our *Review* last month we quoted 33.64 cents per pound as the average price for spot cotton in the Carolinas during the week ending December 8th. The following week, ending December 15th, the average price declined to 33.12 cents per pound and during the week ending December 22nd sank to 33.01 cents. The week ending December 29th witnessed a distinct recovery, however, the average price climbing to 34.10 cents. Part of this recovery was lost during the week ending January 5th, the average declining to 33.50 cents, but the week ending January 12th witnessed a rise to an average of 33.80 cents.

On January 15th, the Census Bureau gave out the cotton consumption figures for December. The report showed 461,560 bales consumed in December, in comparison with 531,631 bales consumed in November 1923 and 527,945 bales in December 1922. Total consumption for the season to date, August 1st to December 31, 1923, amounted to 2,510,472 bales, compared with 2,662,204 bales consumed during the corresponding five months of 1922, notwithstanding the much higher prices which have prevailed. Cotton on hand in consuming establishments at the end of December 1923 amounted to 1,623,453 bales, compared with 1,438,818 bales on November 30, 1923 and 1,921,295 bales on December, 31, 1922. Public warehouses and compresses held 3,526,164 bales on December 31st, in comparison with 3,770,542 bales so held on November 30, 1923 and 4,074,945 bales on December 31, 1922. Imports during December totaled 35,601 bales, compared with 16,564 bales imported in November 1923 and 68,547 bales in December 1922. Exports in December amounted to 845,581 bales, compared with 770,002 bales in November 1923 and 607,853 bales in December 1922. The five months since August 1st witnessed the exportation of 3,323,951 bales, compared with 2,906,052 bales exported during the corresponding five months of 1922.

The latest available ginning report was released by the Census Bureau on January 9th, and reported ginnings of 9,807,138 bales previous to January 1st. This figure was higher than the trade had expected and had a depressing effect on the market, but this feeling has been partially, if not wholly, removed as a result of higher consumption figures for December than were looked for.

TOBACCO—The monthly tobacco sales report issued under the authority of the Virginia Commissioner of Agriculture states that 12,230,972 pounds of bright tobacco were sold in December, for an average of \$20.03 per hundred pounds, in comparison with 8,232,013 pounds sold in December 1922, for an average price of \$28.77 per hundred pounds. Danville led the bright markets in both number of pounds handled and aver-

age price paid, selling 6,276,706 pounds for an average of \$22.95 per hundred during the month. Dark tobacco sales aggregated 6,059,199 pounds, for an average of \$16.49 per hundred, compared with 6,895,461 pounds for an average of \$18.90 per hundred sold in December 1922. Lynchburg, with sales of 2,193,866 pounds, led the dark markets in volume of sales, but Bedford's average of \$18.25 per hundred was the highest average price. Total producers' deliveries to January 1, 1924, amounted to 87,852,510 pounds, of which 48,185,732 pounds were sold by auction warehouses and 39,666,778 pounds turned over to the Tobacco Growers Association. The total amount of tobacco that has been marketed is 61.4 per cent of the estimated production for the year, while 62 per cent of the 1922 crop was marketed before the end of that year. December sales graded 21 per cent good, 37 per cent medium and 42 per cent common, compared with 1922 gradings of 30 per cent good, 39 per cent medium and 31 per cent common. These figures show clearly the inferior quality of the 1923 crop, and account for the comparatively low average price realized during December.

In North Carolina, producers' sales of tobacco in December totaled 45,313,838 pounds at an average of \$20.28 per hundred pounds, compared with 17,617,152 pounds sold in December 1922, at an average of \$28.24. The 1923 crop in North Carolina is estimated to be 50 per cent greater than the 1922 crop, but the quality of the 1923 crop is distinctly inferior to that of the previous year. Wilson led in sales in December with a total of 10,398,656 pounds, but Durham, with an average of \$23.26 per hundred pounds, led in prices. Previous to January 1st the auction warehouses sold 262,233,695 pounds of the 1923 crop of 386,000,000 pounds, the average price for the season having been approximately \$21.40 per hundred pounds. Very little of the North Carolina crop remains in the hands of producers, a large part of the 124,000,000 pounds not accounted for in the above figures having been delivered to the Cooperative Association.

The Tobacco Growers Cooperative Association reports total deliveries by members in the Carolinas and Virginia previous to January 1, 1924, amounting to 118,267,149 pounds, of which 34,441,818 pounds were received in the South Carolina belt, 23,804,430 pounds in the Eastern North Carolina belt, and 60,020,901 pounds in the Old Bright Leaf North Carolina-Virginia belt.

AGRICULTURAL YIELDS, 1923 AND 1922—In order that our readers may have comparative figures in convenient form for the states comprising the Fifth Federal Reserve District, we are including a table herewith showing the yields of the principal crops in the several states, giving figures for 1923 and 1922. The figures are taken from official national and state agricultural department reports and represent the latest estimates on yields.

<i>Crop</i>	<i>Year</i>	<i>Maryland</i>	<i>West Virginia</i>	<i>Virginia</i>	<i>North Carolina</i>	<i>South Carolina</i>
Corn (bu.)	1923	25,231,000	20,128,000	53,563,000	56,868,000	32,670,000
	1922	25,680,000	20,536,000	52,248,000	50,240,000	29,399,000
Wheat (bu.)	1923	10,426,000	2,964,000	11,145,000	6,038,000	1,925,000
	1922	9,537,000	2,760,000	10,375,000	5,400,000	1,320,000
Oats (bu.)	1923	1,758,000	4,704,000	3,586,000	5,082,000	10,728,000
	1922	1,740,000	4,600,000	3,320,000	4,620,000	9,744,000
I. Potatoes (bu.)	1923	3,920,000	5,880,000	14,136,000	3,956,000	3,136,000
	1922	5,151,000	4,851,000	16,585,000	4,700,000	2,508,000
S. Potatoes (bu.)	1923	1,170,000	390,000	5,280,000	10,500,000	9,118,000
	1922	1,530,000	402,000	6,210,000	12,430,000	9,568,000
Tobacco (lbs.)	1923	19,008,000	7,740,000	134,680,000	386,400,000	74,460,000
	1922	20,020,000	7,425,000	156,750,000	252,500,000	54,400,000
Cotton (bales)	1923	.....	.....	50,000	1,020,000	795,000
	1922	.....	.....	27,000	852,000	493,000
Peanuts (lbs.)	1923	.....	.....	122,760,000	162,800,000	32,300,000
	1922	.....	.....	78,000,000	121,800,000	27,360,000
Hay (tons)	1923	420,000	915,000	1,009,000	1,040,800	413,000
	1922	658,000	1,050,000	1,300,000	1,140,000	461,000
Apples (bu.)	1923	2,300,000	8,320,000	9,800,000	2,700,000	.....
	1922	1,500,000	5,625,000	8,960,000	6,000,000	.....
Sorghum (gals.)	1923	.....	872,000	1,140,000	2,644,000	1,640,000
	1922	.....	840,000	1,222,000	2,940,000	1,743,000

BUILDING OPERATIONS FOR THE MONTHS OF DECEMBER, 1923 AND 1922.

Building permits issued in twenty-five leading cities in the Fifth District during December were fewer in number than in either November 1923 or December 1922, and December valuation figures were also lower than in either of the two months mentioned. Building inspectors reported a total of 1,245 permits for new work issued in December 1923 with total valuation of \$9,712,922, compared with 1,366 permits issued in December 1922 with estimated valuation of \$13,763,678. Most of the decreases are due to some decrease in building activity in the largest cities, especially in Baltimore and Washington, and to a lesser degree in Rich-

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1923	1922	1923	1922			
		1923	1922	1923	1922							
MARYLAND												
1	Baltimore.....	308	450	593	576	\$ 2,971,920	\$ 5,607,660	\$ 657,240	\$ 312,120	\$-2,290,620	- 38.7%	1
2	Cumberland.....	32	15	6	8	78,280	21,110	9,289	4,475	61,984	242.3	2
3	Frederick.....	7	1	0	1	10,600	200	0	2,000	8,400	381.8	3
VIRGINIA												
4	Lynchburg.....	14	15	17	29	22,525	13,375	8,130	9,160	8,120	36.0	4
5	Norfolk.....	67	45	38	43	118,017	115,095	34,375	34,790	2,507	1.7	5
6	Richmond.....	116	118	62	66	1,015,335	1,821,110	122,544	133,601	- 816,832	- 41.8	6
7	Roanoke.....	62	60	25	13	119,635	2,925	18,851	133,405	2,156	1.6	7
WEST VIRGINIA												
8	Bluefield.....	19	12	0	1	156,355	30,950	0	1,000	124,405	389.4	8
9	Charleston.....	25	44	27	16	133,438	207,550	38,775	11,310	- 46,647	- 21.3	9
10	Clarksburg.....	12	11	3	9	11,950	15,925	725	10,815	- 14,065	- 52.6	10
11	Huntington.....	79	65	16	12	213,715	83,495	81,065	4,175	207,110	236.2	11
12	Parkersburg.....	*13		*10		36,500	150,000	1,965	25,000	- 136,535	- 78.1	12
NORTH CAROLINA												
13	Asheville.....	22	32	34	16	200,009	216,409	41,811	6,087	19,324	8.7	13
14	Charlotte.....	27	28	3	5	240,535	160,570	2,000	4,050	77,915	47.3	14
15	Durham.....	29	21	4	4	59,100	38,000	63,350	6,650	77,800	174.2	15
16	Greensboro.....	68	21	19	8	505,084	93,154	16,051	6,888	421,093	420.9	16
17	High Point.....	25	41	9	6	79,860	93,015	6,020	7,550	- 14,685	- 14.6	17
18	Raleigh.....	45	22	2	0	273,366	184,500	450	0	89,316	48.4	18
19	Wilmington.....	17	**17	6		346,000	** 62,500	7,000		290,500	464.8	19
20	Winston-Salem.....	39	26	56	49	120,050	49,295	10,688	13,995	67,448	106.6	20
SOUTH CAROLINA												
21	Charleston.....	6	6	8	9	51,207	9,450	2,075	4,725	39,107	275.9	21
22	Columbia.....	15	30	33	65	24,775	185,000	8,440	10,177	- 161,962	- 83.0	22
23	Greenville.....	12	23	12	7	36,500	61,460	4,875	11,445	- 31,530	- 43.2	23
24	Spartanburg.....	22	25	16	24	45,611	27,277	10,410	4,510	24,234	76.2	24
DIST. OF COLUMBIA												
25	Washington.....	177	238	296	338	2,842,555	4,513,653	428,525	640,857	-1,883,430	- 36.5	25
Totals.....		1,245	1,366	1,285	1,305	\$ 9,712,922	\$13,763,678	\$1,574,654	\$1,398,785	\$-3,874,887	- 25.6%	

*Not included in totals. **Includes both new work and repairs.

mond. Repair and alteration permits numbered 1,285 in December compared with 1,305 permits for the same class of work issued in December 1922, but valuation in December 1923 was \$1,574,654 compared with \$1,398,785 in December 1922. Total valuation for both new and repair work amounted to \$11,287,576 in December 1923 compared with \$15,162,463 in December 1922, the 1923 month showing a decrease of 25.6 per cent.

During 1923 a total of 22,945 permits for new construction was issued in the reporting cities, compared with 21,245 permits issued in 1922, a gain of 1,700 permits for 1923, or 8.0 per cent. Valuation figures for new work totaled \$145,488,354 in 1923 compared with \$133,296,220 during the previous year, an increase of \$12,192,134, or 9.1 per cent. The monthly reports received from building inspectors indicate that residence construction was more active in 1923 than in 1922, while important business and industrial projects were fewer. The preceding year had witnessed a building boom that was featured by a revival of building for business and industrial uses, however, and therefore some decline in that special type of construction was natural in 1923.

All authorities agree that the outlook for construction work during 1924 is good, and contractors are making plans for a large volume of spring work. In spite of the large number of residences built in 1922 and 1923, there is still a distinct shortage of small and medium sized dwellings, and present rent levels make the construction of such structures profitable. Money is not difficult to secure on mortgages and cheap and medium priced houses find ready sale if located in desirable sections.

FIGURES ON RETAIL TRADE

As Indicated by Reports from Twenty-seven Department Stores in the Fifth Reserve District for the last Six Months of 1923

December retail trade was rather dull in staple lines, but the volume of holiday business was excellent, total sales running 4.8% above December 1922 and 5.5% above the average sales for December 1920, 1921 and 1922. From July 1st through December the reporting stores sold 6.1% more goods than during the last six months of 1922. Stocks on hand were 5.5% larger in dollar value at the end of December 1923 than on

the same date in 1922, but were 20.4% less valuable than at the end of November 1923. The percentage of average stocks carried during the past six months to average monthly net sales during the same period was 373.7%, and outstanding orders on December 31, 1923 amounted to 4.4% of total purchases of merchandise during the calendar year 1922.

Percentage of increase (or decrease) in net sales during the month named, 1923, over same month in 1922:							
	July	August	Sept.	Oct.	Nov.	Dec.	
Baltimore	7.3	1.4	— 1.7	6.4	1.1	1.1	
Richmond	51.4	8.1	3.7	23.8	12.0	9.4	
Washington	3.4	7.7	— 1.1	15.7	5.1	6.6	
Other Cities	12.1	10.9	6.9	12.6	6.2	7.1	
District Average	10.6	5.6	0.1	12.1	4.2	4.8	
Percentage of increase (or decrease) in net sales from July 1st, through month named, 1923, over net sales during same period in 1922:							
	July	August	Sept.	Oct.	Nov.	Dec.	
Baltimore	7.3	4.2	1.8	3.4	2.8	2.4	
Richmond	51.4	28.0	18.4	20.1	18.1	15.6	
Washington	3.4	5.5	3.0	7.2	6.6	6.6	
Other Cities	12.1	11.5	9.8	10.7	9.6	8.9	
District Average	10.6	8.1	4.9	7.4	6.5	6.1	
Percentage of increase (or decrease) in net sales during the month named, 1923, over average sales during the corresponding months of 1920, 1921 and 1922:							
	July	August	Sept.	Oct.	Nov.	Dec.	
Baltimore	— 4.1	— 4.7	— 3.2	6.4	0.5	1.8	
Richmond	41.4	23.5	13.7	27.3	17.3	17.7	
Washington	— 3.4	0.0002	0.6	10.0	0.4	7.5	
Other Cities	— 4.8	1.4	— 0.02	0.2	0.3	2.3	
District Average	1.2	0.8	0.3	8.9	2.2	5.5	
Percentage of increase (or decrease) in stocks at close of month named, 1923, over stocks at same date in 1922:							
	July	August	Sept.	Oct.	Nov.	Dec.	
Baltimore	10.3	7.9	8.3	5.6	7.2	2.3	
Richmond	28.8	32.3	32.6	26.0	29.5	25.7	
Washington	8.4	3.9	2.8	3.0	3.3	1.9	
Other Cities	9.2	14.3	16.8	20.3	22.0	12.8	
District Average	10.9	9.2	9.2	8.2	9.6	5.5	
Percentage of increase (or decrease) in stocks at close of the month named, 1923, over stocks at close of preceding month the same year:							
	July	August	Sept.	Oct.	Nov.	Dec.	
Baltimore	— 1.9	— 1.3	15.3	8.4	— 1.2	— 21.5	
Richmond	2.0	2.3	11.2	8.8	6.5	— 19.2	
Washington	— 3.5	3.2	11.9	10.1	0.8	— 18.4	
Other Cities	— 1.7	5.4	12.1	9.4	2.3	— 23.8	
District Average	— 2.1	1.7	13.1	9.2	0.8	— 20.4	
Percentage of average stocks at close of each month since July 1st, to average monthly net sales during the same period:							
	July	August	Sept.	Oct.	Nov.	Dec.	
Baltimore	543.2	523.6	506.4	448.8	422.8	365.2	
Richmond	365.2	400.5	410.8	386.4	385.4	334.8	
Washington	505.7	511.1	504.4	452.8	434.8	363.5	
Other Cities	577.6	578.0	586.3	558.7	549.2	470.1	
District Average	510.0	511.1	504.8	456.7	438.4	373.7	
Percentage of outstanding orders at the end of each month named, 1923, to total purchases of merchandise during 1922:							
	July	August	Sept.	Oct.	Nov.	Dec.	
Baltimore	7.7	9.8	9.6	6.1	4.4	3.7	
Richmond	13.9	13.0	12.3	8.3	5.4	3.3	
Washington	9.3	9.2	8.5	6.1	6.0	5.1	
Other Cities	13.0	11.8	10.9	8.0	6.5	6.3	
District Average	9.4	10.1	9.5	6.5	5.4	4.4	

—Denotes decrease—

In the accompanying table we have reprinted the percentage figures on retail trade for the last six months of 1923, giving them thus collected for ready reference. All months show data made up from reports sent us by twenty-seven identical stores.

WHOLESALE TRADE

Percentage Increase (or Decrease) in Net Sales During Dec., 1923, as Compared With Nov., 1923 and Dec., 1922.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	44	15	14	17	7	13
Net sales (selling price) during Dec., 1923, compared with Nov, 1923.....	- 9.8	-43.0	-23.5	-16.6	-29.5	-15.6
Net sales (selling price) during Dec., 1923, compared with Dec, 1922.....	10.7	-14.1	-19.4	3.1	- 1.4	- 0.6
Net sales during the entire year 1923, compared with sales in 1922.....	13.6	19.2	7.1	21.0	50.4	12.6

—Denotes decrease in latest period.

The figures in the table show that sales in every line of wholesale trade reported upon were lower in December than in November 1923, but this is a regular seasonal occurrence. By the first of December retailers have bought practically all the goods they will need until after the Christmas season, and unless an unexpectedly large trade develops, necessitating many re-orders to fill in exhausted lines, the wholesalers secure little business. This year the retailers did not experience any exceptionally active demand in December, and therefore refill orders were not numerous. Sales in December 1923, therefore, show declines under sales in December 1922 in all lines except groceries and hardware, in which increases of 10.7% and 3.1% were reported, respectively.

We have totaled the sales reported by all wholesale firms for which we have both 1922 and 1923 figures, and the results are very interesting. Every line reported upon shows an increase in 1923 over 1922 sales, the gains ranging from 50.4% in furniture lines to 7.1% in shoes. Our calculations show that 44 wholesale grocery firms sold \$38,087,793 during 1923 in comparison with \$33,569,564 sold in 1922, 15 dry goods firms reported sales of \$26,822,960 in comparison with \$22,497,100 the previous year, 13 shoe firms reported \$13,266,782 in comparison with \$12,388,085, 17 hardware firms reported \$14,611,971 in comparison with \$12,080,232, 7 furniture factories reported \$4,642,968 in comparison with \$3,088,096, and 13 drug firms reported \$12,817,618 in comparison with \$11,388,367. The percentage increases are included in the table above.

Collections improved somewhat during December in comparison with November, as is usual. The classifications of collections made this month by 107 firms show that 92.5% of them stated that collections were either *Good* or *Fair*, compared with 88.1% so classifying in November. The West Virginia firms continue to furnish most of the *Slow* reports, due to the slump in the coal industry. We show herewith the December classifications, together with the grouping given for the previous five months of 1923 and for December 1922.

<i>Lines</i>	<i>Collections Reported As</i>				<i>Total</i>
	<i>Good</i>	<i>Fair</i>	<i>Slow</i>	<i>Poor</i>	
Groceries	17	25	2	0	44
Dry Goods	4	9	1	0	14
Shoes	1	9	3	0	13
Hardware	6	9	1	0	16
Furniture	2	4	1	0	7
Drugs	5	8	0	0	13
December 1923 Totals.....	35	64	8	0	107
November 1923 Totals.....	39	57	11	2	109
October 1923 Totals.....	41	59	11	0	111
September 1923 Totals.....	27	75	8	3	113
August 1923 Totals.....	28	70	15	1	114
July 1923 Totals.....	20	76	16	1	113
December 1922 Totals.....	27	83	8	0	118

(Compiled January 21, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production of basic commodities showed further decline in December and wholesale prices receded slightly. Christmas trade was somewhat larger than a year ago. Changes in the banking situation in January reflected chiefly an unusually large return flow of currency after the holiday season.

PRODUCTION. The index of production in basic industries declined 4 per cent in December to the low point of the year. The decrease for the month reflected principally a large reduction in consumption of cotton, but also reduced operations in the woolen, petroleum, sugar, and lumber industries. Production of pig iron and anthracite increased. The Federal Reserve Board's index of factory employment decreased 1 per cent, and was 4 per cent lower than in the spring. The largest decreases were at plants manufacturing food products and railroad equipment. Building contract awards in December were smaller than in November, but almost 25 per cent larger than a year ago.

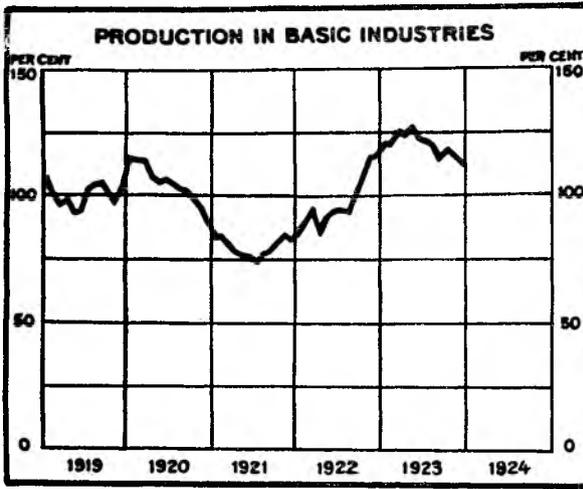
TRADE. Railroad shipments continued to decrease during December and were slightly less than in December, 1922. Loadings of coal and grain were smaller than a year ago, while loadings of miscellaneous merchandise and live stock were in larger volume. The volume of wholesale trade showed more than the usual seasonal decrease and was at about the same level as a year ago. Sales of meat, hardware, and drugs were larger than in December, 1922, while sales of dry goods and shoes were smaller. Retail trade, though larger in December, 1923, than in any other month on record, did not show as large an increase over November as is usual at the Christmas season.

PRICES. Wholesale prices, according to the index of the Bureau of Labor Statistics, decreased less than one per cent during December. The chief reductions occurred in prices of fuel and building materials, while prices of clothing and metals increased, and prices of farm products remained unchanged. During the first two weeks of January prices of corn, wheat, pig iron, petroleum, and lumber advanced, while quotations on cotton, sugar, and copper were lower.

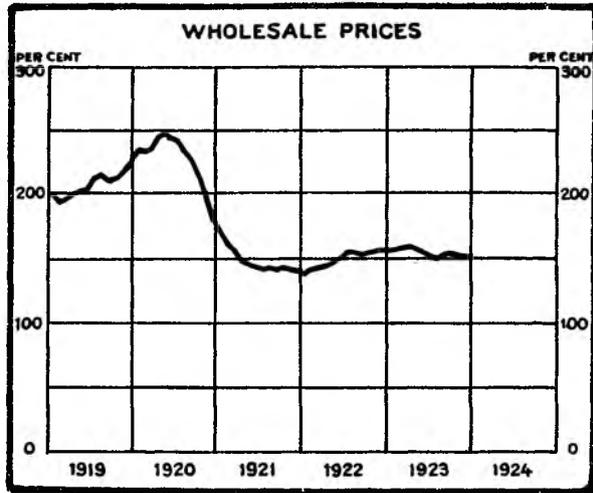
BANK CREDIT. The volume of credit extended by the Federal Reserve banks showed the usual sharp increase during the latter part of December in response to holiday requirements for credit and currency and financial settlements falling due on the first of January. With the passing of the seasonal demands there was an unusually rapid return flow of currency to the Reserve banks, reflected both in an increase of reserves and a decrease of Federal reserve note circulation. Member banks used the currency returned from circulation to reduce their borrowings, with the consequence that the earning assets of the Federal Reserve banks declined by \$360,000,000 during the four weeks following Christmas, or approximately \$150,000,000 more than during the corresponding period of 1923. At the middle of January the volume of Reserve bank credit outstanding was below \$1,000,000,000 for the first time since early in 1918.

Loans made largely for commercial purposes by member banks in principal cities declined between December 12 and January 16 to a point \$264,000,000 lower than at the peak in October and to about the level of July, 1923. This decrease in loans, which was general throughout the country, was accompanied by a movement of funds to the financial centers and an increase in loans on securities, principally in New York.

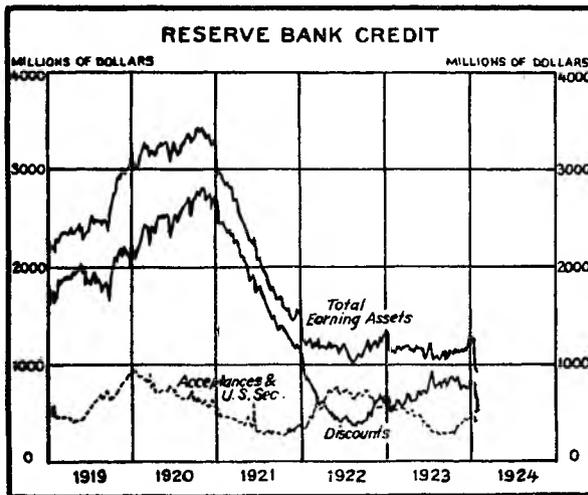
Easier money conditions in January were reflected in a further slight decline in the rate on prime commercial paper to $4\frac{3}{4}$ per cent, compared with $4\frac{3}{4}$ to 5 per cent in December, and in increased activity in the investment markets.



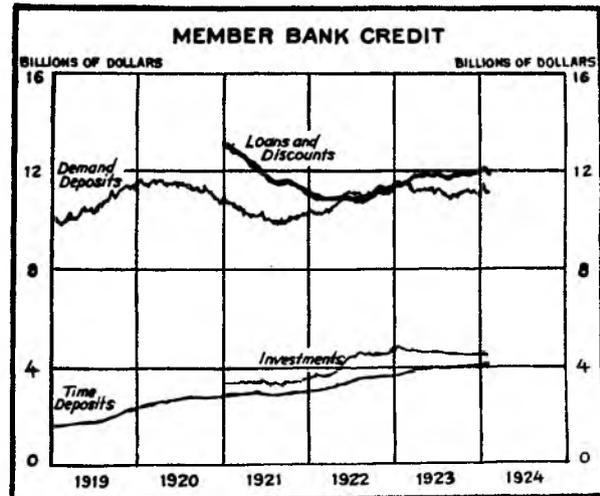
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—December 112.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure —December 151.



Weekly figures for 12 Federal Reserve Banks. Latest figures, January 16th.



Weekly figures for member banks in 101 leading cities. Latest figures, January 9th.

NOTE: The December index figure for Production, given as 112 in the note under the chart above, should be 111.

FIFTH FEDERAL RESERVE DISTRICT

