

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

SEPTEMBER 30, 1924

In average years August is a comparatively quiet month in business circles, summer activities tending to slow down and fall business only beginning to open up toward the end of the month. Business in the Fifth District during August this year followed the usual course very closely, and no striking developments were noted in any particular lines of trade. On the whole, the volume of business done was about the same as that done during the same month last year, but at present there is distinctly more conservatism in evidence than was visible in 1923. The optimistic attitude toward fall prospects, mentioned in our *Review* last month, was somewhat less marked in mid-September, but there does not appear to be much real uneasiness over probable future developments. The most unfavorable factor in the present situation is the decrease in purchasing power of the District as a result of shorter yields in the three leading crops and lower prices prevailing for two of them. The cotton yield in the District is expected to be only 1,549,000 bales compared with 1,899,000 bales grown in 1923, and cotton prices are approximately \$25 a bale below the mid-September prices last year. The situation in tobacco is similar, though less marked, to cotton, this year's yield in the Fifth District being forecast at 501,387,000 pounds in comparison with 622,288,000 pounds raised last year. Tobacco prices appear to be running somewhat below the averages in 1923. Corn prospects are exceedingly poor, the District's crop being estimated at 124,520,000 bushels in comparison with 188,751,000 bushels gathered in 1923. Corn prices are higher than a year ago, but since most of the corn is consumed on the farms where grown, the farmers will not receive any material benefit from the advance unless compensating gains are made in hog and corn fed cattle prices. The effects of this

unfavorable comparison in agricultural conditions with those of a year ago are not as serious as might be thought, however, because last year the Fifth District farmers gathered relatively large crops of corn, cotton and tobacco, and received good prices for the last two.

Aside from the comparatively unfavorable prospects in agricultural sections, other business indicators appear to justify expectations for a fairly active fall trade. The textile industry is still handicapped by uncertainty as to this year's cotton yield and prices, but the industry is making some progress and seems to have turned the corner. The coal industry is steadily increasing its activities as orders come in with the approach of winter. Labor is well employed for this season, chiefly as a result of the exceptional continuation of construction activity. The value of building permits issued in reporting cities in the Fifth District during August exceeded the August 1923 valuations. Credit is available for all legitimate needs of the District, member banks in many cases being able to accommodate their customers without rediscounting. Consumers are spending their wages freely, as is shown by the large volume of debits to individual accounts at clearing house banks, but they are also saving a part of their income, as indicated by steadily rising deposits in the banks of the District. Both wholesale and retail trade in August fell somewhat under 1923 business, but 1923 was an unusually good year toward the end, and 1924 does not compare unfavorably with other recent years. Business failures in August were more numerous than in August 1923, when commercial mortalities were at a very low rate, but were fewer than for any earlier month this year.

The National Summary will be found on pages 10 and 11.

CONDITION OF SEVENTY-FIVE REPORTING MEMBER BANKS IN SELECTED CITIES

| ITEMS | Sept. 10, 1924 | Aug. 13, 1924 | Sept. 12, 1923 |
|--|----------------|----------------|----------------|
| 1. Total Loans and Discounts (including all rediscounts) | \$ 470,191,000 | \$ 459,537,000 | \$ 464,513,000 |
| 2. Total Investments in Bonds and Securities | 118,706,000 | 119,248,000 | 131,495,000 |
| 3. Total Loans and Investments..... | 588,897,000 | 578,785,000 | 596,008,000 |
| 4. Reserve Balance with Federal Reserve Bank..... | 38,067,000 | 36,616,000 | 33,999,000 |
| 5. Cash in Vaults..... | 13,483,000 | 13,136,000 | 13,507,000 |
| 6. Demand Deposits..... | 343,853,000 | 337,015,000 | 330,205,000 |
| 7. Time Deposits..... | 181,436,000 | 176,832,000 | 151,053,000 |
| 8. Borrowed from Federal Reserve Bank..... | 8,765,000 | 8,205,000 | 40,011,000 |

The accompanying table shows the principal items of condition reported by seventy-five identical banks as of three dates, September 10, 1924, August 13, 1924 and September 12, 1923, thus affording an opportunity for comparing the totals reported for the latest date with those reported for the preceding month this year and on the corresponding date a year ago.

The items in the table as of August 13th and September 10th, both this year, show a seasonal expansion in credit demands during the past month, chiefly as a result of the opening of the tobacco and cotton marketing season. Between August 13th and September 10th, total loans and discounts rose from \$459,537,000 to \$470,191,000, an increase of \$10,654,000, and rediscounts at the Reserve Bank rose from \$8,205,000 to \$8,765,000, an increase of \$560,000. During the same period, the reporting banks reduced their investments in bonds and securities from \$119,248,000 to \$118,706,000. In keeping with the increase in outstanding loans to customers, both demand and time deposits gained materially in the reporting banks between August 13th and September 10th, the former rising from \$337,015,000 to \$343,853,000 and the latter from \$176,832,000 to \$181,436,000, denoting gains of \$6,838,000 in demand deposits and \$4,604,000 in time deposits. Between the same dates, aggregate reserve balances with the Reserve Bank rose from \$36,616,000 to \$38,067,000, and cash in vaults rose from \$13,136,000 to \$13,483,000.

A comparison of the items in the table under the September dates this year and a year ago show that the reporting banks are at present lending more to their customers but are borrowing a great deal less from the Reserve Bank. It is probable, however, that the reporting banks are borrowing more extensively from other commercial banks this year than they were a year ago, the cheap money rates now prevailing in the Eastern financial centers tending to encourage rediscounting outside the Reserve System. On September 12th last year the seventy-five reporting banks were lending their customers \$464,513,000, and their rediscounts at the Reserve Bank totaled \$40,011,000. On the same date their investments in bonds and securities totaled \$131,495,000; their reserve balances aggregated \$33,999,000; cash in vault totaled \$13,507,000; demand deposits amounted to \$330,205,000; and time deposits totaled \$151,053,000.

FEDERAL RESERVE BANK OPERATIONS

The demand for credit at the Federal Reserve Bank of Richmond turned upward during the period between August 13th and September 15th, both this year, the increased demand being seasonal and due chiefly to the marketing of agricultural products, especially cotton and tobacco. Between the two dates mentioned, rediscounts for member banks rose from \$32,895,000 to \$38,372,000, an increase of \$5,477,000, or 16.6%, and the volume of Federal Reserve notes in actual circulation rose from \$68,557,000 to \$72,254,000, an increase of \$3,697,000, or 5.4%. At the same time the aggregate reserve deposits of member banks increased by \$1,830,000, rising from \$61,840,000 on August 13th to \$63,670,000 on September 15th. As a result of the changes mentioned, the cash reserves of the Federal Reserve Bank of Richmond decreased from \$104,661,000 on August 13th to \$104,022,000 on September 15th, and the ratio of cash reserves to combined note and deposit liabilities declined from 79.23% to 76.33% during the month under review.

On September 15, 1923, the volume of rediscounts for members held by the Federal Reserve Bank of Richmond amounted to \$77,940,000 compared with \$38,372,000 on the corresponding date this year, and Federal Reserve notes in actual circulation on the 1923 date amounted to \$84,838,000 compared with \$72,254,000 on the 1924 date. During the year the reserve deposits of member banks at the Reserve Bank rose from \$59,001,000 to \$63,670,000. As a result of the lessened demand for Reserve Bank credit this year in comparison with the same period in 1923, the cash reserves of the Federal Reserve Bank of Richmond rose from \$75,912,000 to \$104,022,000, and the ratio of cash to combined note and deposit liabilities increased from 51.30% to 76.33%.

SAVINGS BANK DEPOSITS

The monthly reports from fourteen Baltimore savings banks show a small decrease in aggregate deposits at the end of August in comparison with July, but this appears to be a seasonal movement, deposits in these banks having declined in August during each of the past four years. Total deposits in the fourteen institutions amounted to \$143,030,792 on August 31, 1924, compared with aggregate deposits of \$137,116,328 on August 31, 1923; \$127,653,146 on August 31, 1922; \$122,833,151 on August 31, 1921, and \$120,195,124 on August 31, 1920. Between August 31, 1923 and August 31, 1924 deposits in the reporting institutions increased 4.3% and between the corresponding dates in 1920 and 1924 the gain amounted to 19.0%.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

| CITIES | TOTAL DEBITS FOR THE FOUR WEEKS ENDING | | |
|----------------------------------|--|-------------------------|-----------------------|
| | Sept. 10, 1924 | Aug. 13, 1924 | Sept. 12, 1923 |
| Asheville, N. C..... | \$ 22,380,000 | \$ 23,063,000 | \$ 21,235,000 |
| Baltimore, Md..... | 341,870,000 | 342,524,000 | 305,700,000 |
| Charleston, S. C..... | 18,528,000 | 19,718,000 | 21,549,000 |
| Charleston, W. Va..... | 28,285,000 | 30,510,000 | 31,128,000 |
| Charlotte, N. C..... | 35,681,000 | 34,204,000 | 31,482,000 |
| Columbia, S. C..... | 13,256,000 | 16,690,000 | 17,431,000 |
| Cumberland, Md..... | 7,861,000 | 8,709,000 | 7,211,000 |
| Danville, Va..... | 7,225,000 | 7,534,000 | 7,195,000 |
| Durham, N. C..... | 19,472,000 | 16,911,000 | 16,179,000 |
| Greensboro, N. C..... | 19,051,000 | 19,009,000 | 16,226,000 |
| Greenville, S. C..... | 18,231,000 | 17,841,000 | 21,728,000 |
| Hagerstown, Md..... | 8,050,000 | 9,669,000 | 8,271,000 |
| Huntington, W. Va..... | 21,795,000 | 21,964,000 | 22,503,000 |
| Lynchburg, Va..... | 17,598,000 | 15,877,000 | 16,851,000 |
| Newport News, Va..... | 5,634,000 | 6,669,000 | 6,247,000 |
| Norfolk, Va..... | 50,882,000 | 61,382,000 | 57,205,000 |
| Raleigh, N. C..... | 25,350,000 | 22,971,000 | 27,400,000 |
| Richmond, Va..... | 114,639,000 | 103,832,000 | 116,742,000 |
| Roanoke, Va..... | 21,828,000 | 20,227,000 | 20,918,000 |
| Spartanburg, S. C..... | 11,423,000 | 10,654,000 | 8,136,000 |
| Washington, D. C..... | 157,400,000 | 168,674,000 | 151,896,000 |
| Wilmington, N. C..... | 14,171,000 | 15,530,000 | 14,108,000 |
| Winston-Salem, N. C..... | 28,447,000 | 31,497,000 | 23,812,000 |
| Totals for 23 cities..... | \$ 1,009,057,000 | \$ 1,025,659,000 | \$ 971,153,000 |

The accompanying table shows total debits to individual, firm and corporation accounts in the clearing house banks in twenty-three of the chief trade centers of the Fifth Reserve District during three periods of four weeks each, ending September 10, 1924, August 13, 1924, and September 12, 1923, thus affording an opportunity for comparing the latest four weeks period with (1) the preceding like period this year, and (2) the corresponding period last year. The debits figures include all checks drawn on deposit accounts of individuals, firms and corporations, and the United States Government, including checks against savings accounts, payments from trust funds and certificates of deposit paid.

Total debits in the twenty-three reporting cities amounted to \$1,009,057,000 during the four weeks ending September 10th, compared with \$1,025,659,000 reported for the preceding four weeks, ending August 13th this year, a decline during the more recent period of \$16,602,000, or 1.6%. Nine of the twenty-three cities reported larger totals during the period ending September 10th, the increases probably representing transactions arising out of the marketing of tobacco or increased activity in the textile industry, all of the nine cities being prominently identified with either the tobacco or textile industries.

In comparison with the four weeks ending September 12th last year, when aggregate debits of \$971,153,000 were reported by the twenty-three cities, the total of \$1,009,057,000 reported for the corresponding four weeks this year shows a gain of \$37,904,000, or 3.9%, thirteen of the twenty-three cities reporting higher figures this year. The North Carolina cities stand out prominently in the table, six of the seven centers included showing gains this year in comparison with the corresponding period in 1923. Two cities in Maryland out of three show gains this year, Virginia divides equally, three cities reporting gains and three declines, and Washington reports a gain, while both reporting cities in West Virginia show lower figures and three out of four of the South Carolina cities show decreases during the year.

**BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS
AUGUST, 1924 AND 1923.**

| City and District | Number | | Per Cent Increase or Decrease | Liabilities | | Per Cent of Increase or Decrease |
|-----------------------------|--------------|--------------|-------------------------------|----------------------|----------------------|----------------------------------|
| | 1924 | 1923 | | 1924 | 1923 | |
| Boston, First..... | 102 | 118 | — 13.6 | \$ 1,635,381 | \$ 966,830 | 69.1% |
| New York, Second..... | 280 | 273 | 2.6 | 28,414,523 | 5,734,168 | 395.5 |
| Philadelphia, Third..... | 63 | 80 | — 21.3 | 1,366,943 | 5,027,408 | — 72.8 |
| Cleveland, Fourth..... | 158 | 116 | 36.2 | 3,620,367 | 1,870,656 | 93.5 |
| Richmond, Fifth..... | 101 | 94 | 7.4 | 4,233,075 | 2,907,919 | 45.6 |
| Atlanta, Sixth..... | 102 | 92 | 10.9 | 1,945,017 | 5,598,050 | — 65.3 |
| Chicago, Seventh..... | 183 | 168 | 8.9 | 3,461,597 | 6,163,449 | — 43.8 |
| St. Louis, Eighth..... | 91 | 45 | 102.2 | 922,409 | 694,960 | 32.7 |
| Minneapolis, Ninth..... | 57 | 82 | — 30.5 | 939,258 | 1,314,746 | — 28.6 |
| Kansas City, Tenth..... | 123 | 68 | 80.9 | 5,418,201 | 1,083,184 | 400.2 |
| Dallas, Eleventh..... | 52 | 68 | — 23.5 | 938,431 | 1,020,596 | — 8.1 |
| San Francisco, Twelfth..... | 208 | 115 | 80.9 | 2,258,779 | 1,952,756 | 15.7 |
| Totals..... | 1,520 | 1,319 | 15.2% | \$ 55,153,981 | \$ 34,334,722 | 60.6% |

Commenting upon the figures shown in the above table, *Dun's Review* for September 6th says, "The low point of this year in number of commercial failures in the United States was recorded in August, with a total of 1,520 defaults. This is a decrease of 5.8 per cent from the 1,615 failures of July, although last month's liabilities of \$55,153,981 show an increase of nearly 50 per cent over the amount for the earlier period. The heavier indebtedness for August is accounted for by a number of defaults of unusual size, those for \$100,000 or more in each case totaling 53 and involving \$36,064,690. In July, the large failures numbered 54 and had liabilities of \$19,700,000. All commercial defaults considered, the August statement compares unfavorably with that for the same month of last year, when there were only 1,319 failures for \$34,334,722. In point of number of defaults, however, the business mortality a year ago was at a relatively low mark, and the present returns show reductions in number of failures from the totals for August of both the years 1922 and 1921."

In the Fifth District, business failures in August numbered 101 with liabilities of \$4,233,075, compared with 94 failures and liabilities of \$2,907,919 reported for August 1923, showing increases this year of 7.4% in the number of insolvencies and of 45.6% in the total of liabilities involved. The number of failures reported in August was the lowest number reported for any month this year, however.

Average liabilities per failure during August 1924 amounted to \$36,286 in the nation and \$41,912 in the Fifth District, compared with averages of \$26,031 in the nation and \$30,935 in the Fifth District during August 1923, the District average comparing unfavorably with the national average in both years.

LABOR—No material changes in the labor situation occurred during late August and early September. The weather has continued favorable for outside work, and there is consequently less idle labor at present than is usual at this season, although there is a moderate surplus of unskilled workers. Skilled labor is still employed steadily, but in Richmond and some of the other cities much of this season's construction work is nearing completion and workmen expect the demand for their services to slacken materially during the next few weeks. Farm labor continues to be a problem, especially in the cotton growing sections where a large number of pickers are now needed. Textile workers and coal miners are more fully employed than during the past six months, but other industries have not taken on additional people since our August 30th *Review* was written. No recent changes in wage scales have been reported to us.

COAL—The demand for coal is steadily improving and mines are increasing their output from week to week. During the week ending September 6th the average daily production of bituminous coal was 1,510,000 tons in comparison with a daily average of 1,298,000 tons during the first week in August. The largest increases in operations were reported by the West Virginia fields, according to the Geological Survey. The mines are now ordering cars to transport over a million more tons a week than they were two months ago, but the railroads have had no serious trouble in furnishing the desired cars. Despite the recent increases in production, however, the output of soft coal is still running considerably below the rate during all recent years except 1921, when the industry had just started recovery from acute depression. No changes in retail prices have yet been announced.

TEXTILES—Conditions in the textile industry have changed very little since the middle of August, but the improvement mentioned in our last month's *Review* as having developed during late July and early August has been maintained and has spread to some extent. Operating time has been materially increased throughout the District since the middle of July, and distinct gains in orders for textile products have been reported, but there is in no sense a seller's market as yet, and consumers still display caution in making future commitments. In sentiment the situation has changed much more than the actual facts indicate, and

the pessimism that was evident throughout the textile industry three months ago has been replaced by a moderate but decidedly noticeable confidence in fall and winter prospects. Our information appears to indicate that a majority of mill executives believe the corner has been definitely turned, and it is generally thought that the industry has begun an upward movement that will bring at least a moderate degree of prosperity to the mills.

Cotton consumed in the Fifth District during August amounted to 140,710 bales, of which North Carolina mills used 72,550 bales, South Carolina mills 62,547, and Virginia mills 5,613 bales. The numbers of bales used in North and South Carolina were lower than the numbers used in July, but the Virginia mills increased their consumption during the more recent month. The Fifth District consumption during August amounted to 56.8% of total consumption in the cotton growing states and 39.4% of national consumption.

COTTON—Since our August 30th *Review* was written spot cotton prices have steadily declined, the drop during four weeks amounting to more than 5 cents per pound, or \$25 a bale. During the week ending August 16th, the latest period quoted last month, prices paid the growers in the Carolinas averaged 27.15 cents per pound for 7/8 inch middling upland cotton, but the week ending August 23rd witnessed a decline to 25.56 cents. The average during the week ending August 30th dropped still lower, to 25.31 cents, and the first week in September, ending the 6th, averaged 24.32 cents. Finally, the latest week for which figures are available, ending September 13th, averaged 22.05 cents, the lowest weekly average since October 1922. The decline resulted from condition reports, both official and unofficial, that appeared to cause a general expectation of a crop in the neighborhood of 13,000,000 bales, approximately two and three-quarter million bales more than the 10,128,478 bales grown in 1923. All of the prices quoted were taken from official figures collected by the Cotton Quotation Service of the United States Department of Agriculture and represent actual sales of spot cotton on various markets in the two Carolinas.

The Department of Agriculture's latest cotton report estimated the September 16th condition of the crop at 55.4% and the probable yield at 12,596,000 bales, compared with the September 1st condition of 59.3% and an expected yield of 12,787,000 bales. Between September 1st and September 16th cotton deteriorated in all of the cotton growing states in the Fifth District, the condition figure dropping in North Carolina from 58% to 52%, in South Carolina from 52% to 47%, and in Virginia from 65% to 60%. Estimates of probable yield, based upon the September 16th condition, are 782,000 bales in North Carolina, 728,000 bales in South Carolina, and 39,000 bales in Virginia, a total of 1,549,000 bales for the three states compared with a 1923 production of 1,899,000 bales.

The Census Bureau's ginning report to September 16th showed 2,662,636 bales compared with 148,645 bales ginned prior to August 16, 1924 and approximately 2,400,000 bales ginned to September 16th last year. The cotton crop is later this year than last, but it has been opening very rapidly during the past month.

Cotton consumption in American mills turned upward during August, after dropping steadily each month since January. The Census Bureau's report placed August consumption at 357,455 bales, in comparison with 346,671 bales used in July this year and 491,604 bales used in August 1923. Cotton on hand in consuming establishments at the end of August amounted to 552,669 bales, in comparison with 719,827 bales so held on July 31, 1924 and 806,671 bales on August 31, 1923. Public warehouses and compresses held 810,913 bales on August 31st, compared with 673,934 bales on July 31st this year and 1,179,204 bales on August 31st last year. Imports during August totaled 4,136 bales, compared with 6,597 bales in July 1924 and 3,420 bales in August 1923, while exports totaled 277,641 bales in August, against 211,533 bales in July, and 244,415 bales in August last year. Active spindles numbered 28,945,603 in August, 28,710,359 in July, and 33,708,667 in August 1923. Cotton consumed in the cotton growing states during August numbered 247,766 bales, compared with 241,069 bales used in July 1924 and 329,162 bales used in August 1923. August consumption in the cotton growing states amounted to 69.3% of national consumption, compared with 69.5% of national consumption used in the cotton growing states during July 1924 and 67.0% used in August 1923.

Virginia's cotton crop improved during August, but it is still late and backward in growth and the cool weather of middle September was very unfavorable to further development. North Carolina's crop continues poor on the average, shedding of top squares and premature opening being reported from a number of counties. Bolls and plants are smaller than usual. The boll weevil has not done nearly as much damage as was expected, however. In South Carolina exceedingly unfavorable dry weather during late August and early September caused cotton to shed many squares and to open before the bolls were fully grown. The deterioration was worse in the northwestern counties, which are among the heaviest producers in the state. The weevil has been more active during recent weeks than earlier in the season, and the final yield is quite uncertain, though it is now estimated at approximately the same figure as in 1923 when 769,000 bales were ginned. Over five times as much cotton was ginned in South Carolina prior to September 1st than was ginned in that state before September last year, indicating clearly how prematurely the crop is opening.

TOBACCO—Virginia's tobacco crop improved during August, the condition figure rising from 70% as of August 1st to 71% on September 1st, and the official estimate of probable yield increasing from 128,828,000 pounds to 136,746,000 pounds. Approximately 35% of the Bright crop had been harvested by September 1st, many fields having been cut early to prevent burning. The Dark tobacco crop was greatly benefited by rains during the latter part of August, and the late crop will make considerable improvement. The early crop is thin and light, but is coloring well. There has been some frost damage to tobacco in a few sections in the Southwest.

The long wet weather period, followed by dry conditions, resulted in a tobacco weed of thin texture but good color in North Carolina. The condition of the crop rose from 68% to 72% between August 1st and September 1st, and the Department of Agriculture's forecast of production was raised from 270,000,000 pounds to 294,000,000 pounds. Except in the northern Piedmont, tobacco is all harvested and practically all cured. Marketing is about finished in the southern counties, and is in full swing in the east, while the Old Belt markets will open early in October. During August there were 17 warehouses operating on 8 markets in North Carolina, and these sold 8,551,576 pounds of producers' tobacco for an average price of \$17.44 per hundred. In August 1923 there were 58 warehouses open in the state, and sales totaled 11,408,915 pounds at an average of \$22.52 per hundred. The warehousemen report the quality of the sales this year as only fair with much poor and chaffy tobacco.

South Carolina's tobacco crop amounted to 47,047,000 pounds this year, and has been marketed.

Maryland's tobacco crop for 1924 is estimated at 16,100,000 pounds compared with 19,008,000 pounds grown in 1923. Conditions improved toward the close of August because of better growing weather but the crop continues two or three weeks late and most of it will be out late, growers believe. Maryland's acreage is smaller than last year.

West Virginia's crop is expected to grow 6,514,000 pounds of tobacco this year, compared with 7,740,000 pounds produced in 1923.

AGRICULTURAL NOTES—The composite condition of all crops in Maryland on September 1st was about 12% below their ten year average and 1.2% lower than on August 1st, according to the report of the Federal crop statistician at Baltimore. Corn prospects are the shortest in twenty-four years, the forecast of production for 1924 being 15,690,000 bushels in comparison with an average during the past five years of 25,500,000 bushels. The acreage is smaller than usual, and the cold, wet spring followed by drought proved disastrous. An early frost would further reduce the abnormally low yield. The apple crop is estimated at 1,845,000 bushels, of which 302,000 barrels will be commercial fruit, compared with 2,300,000 bushels gathered in 1923, of which 460,000 barrels moved into commercial channels. A record hay crop has been gathered, about 718,000 tons going into the barns in comparison with a five year average of 551,000 tons. Wet weather during the growing season and dry weather for curing accounted for the yield. Reports indicate that late potato crops were severely damaged by excessive heat and drought. Plowing for wheat is late, the ground being hard and breaking up rough.

The unusually poor prospects for corn is the outstanding feature of the September report of the Virginia Crop Reporting Service. The present forecast of 33,640,000 bushels is only 63% of last year's production, and the average yield per acre this year is the lowest since 1900. Late corn has improved since the rains early in September, but cool weather retarded growth and much corn will be injured if frost comes early. In some sections of the Southwest frost damage has already been reported, most of the loss being in the fodder. The acreage in corn is smaller than usual, wet weather in May and June having prevented the preparation and planting of a normal acreage. The peanut crop is very late, but has shown considerable improvement since September 1st. The vine growth is much smaller than usual, and few growers expect to make an average yield. The late hay crops are light, but rain in mid-September will probably prove quite beneficial. Gathering of apples in commercial orchards is under way, and some sales at satisfactory prices have been reported, but buyers are showing little activity. There has been some improvement in the size of the fruit and the red varieties are coloring well. The late potato crop has shown some improvement recently, and sweet potatoes in the commercial sections are yielding much better also, as the rains around the first of September were very beneficial. Pastures are in good condition. Dry weather in August delayed plowing for fall grains, but recently this work has made excellent progress and in some sections has been finished.

Corn prospects in North Carolina declined during August, and the present condition of 65% compares unfavorably with the ten year average of 85%. The crop is very spotted, being generally good where planted early on stiff upland, but poor where planted late on light sandy soils. Frost has done some damage in mountain counties, where the crop is poorer than for many years. Ears are generally small and fewer in number than usual, and dry weather has caused the ears to mature before filling out properly. The acreage is approximately the same as last year. The hay crop in North Carolina is poor. Much of the early hay that was good was lost through inability to cure it properly in wet weather, and after the summer hay crops had been planted dry weather resulted in light yields. The peanut crop is expected to yield about 10% less

than last year, although the 1924 acreage was greatly increased. Growth and stands appear to be fairly good, except in limited areas where the long wet conditions hurt the crop. Plans are variable for the planting of small grains this fall, and preparations for winter crops are behind, but the mid-September rainfall will help greatly toward the preparation for fall seeding. Weather conditions have been favorable for harvesting, and good progress has been made.

South Carolina's corn crop is expected to be 10,000,000 bushels less than last year and the poorest since 1909, according to a report issued by the Agricultural Statistician for the state. The expected yield for 1924 is 22,500,000 bushels. Continued hot and dry weather during August reduced the corn condition from 69% on August 1st to 54% on September 1st, and also caused all other leading crops of the state to fall below last year's production.

The corn crop in West Virginia is expected to yield about 13,914,000 bushels, compared with 20,128,000 bushels in 1923. Corn is very irregular, varying from poor to good, but the crop is particularly poor in the extreme eastern counties where there has been severe drought. The apple crop this year is estimated at 7,280,000 bushels compared with 8,320,000 bushels in 1923; hay tonnage is estimated at 1,015,000 tons compared with 904,000 tons last year; the oat yield is placed at 4,688,000 bushels compared with 4,704,000 bushels last year; Irish potatoes 4,938,000 bushels compared with 5,880,000 bushels last year; sweet potatoes 349,000 bushels compared with 390,000 bushels last year; and peaches 936,000 bushels compared with 526,000 bushels in 1923.

BUILDING OPERATIONS FOR THE MONTHS OF AUGUST, 1924 AND 1923.

| No. | CITIES | Permits Issued | | | | New Construction | | Alterations | | Increase or Decrease Total Valuation | Per Cent of Increase or Decrease | No. |
|--------------------------|--------------------|----------------|-------|---------|-------|------------------|--------------|-------------|-------------|--------------------------------------|----------------------------------|-----|
| | | New | | Repairs | | 1924 | 1923 | 1924 | 1923 | | | |
| | | 1924 | 1923 | 1924 | 1923 | | | | | | | |
| MARYLAND | | | | | | | | | | | | |
| 1 | Baltimore..... | 611 | 475 | 1,308 | 808 | \$ 3,922,800 | \$ 4,656,240 | \$ 754,080 | \$ 289,080 | \$— 268,440 | — 5.4% | 1 |
| 2 | Cumberland..... | 49 | 20 | 12 | 16 | 121,748 | 29,650 | 18,437 | 67,185 | 43,350 | 44.8 | 2 |
| 3 | Frederick..... | 7 | 6 | 3 | .1 | 34,600 | 4,550 | 5,650 | 850 | 34,850 | —645.4 | 3 |
| 4 | Hagerstown*..... | 60 | | 15 | | 79,675 | | 24,000 | | | | 4 |
| VIRGINIA | | | | | | | | | | | | |
| 5 | Lynchburg..... | 19 | 17 | 28 | 32 | 106,443 | 8,160 | 17,853 | 21,050 | 95,086 | 325.5 | 5 |
| 6 | Norfolk..... | 98 | 43 | 56 | 116 | 1,101,995 | 184,450 | 178,755 | 68,025 | 1,028,275 | 407.3 | 6 |
| 7 | Petersburg..... | | | | | | | | | | | 7 |
| 8 | Richmond..... | 162 | 125 | 95 | 118 | 324,002 | 511,275 | 97,930 | 250,494 | — 339,837 | — 44.6 | 8 |
| 9 | Roanoke..... | 93 | 125 | 28 | 46 | 451,030 | 289,974 | 12,380 | 19,192 | 154,244 | 49.9 | 9 |
| WEST VIRGINIA | | | | | | | | | | | | |
| 10 | Bluefield..... | 32 | 22 | 8 | 10 | 95,050 | 53,059 | 3,100 | 11,150 | 33,941 | 52.9 | 10 |
| 11 | Charleston..... | 34 | 56 | 9 | 24 | 86,900 | 187,905 | 6,410 | 15,350 | — 109,945 | — 54.1 | 11 |
| 12 | Clarksburg..... | 39 | 41 | 20 | 24 | 167,310 | 9,205 | 12,015 | 62,770 | 107,350 | 149.1 | 12 |
| 13 | Huntington..... | 135 | 133 | 32 | 35 | 407,636 | 271,570 | 36,638 | 12,295 | 160,409 | 56.5 | 13 |
| 14 | Parkersburg..... | 27 | 27 | 11 | 16 | 254,890 | 150,000 | 4,485 | 50,000 | 59,375 | 29.7 | 14 |
| NORTH CAROLINA | | | | | | | | | | | | |
| 15 | Asheville..... | 26 | 38 | 57 | 66 | 221,237 | 234,284 | 88,463 | 96,110 | — 20,694 | — 6.3 | 15 |
| 16 | Charlotte..... | 49 | 37 | 12 | 10 | 248,200 | 252,525 | 17,500 | 42,375 | — 29,200 | — 9.9 | 16 |
| 17 | Durham..... | 15 | 19 | 9 | 6 | 120,000 | 203,620 | 16,350 | 6,100 | — 73,370 | — 35.0 | 17 |
| 18 | Greensboro..... | 79 | 57 | 28 | 32 | 621,048 | 186,557 | 16,345 | 16,630 | 434,206 | 213.7 | 18 |
| 19 | High Point..... | 44 | 63 | 10 | 0 | 116,715 | 138,100 | 9,925 | 0 | — 11,460 | — 8.3 | 19 |
| 20 | Raleigh..... | 46 | **57 | 16 | | 231,890 | **405,840 | 14,700 | | — 159,250 | — 39.2 | 20 |
| 21 | Salisbury..... | 23 | 16 | 0 | 2 | 53,910 | 68,225 | 0 | 700 | — 15,015 | — 21.8 | 21 |
| 22 | Wilmington..... | 8 | 10 | 6 | 6 | 22,600 | 105,900 | 10,900 | 9,700 | — 82,100 | — 71.0 | 22 |
| 23 | Winston-Salem..... | 90 | 58 | 95 | 110 | 568,583 | 317,735 | 48,020 | 50,548 | 248,320 | 67.4 | 23 |
| SOUTH CAROLINA | | | | | | | | | | | | |
| 24 | Charleston..... | 3 | 7 | 5 | 11 | 5,750 | 72,550 | 1,250 | 4,250 | — 69,800 | — 90.9 | 24 |
| 25 | Columbia..... | 17 | 25 | 121 | 63 | 35,925 | 143,820 | 27,691 | 6,147 | — 86,351 | — 57.6 | 25 |
| 26 | Greenville..... | 14 | 25 | 11 | 29 | 60,340 | 141,215 | 7,425 | 12,245 | — 85,695 | — 55.8 | 26 |
| 27 | Spartanburg..... | 38 | 26 | 25 | 38 | 145,350 | 31,677 | 5,720 | 7,705 | 111,688 | 283.6 | 27 |
| DIST. OF COLUMBIA | | | | | | | | | | | | |
| 28 | Washington..... | 497 | 358 | 286 | 534 | 3,242,612 | 3,768,701 | 191,436 | 517,657 | — 852,310 | — 19.9 | 28 |
| Totals..... | | 2,255 | 1,886 | 2,291 | 2,153 | \$12,768,564 | \$12,426,787 | \$1,603,458 | \$1,637,608 | \$ 307,627 | 2.2% | |

*Hagerstown figures not included in totals. **Includes both new work and repairs. —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.

Building operations are slowing down in the Fifth District, but the decrease is not yet as marked as might be expected at this season of the year. In fact, the total number of permits for new work issued in twenty-

five reporting cities during August was larger than the number issued during any other month except April and May this year, but total valuation of new work fell below all months since February. August valuation exceeded the valuation in August 1923, however, and combined valuation of all permits, including new work and repairs, was 2.2% above total valuation in August last year. The building inspectors in twenty-five cities for which comparative figures are available reported 2,255 permits for new work in August, compared with 1,886 issued in August 1923, and twenty-six cities reported August 1924 valuation figures amounting to \$12,768,564 compared with \$12,426,787 in August last year. Notable increases in the number of permits for new work were reported from Baltimore, Cumberland, Norfolk, Richmond, Greensboro, Winston-Salem, and Washington, while large increases in estimated valuation came from Norfolk, Roanoke, Huntington, Greensboro, Winston-Salem, and Spartanburg. Decreases of more than 50% in total valuation were reported by Charleston, W. Va., Wilmington, Charleston, S. C., Columbia and Greenville. Alteration and repair permits totaled 2,291 in August valued at \$1,603,458, compared with 2,153 permits and a valuation of \$1,637,608 for similar work in August 1923.

The first eight months of 1924 witnessed an unprecedented volume of construction, and the work done in 1923 broke all previous records. As a result of all this work, the shortage of residences has been very materially reduced, and the demand for office and apartment buildings has been met in most of the reporting centers. There is still a shortage of moderate priced dwellings, but construction of such buildings is not usually as profitable as more ambitious projects. There is also need in most cities for additional warehouses, and there seems to be no limit to the demand for private garages.

FIGURES ON RETAIL TRADE
As Indicated By Reports from Twenty-nine Representative Department Stores
for the Month of August, 1924.

| | Baltimore | Richmond | Washington | Other Cities | District |
|--|-----------|----------|------------|--------------|----------|
| Percentage increase in net sales during Aug. 1924, compared with Aug. 1923..... | — 7.0 | — 1.1 | — 4.3 | — 5.0 | — 5.3 |
| Percentage increase in net sales from July 1 through Aug. 30, compared with sales during the same two months of 1923..... | — 1.5 | — 3.7 | 1.2 | — 2.4 | — 0.9 |
| Percentage increase in net sales during Aug. 1924, compared with average sales during the corresponding month of 1920, 1921 and 1922..... | — 15.9 | 22.2 | — 4.5 | — 4.0 | — 6.3 |
| Percentage increase in stocks on hand at the end of Aug. 1924, over stocks on hand at the end of Aug. 1923..... | — 6.9 | 7.1 | — 6.5 | — 6.3 | — 5.6 |
| Percentage increase in stocks on hand at the end of Aug. 1924, over stocks on hand at the end of July 1924..... | 3.3 | 2.2 | — 0.9 | — 1.1 | 1.2 |
| Percentage of average stocks on hand at the end of each month since July 1, 1924, to average net sales each month during the same period, two month..... | 501.2 | 446.3 | 481.7 | 589.2 | 499.6 |
| Percentage of outstanding orders at the end of Aug. 1924, to total purchases of merchandise during the year 1923..... | 8.1 | 9.0 | 6.4 | 7.9 | 7.6 |

—Denotes Decrease.

Retail trade as reflected by the dollar value of business done in twenty-nine department stores in the Fifth District was 5.3% less in August than in August 1923, and 6.3% less than average sales in August during the three years 1920, 1921 and 1922. Cumulative sales from July 1st through August 31st were nine-tenths of one percent less than sales during the corresponding two months last year. The decrease in August sales this year, however, was less than the gain in sales reported last year in comparing August 1923 with August 1922.

Stocks on hand in the reporting stores at the end of August were 5.6% smaller than on the corresponding date a year ago, but were 1.2% greater than at the end of July this year, the increase during the past month being seasonal and due to the receipt of advance fall merchandise. The percentage of average stock on hand at the end of each month since July 1st to average monthly sales during the same period, two

months, was 499.6% in comparison with 509.0% reported for the same period in 1923, the decreased figure indicating a slightly more rapid rate of turnover of stock this year during the two months under review. Outstanding orders at the end of August amounted to 7.6% of last year's total purchases of merchandise, which is a comparatively small figure at this season and reflects the conservative buying that has been so prominently in evidence this year.

WHOLESALE TRADE August 1924.

| | Groceries | Dry Goods | Shoes | Hardware | Furniture | Drugs |
|---|-----------|-----------|----------|----------|-----------|-------|
| Number of reporting firms in each line..... | 44 | 15 | 14 | 18 | 7 | 13 |
| Percentage increase (or decrease) in net sales during Aug. 1924, compared with sales during July 1924..... | 3.7 | 50.6 | 81.5 | 11.7 | 29.9 | 1.0 |
| Percentage increase (or decrease) in net sales during Aug. 1924, compared with sales during Aug. 1923..... | - 1.7 | -14.7 | -12.0 | -15.3 | 27.6 | - 1.5 |
| Percentage increase (or decrease) in cumulative sales from July 1st through Aug. 31, 1924, compared with sales during the corresponding two months of 1923..... | - 1.9 | -16.0 | -14.6 | -12.4 | 21.0 | 2.2 |
| Percentage increase (or decrease) in stocks on hand Aug. 31, 1924, compared with July 31, 1924..... | 1.9(11) | - 4.8(8) | - 7.4(7) | - 1.8(5) | - 0.1(3) | |
| Percentage increase (or decrease) in stocks on hand Aug. 31, 1924, compared with Aug. 31, 1923..... | 1.3 (8) | - 9.1(7) | -17.3(6) | - 5.2(4) | -11.6(2) | |

—Denotes decreased percentage.

NOTE:—The number of firms reporting stock figures for the dates compared is shown in parenthesis immediately after the percentage figure.

Wholesale trade reports received from one hundred and eleven firms covering groceries, dry goods, shoes, hardware, furniture and drugs show the usual increases in the volume of business done in August in comparison with July of this year, but every line except furniture included in the reports shows an August decrease in comparison with August 1923. The table printed herewith gives each line in detail, both sales and stock figures being included.

Shoe sales in August showed the largest percentage gain in comparison with July, increasing 81.5%, while drugs with a gain of 1.0% showed the smallest increase. In comparison with August 1923, sales of furniture at wholesale increased 27.6% during August 1924, but the other five lines reported decreases ranging from 1.5% in drugs to 15.3% in hardware. Cumulative sales during July and August were greater this year in furniture and drugs, but were less in groceries, dry goods, shoes and hardware, groceries showing the smallest decline, 1.9%, and dry goods the largest, 16.0%.

Grocery stocks on hand at the end of August 1924 were 1.9% larger than at the end of July, the preceding month, and 1.3% larger than a year ago, but stocks of dry goods, shoes and furniture were smaller on August 31st than either a month or a year earlier. Hardware stocks were 1.8% less on August 31st than on July 31st, but were 5.2% larger than on August 31st last year.

Collections were slightly harder to make during August than in July, and were distinctly slower than in August 1923. A year ago 85.4% of the reporting wholesale firms classified their collections as either *Good* or *Fair* in comparison with 75.7% so classifying them this year. One hundred and three identical firms reported on collections in both August 1923 and August 1924, the classifications made being as follows:

| Lines | Collections Reported As | | | | | | | | | |
|-------------------------|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----|
| | Good | | Fair | | Slow | | Poor | | Total | |
| | 1924-1923 | 1924-1923 | 1924-1923 | 1924-1923 | 1924-1923 | 1924-1923 | 1924-1923 | 1924-1923 | 1924-1923 | |
| Groceries | 7 | 8 | 27 | 24 | 5 | 7 | 1 | 1 | 40 | 40 |
| Dry Goods | 1 | 4 | 8 | 10 | 6 | 1 | 0 | 0 | 15 | 15 |
| Shoes | 0 | 0 | 7 | 9 | 5 | 3 | 0 | 0 | 12 | 12 |
| Hardware | 2 | 3 | 8 | 12 | 6 | 1 | 0 | 0 | 16 | 16 |
| Furniture | 1 | 1 | 5 | 4 | 1 | 2 | 0 | 0 | 7 | 7 |
| Drugs | 5 | 7 | 7 | 6 | 1 | 0 | 0 | 0 | 13 | 13 |
| August Totals | 16 | 23 | 62 | 65 | 24 | 14 | 1 | 1 | 103 | 103 |

(Compiled September 20, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production in basic industries was maintained during August at about the same level as in the two preceding months and factory employment showed a slight increase. Wholesale prices, especially those of agricultural products, showed a further advance.

PRODUCTION—The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, continued in August at the same level as in June and July. Production of steel was substantially larger than in July and the output of pig iron and mill consumption of cotton also increased. Sugar meltings and production of anthracite and zinc, on the other hand, were smaller. Factory employment increased slightly in August and average weekly earnings increased 4 per cent owing to less part-time employment. Larger working forces were reported in the textile, leather, and automobile industries. Building contracts awarded, contrary to the usual seasonal trend, were 3 per cent larger in August than in July.

Crop conditions showed further improvement in August and the September 1 estimates of production by the Department of Agriculture were larger for wheat, oats, barley, and potatoes. Estimated yields of corn, cotton, and tobacco, however, were smaller. Harvesting has proceeded rapidly this year, and the August marketing of wheat was larger than in either of the last two years.

TRADE—Bank debits, which reflect the volume of business transactions settled by check, showed about the usual seasonal decrease in August, but were larger than a year ago. Railroad shipments increased slightly, as a result of larger loadings of miscellaneous merchandise, grain, and coal. Wholesale trade was 7 per cent larger than in July, owing to seasonal increases in sales of dry goods, shoes, and meat, but continued to be smaller than a year ago. Department store sales showed less than the usual increase in August and were 7 per cent smaller than last year. Mail order sales increased more than usual at this season and were one per cent larger than in August, 1923. Merchandise stocks of department stores at the end of August for the first time this year were smaller than on the corresponding date of 1923.

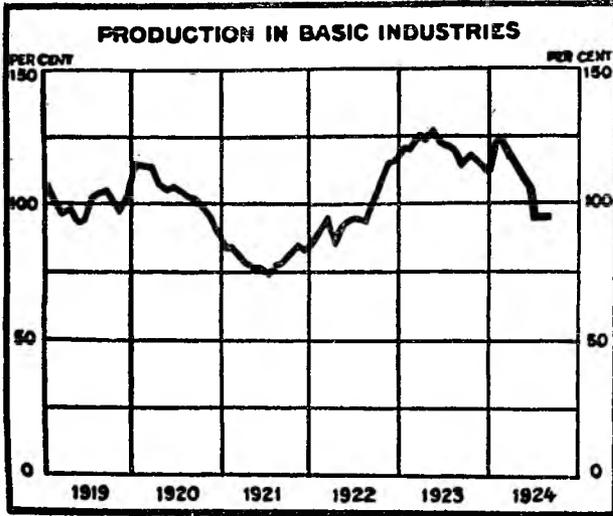
PRICES—Wholesale prices, as measured by the index of the Bureau of Labor Statistics, increased 2 per cent in August and were at about the same level as a year ago. The advance was due largely to further increases in prices of farm products and foods, though all other commodity groups except metals and fuel also advanced. During the first three weeks of September prices of wheat, rye, wool, and rubber increased while those of cotton, silk, petroleum, and metals declined.

BANK CREDIT—Loans and investments of member banks in leading cities continued to increase during the four-week period ending September 10 and on that date reached a record figure about \$1,000,000,000 above the level of three months earlier. The largest increase was in loans on stocks and bonds and commercial loans also increased, owing partly to seasonal demands for credit. The growth of investments by member banks continued, though at a somewhat slackened rate.

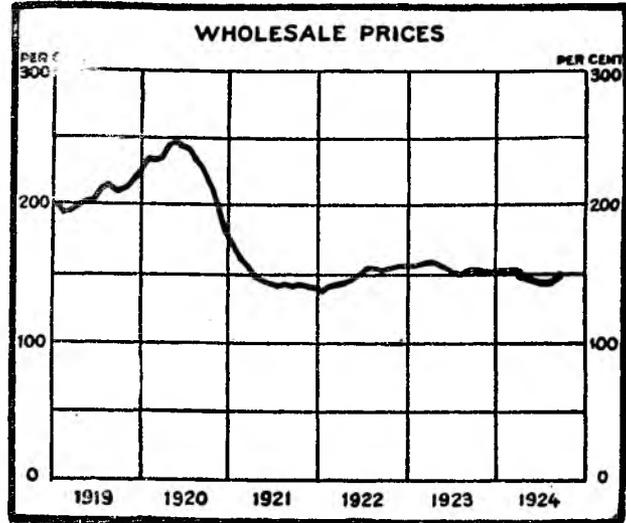
At the Federal reserve banks there was a further increase in the holdings of government securities and of acceptances with the result that in the middle of September, although discounts were at the low point for the year, the total volume of reserve bank credit was higher than at any time since last spring. Seasonal increase in the demand for currency was reflected in a decline in cash reserves and at the reserve banks in certain of the agricultural districts in an increase of Federal reserve note circulation.

Slightly firmer conditions in the New York money market in late August and early September were reflected in a slight advance in the rate on commercial paper from $3\frac{3}{4}$ to $3\frac{1}{4}$ per cent. After the middle of September a recurrence of easier conditions followed Treasury operations. The September 15 offering of one-year Treasury certificates bore $2\frac{3}{4}$ per cent interest, the same rate as the six-months' issue sold in June.

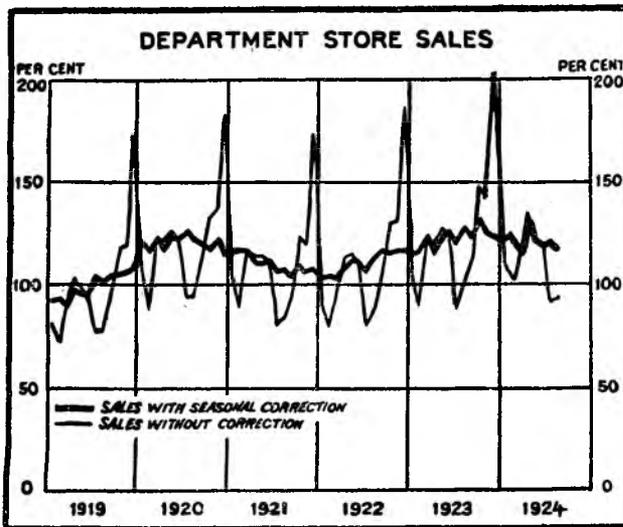
CHARTS SUPPLEMENTING TEXT ON PAGE 10



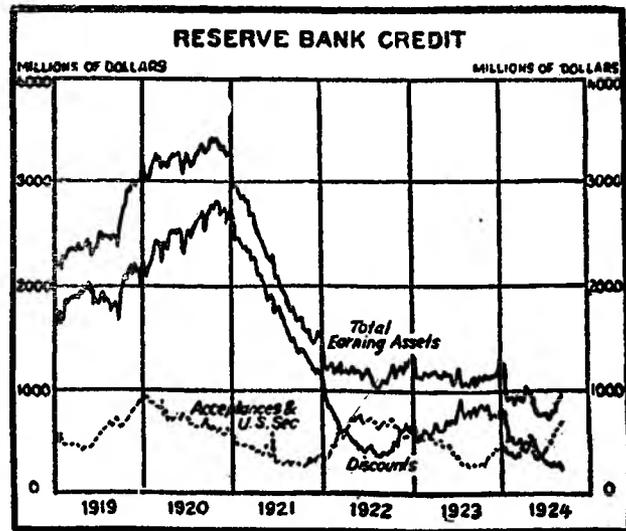
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—August 94.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure —August 150.

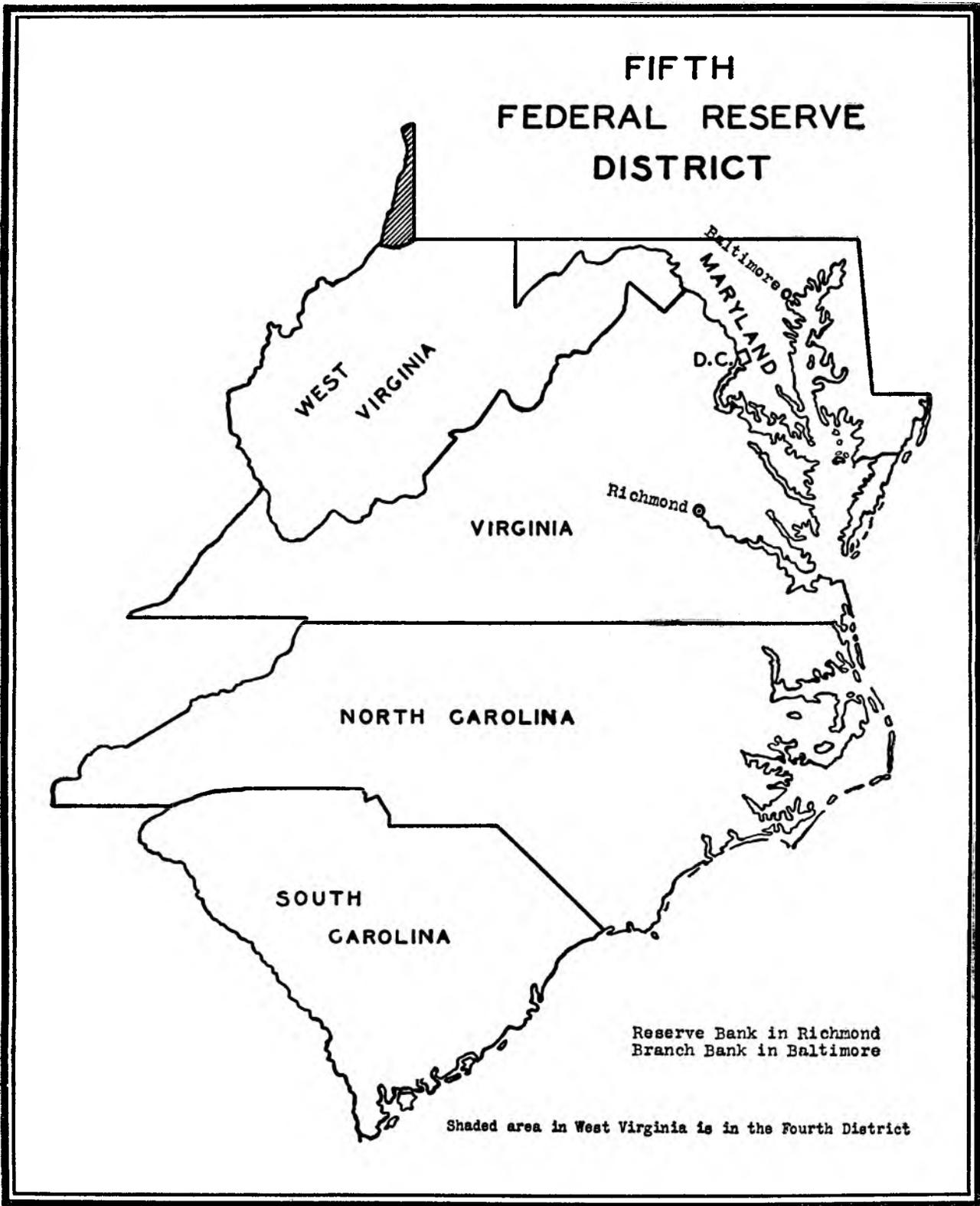


Index of sales of 333 stores in 117 cities (1919=100). Latest figures—August 118 corrected, 93 uncorrected.



Weekly figures for 12 Federal Reserve Banks. Latest figures, September 17th.

FIFTH FEDERAL RESERVE DISTRICT



Reserve Bank in Richmond
Branch Bank in Baltimore

Shaded area in West Virginia is in the Fourth District