

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

JANUARY 31, 1925

Fall trade was slow in opening up in 1924, and September, October and November were all somewhat disappointing, although distinct signs of improvement became visible in November as soon as the election was out of the way. December business, however, exceeded expectations in nearly all lines. A decided feeling of optimism has recently developed in the business world, and on the whole the Fifth District appears to be in a condition that justifies this feeling. No boom in trade seems to be expected, but practically all of our correspondents profess to believe that the next few months will witness enough trade to keep every one busy and to return reasonable profits to manufacturers, wholesalers and retailers. There are a few weak spots in the District, but except in the lower half of South Carolina, where there was a virtual crop failure in 1924, none of them are serious in comparison with average conditions over a term of years. Nineteen twenty-four witnessed lower yields in nearly all the leading crops in comparison with 1923 yields, but it should be remembered that agricultural returns in the Fifth District were exceptionally high in 1923 and the decrease in 1924 probably appears more serious than it really is because the comparison is with 1923, an exceptionally good year.

The greatest improvement discernible in conditions in the Fifth District now in comparison with a year ago is probably in cotton manufacturing. In January 1923 mills were receiving almost no forward orders, and were either accumulating stocks or were curtailing operating time, and conditions were slowly but quite steadily growing worse. In contrast, the mills are at present receiving a considerable volume of orders, and during the past two or three months most of them have cleared away their surplus stocks. Better still, conditions appear to be on the mend now in contrast with the declining tendency in evidence a year ago.

Another industry in which conditions seem to have improved since January 1923 is coal mining. There has recently been a sharp gain in orders received for bituminous coal, and mine operations have increased accordingly, with resultant increases in pay envelopes and purchasing power.

Both the Reserve Bank and the commercial banks of the District are in stronger reserve positions than a year ago. The Reserve Bank's ratio of cash to combined deposit and note liabilities is materially higher than it was in January 1923, indicating increased reserve of credit for legitimate demands that may be made upon it, and the commercial banks are rediscounting much less than they were a year ago, and have considerably increased their investments in stocks and bonds. The financial resources of the banking public are evidenced by large increases in both demand and time deposits in commercial and savings banks and trust companies.

Labor is well employed for this season of the year. There is more unemployment than was the case two or three months ago, but this is to be expected during the winter when much outside work has to be postponed until more favorable weather arrives. Textile workers and miners are better employed now than they were last fall and lumber mills are using many unskilled laborers. Tobacco factories are running full time.

Retail trade in December was better than early season business would have led one to expect, and wholesale trade was fully up to seasonal average in nearly all lines upon which accurate information is available. The large volume of business done during December is evidenced by debits to individual accounts at clearing house banks in twenty-three of the District's leading cities, these debits during the four weeks ending January 7th exceeding the debits during the four weeks ending December 10th, in spite of the fact that in most years comparatively little business is transacted between Christmas and New Year's.

Building construction continued in remarkable volume during December, both the number of permits issued and the estimated valuation of the work exceeding the figures reported in December 1923, which was itself a record breaking December. The volume of construction work for which permits were issued in twenty-eight cities of the Fifth District broke all previous records in 1924. A large amount of construction work goes a long way toward assuring general activity, and there are as yet few signs of any material reduction in building operations in the Fifth District.

The National Summary will be found on pages 9 and 10.

CONDITION OF SEVENTY-FIVE REPORTING MEMBER BANKS IN SELECTED CITIES

| ITEMS | Jan. 7, 1925 | Dec. 10, 1924 | Jan. 9, 1924 |
|--|----------------|----------------|----------------|
| 1. Total Loans and Discounts (including all rediscounts) | \$ 479,960,000 | \$ 476,426,000 | \$ 472,921,000 |
| 2. Total Investments in Bonds and Securities | 134,469,000 | 131,785,000 | 127,991,000 |
| 3. Total Loans and Investments..... | 614,429,000 | 608,211,000 | 600,912,000 |
| 4. Reserve Balance with Federal Reserve Bank | 39,574,000 | 39,157,000 | 37,288,000 |
| 5. Cash in Vaults..... | 15,461,000 | 15,881,000 | 15,028,000 |
| 6. Demand Deposits | 364,201,000 | 369,776,000 | 353,950,000 |
| 7. Time Deposits | 181,578,000 | 178,600,000 | 152,834,000 |
| 8. Borrowed from Federal Reserve Bank..... | 13,250,000 | 6,373,000 | 30,870,000 |

The accompanying table shows the principal items of condition reported by seventy-five identical banks as of three dates, January 7, 1925, December 10, 1924, and January 9, 1924, thus affording an opportunity for comparing the totals reported for the latest date with those reported for the preceding month and on the corresponding date a year ago. It should be understood, however, that the comments made herein apply only to the figures for the dates given, and have no reference to intervening dates on which figures may have been higher or lower than those quoted.

Between December 10, 1924 and January 7, 1925, total loans to customers in the seventy-five reporting banks increased from \$476,426,000 to \$479,960,000, an increase being usual at the end of the year when many people meet their holiday requirements by borrowing for a month or two. This seasonal demand for additional credit, together with dividend payments by the banks themselves and various other end-of-year transactions, caused the reporting banks to increase their rediscounts at the Reserve Bank from \$6,373,000 on December 10th to \$13,250,000 on January 7th, but most of the increase was on short time notes to provide for temporary needs. During the month under discussion, investments in bonds and securities made by the reporting banks rose from \$131,785,000 to \$134,469,000, and their aggregate reserve balance at the Reserve Bank increased from \$39,157,000 to \$39,574,000. Due to less demand for cash after the Christmas season, cash in vaults declined from \$15,881,000 on December 10th to \$15,461,000 on January 7th. Demand deposits fell off from \$369,776,000 to \$364,201,000, probably as a result of heavy dividend and other annual payments on January 1st by depositing firms and corporations, but time deposits rose from \$178,600,000 to \$181,578,000.

A comparison of the figures reported for January 7, 1925 with those reported on January 9, 1924 shows that during the intervening year the financial position of both the reporting banks and their customers improved distinctly as a whole. During the year total loans and discounts granted to customers rose from \$472,921,000 to \$479,960,000, but deposits rose much more, reflecting a net gain in financial resources by the reporting banks' customers. Demand deposits increased from \$353,950,000 on January 9, 1924 to \$364,201,000 on January 7, 1925, and time deposits increased from \$152,834,000 to \$181,578,000 between the same dates, a combined increase of \$38,995,000 in deposits. Total investments in bonds and securities made by the reporting banks rose during the year from \$127,991,000 to \$134,469,000; their reserve balance at the Reserve Bank rose from \$37,288,000 to \$39,574,000; their total cash in vaults increased from \$15,028,000 to \$15,461,000; and their rediscounts at the Reserve Bank decreased from \$30,870,000 to \$13,250,000.

FEDERAL RESERVE BANK OPERATIONS

Between December 15, 1924 and January 15, 1925, outstanding rediscounts for member banks at the Federal Reserve Bank of Richmond registered a net decline, dropping from a total of \$29,681,000 to \$25,484,000, and the lessened demand for currency after the holidays caused the volume of Federal Reserve notes in actual circulation to decline from \$89,136,000 to \$79,683,000. Member banks increased their reserve deposits during the month from \$65,168,000 to \$65,586,000, but the cash reserves of the Federal Reserve Bank of Richmond declined from \$130,381,000 to \$123,222,000. As a result of the changes enumerated, the ratio of cash reserves to combined note and deposit liabilities declined from 84.18% on December 15th to 83.03% on January 15th.

On January 15, 1924, rediscounts held by the Federal Reserve Bank of Richmond totaled \$45,956,000, compared with \$25,484,000 held on January 15th this year, and during the year the circulation of Federal Reserve notes dropped from \$93,437,000 to \$79,683,000. Member bank reserve deposits rose during the year from \$62,611,000 to \$65,586,000, and the cash reserves of the Reserve Bank increased from \$112,244,000 to \$123,222,000. The reserve ratio of cash to combined note and deposit liabilities increased from 70.0% on January 15th last year to 83.03% on January 15th this year.

SAVINGS BANK DEPOSITS

Total deposits in fourteen regularly reporting mutual savings banks in Baltimore amounted to \$146,163,741 on December 31, 1924, the highest figure on record. A year ago, on December 31, 1923, deposits in these banks totaled \$140,660,000; on December 31, 1922 deposits amounted to \$132,253,796; on December 31, 1921 the total was \$124,287,362; and on December 31, 1920 it was \$121,238,025.

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DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

| CITIES | TOTAL DEBITS DURING THE FOUR WEEKS ENDING | | | ANNUAL TOTALS* | |
|--------------------------|---|-----------------|-----------------|------------------|------------------|
| | Jan. 7, 1925 | Dec. 10, 1924 | Jan. 9, 1924 | 1924 | 1923 |
| Asheville, N. C..... | \$ 21,085,000 | \$ 20,373,000 | \$ 21,412,000 | \$ 286,320,000 | \$ 259,243,000 |
| Baltimore, Md..... | 369,631,000 | 371,900,000 | 358,200,000 | 4,599,048,000 | 4,508,542,000 |
| Charleston, S. C..... | 30,598,000 | 24,121,000 | 29,383,000 | 314,732,000 | 352,698,000 |
| Charleston, W. Va..... | 41,581,000 | 35,567,000 | 36,085,000 | 431,037,000 | 455,846,000 |
| Charlotte, N. C..... | 47,761,000 | 45,030,000 | 45,011,000 | 535,649,000 | 492,377,000 |
| Columbia, S. C..... | 19,004,000 | 19,739,000 | 28,495,000 | 257,559,000 | 293,327,000 |
| Cumberland, Md..... | 8,063,000 | 8,425,000 | 8,487,000 | 110,606,000 | 108,912,000 |
| Danville, Va..... | 11,504,000 | 13,484,000 | 11,798,000 | 121,652,000 | 120,445,000 |
| Durham, N. C..... | 20,409,000 | 22,373,000 | 20,450,000 | 247,891,000 | 235,817,000 |
| Greensboro, N. C..... | 24,731,000 | 25,655,000 | 22,282,000 | 279,783,000 | 267,789,000 |
| Greenville, S. C..... | 24,106,000 | 25,210,000 | 28,300,000 | 273,770,000 | 283,354,000 |
| Hagerstown, Md..... | 9,123,000 | 9,137,000 | 9,611,000 | 123,852,000 | 124,549,000 |
| Huntington, W. Va..... | 29,146,000 | 26,384,000 | 25,079,000 | 318,940,000 | 316,948,000 |
| Lynchburg, Va..... | 21,554,000 | 19,210,000 | 20,442,000 | 236,431,000 | 246,291,000 |
| Newport News, Va..... | 7,070,000 | 8,538,000 | 6,757,000 | 86,369,000 | 90,727,000 |
| Norfolk, Va..... | 71,858,000 | 82,468,000 | 74,160,000 | 841,817,000 | 887,150,000 |
| Raleigh, N. C..... | 25,775,000 | 23,799,000 | 28,599,000 | 342,015,000 | 363,621,000 |
| Richmond, Va..... | 125,823,000 | 132,778,000 | 132,393,000 | 1,542,397,000 | 1,572,851,000 |
| Roanoke, Va..... | 28,270,000 | 26,040,000 | 24,154,000 | 304,889,000 | 290,182,000 |
| Spartanburg, S. C..... | 15,402,000 | 17,504,000 | 12,404,000 | 174,181,000 | 142,927,000 |
| Washington, D. C..... | 208,822,000 | 197,434,000 | 178,721,000 | 2,426,904,000 | 2,316,443,000 |
| Wilmington, N. C..... | 21,471,000 | 21,469,000 | 21,657,000 | 245,877,000 | 253,217,000 |
| Winston-Salem, N. C..... | 30,154,000 | 30,598,000 | 28,342,000 | 392,140,000 | 377,998,000 |
| Totals | \$1,212,941,000 | \$1,207,236,000 | \$1,172,222,000 | \$14,493,859,000 | \$14,361,254,000 |

*Figures shown for 1924 run from December 27, 1923, to December 31, 1924, 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 Reserve District during three equal periods of four weeks, ending on January 7, 1925, December 10, 1924, and January 9, 1924, 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 period, we show this month total debits for each reporting center during the years 1924 and 1923.

During the four weeks ending January 7, 1925, aggregate debits in the twenty-three centers amounted to \$1,212,941,000, compared with \$1,207,236,000 reported for the four weeks ending December 10, 1924, an increase of \$5,705,000 during the more recent month. Larger debits during the period ending January 7th than during the corresponding period a month earlier is contrary to seasonal trend, and reflects either an unusually heavy last minute trade before Christmas or exceptionally large payments of interest, dividends, insurance premiums, taxes, etc., between December 10th and January 7th.

The four weeks ending January 7, 1925, with total debits of \$1,212,941,000, show an increase of \$40,719,000 over the total of \$1,172,222,000 reported by the same cities during the four weeks ending January 9, 1924, although only eleven cities reported gains while twelve cities reported lower figures this year. Improvement is noticed in the centers influenced by conditions in the West Virginia coal fields, while many of the tobacco and spot cotton centers show decreases.

In comparison with total debits in 1923, debits for 1924 show a total increase of \$132,605,000, rising from \$14,361,254,000 in 1923 to \$14,493,859,000 in 1924. Twelve of the twenty-three reporting cities showed larger figures for 1924, Spartanburg, S. C., leading the District in rate of increase with a gain of 21.9% and Asheville, N. C., coming second with a gain of 10.4%, the chief factor in both these large increases probably being construction work.

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

Business failures in the United States during December 1924 numbered 2,040, with liabilities amounting to \$45,279,281, compared with 1,841 failures and liabilities amounting to \$51,614,730 in December 1923, an increase of 10.8% in number but a decline of 12.3% in liabilities during the more recent month. In the Fifth District, December 1924 insolvencies numbered 152 and combined liabilities were \$2,771,624, compared with December 1923 insolvencies numbering 98, with liabilities amounting to \$7,413,606, an increase in number of 55.1% but a decline in liabilities of 62.6%.

Reviewing the year 1924 in comparison with 1923, an increase in both the number of failures and the total of liabilities is noted. During 1924 there were 20,615 insolvencies in the United States, with combined

| City and District | Number | | Per Cent Increase or Decrease | Liabilities | | Per Cent of Increase or Decrease |
|-----------------------------|--------|-------|-------------------------------|---------------|---------------|----------------------------------|
| | 1924 | 1923 | | 1924 | 1923 | |
| Boston, First | 182 | 157 | 15.9 % | \$ 4,847,858 | \$ 2,149,587 | 125.5 % |
| New York, Second | 450 | 382 | 17.8 | 8,107,914 | 18,710,337 | — 56.7 |
| Philadelphia, Third | 99 | 109 | — 9.2 | 1,812,308 | 2,272,823 | — 20.3 |
| Cleveland, Fourth | 173 | 155 | 11.6 | 3,678,704 | 3,006,938 | 22.3 |
| Richmond, Fifth | 152 | 98 | 55.1 | 2,771,624 | 7,413,606 | — 62.6 |
| Atlanta, Sixth | 123 | 94 | 30.9 | 2,445,897 | 1,370,250 | 78.5 |
| Chicago, Seventh | 304 | 234 | 29.9 | 7,962,883 | 5,148,003 | 54.7 |
| St. Louis, Eighth..... | 100 | 96 | 4.2 | 2,133,944 | 1,954,500 | 9.2 |
| Minneapolis, Ninth | 94 | 93 | 1.1 | 2,032,300 | 2,842,381 | — 28.5 |
| Kansas City, Tenth..... | 111 | 96 | 15.6 | 6,667,478 | 2,199,495 | 203.1 |
| Dallas, Eleventh..... | 52 | 148 | — 64.9 | 368,159 | 2,046,743 | — 82.0 |
| San Francisco, Twelfth..... | 200 | 179 | 11.7 | 2,450,212 | 2,500,067 | — 2.0 |
| Totals..... | 2,040 | 1,841 | 10.8 % | \$ 45,279,281 | \$ 51,614,730 | — 12.3 % |

liabilities of \$543,225,449, compared with 18,718 insolvencies and \$539,386,806 in liabilities reported in 1923. The number of failures in 1924 increased about 10 per cent over the number in 1923, but liabilities increased less than 1 per cent. The average liability per failure dropped from \$28,816 in 1923 to \$26,351 in 1924. In the Fifth District, 1924 witnessed a total of 1,440 insolvencies, with liabilities amounting to \$73,303,170, compared with 1,206 insolvencies with liabilities of \$36,403,775 in 1923, the great increase in liabilities being due to one manufacturing failure involving about \$40,000,000 of indebtedness. The figures contained in this section were taken from *Dun's Review* of January 10th.

LABOR—There is at present a good deal of unemployment in the Fifth District, but it is probably almost entirely seasonal and appears to be somewhat less extensive than in most years. The volume of construction work continues large, but a great deal of building has been delayed because of unfavorable weather during the past month or six weeks. Factory work, which is little influenced by severe weather, is going on unchecked, tobacco manufacturers running full time and textile mills steadily increasing their operations. Lumber mills are running full time when the weather permits, and the recent cold weather has increased the demand for coal, with a resulting increase in mining operations. A large amount of road building is either under way or is projected for the near future, and railroads are making improvements to their tracks, bridges, etc. Relations between workers and employers seem generally satisfactory throughout the District, no serious friction being noticeable.

COAL—According to the Geological Survey reports, the recent cold weather swelled the demand for coal throughout the country, and mine production increased sharply, reaching a daily average output of 2,092,000 tons during the week ending January 10th. From the middle of November the daily output of the bituminous mines exceeded production during the corresponding period a year earlier. Preliminary estimates of annual production during 1924 total 467,700,000 net tons, a daily average of 1,520,000 tons, compared with a total 1923 production of 564,157,000 net tons, a daily average of 1,844,000 tons. Although considerably behind 1923 in total production, 1924 output exceeded that of either 1922 or 1921.

At retail, coal was plentiful during the entire year 1924, and prices ruled approximately 10 per cent below the 1923 level. Retail dealers had sufficient stocks on hand during the year to fill all orders promptly, and consumers did not do much storing of coal, having no fear of a shortage.

TEXTILES—The outlook in the textile field at the beginning of 1925 is much brighter than it was a year ago, and evidence to support this point of view is not lacking. During the past two or three months operations in the Southern mills have gradually expanded, stimulated by a broadening of demand for cotton goods, and lower cotton prices have enabled the mills to operate more profitably. Surplus stocks have been pretty well cleared out of the way, and the goods needed in 1925 will have to be manufactured. Mill executives state that there is little profit in their current business, except in some special lines, but they are at least paying expenses and are holding their forces together in anticipation of a larger and more profitable business a little later in the year. During December the Fifth District mills consumed 207,380 bales of cotton, compared with 204,764 bales consumed in November 1924 and 182,042 bales used in December 1923. The Fifth District consumption during December amounted to 39% of national consumption.

COTTON—Spot cotton prices since the week ending December 13th have ruled from a quarter to half a cent a pound higher than during the first two weeks in December, and fluctuations have moved through a narrow range. The price paid cotton growers for middling cotton in the Carolinas averaged 22.40 cents per pound during the week ending December 13th, but the following three weeks witnessed a gradual rise, the price averaging 22.73 cents per pound during the week ending December 20th, 22.86 cents during the week ending December 27th, and 23.69 cents during the week ending January 3rd. The week ending January 10th witnessed a decline, however, the average price dropping to 22.97 cents. The week ending January 17th, the latest period for which figures are available, averaged 23.08 cents per pound.

Cotton consumption in American mills increased 8.1 per cent during December in comparison with November, the number of bales used rising from 492,233 bales to 532,047 bales, in spite of the fact that Christmas holidays usually cut into December consumption quite heavily. In December 1923 American mills used 463,789 bales, 14.7 per cent less than in December this year. Cotton on hand in consuming establishments at the end of December totaled 1,319,265 bales, compared with 1,046,612 bales on November 30, 1924, and 1,623,453 bales on December 31, 1923. Public warehouses and compresses held 4,623,863 bales on December 31, 1924, compared with 4,914,219 bales on November 30, 1924, and 3,526,164 bales on December 31, 1923. Cotton consumed in the cotton growing states in December amounted to 355,662 bales, compared with 347,548 bales in November 1924, and 308,466 bales in December 1923. December imports totaled 48,663 bales, compared with 17,549 bales in November 1924, and 35,601 in December 1923. Exports in December amounted to 1,075,923 bales, compared with 1,306,550 bales in November 1924, and 845,581 bales in December 1923. Since August 1st a total of 4,344,676 bales has been sent abroad, in comparison with 3,323,951 bales exported during the corresponding five months of 1923.

TOBACCO—The monthly tobacco sales report issued under the authority of the Virginia Commissioner of Agriculture states that 12,424,116 pounds of Bright tobacco were sold in December, for an average of \$21.68 per hundred pounds, in comparison with 12,230,972 pounds sold in December 1923, for an average price of \$20.04 per hundred pounds. Danville led the Bright markets in both number of pounds handled and average price paid, selling 6,353,817 pounds for an average of \$23.06 per hundred during the month. Dark tobacco sales aggregated 8,281,983 pounds, for an average of \$20.68 per hundred, compared with 6,281,680 pounds for an average of \$17.34 per hundred sold in December 1923. Lynchburg, with sales of 2,373,337 pounds, led the Dark markets in volume of sales, but Drake's Branch led in average price, selling 684,165 pounds at \$23.50 per hundred. The total sales for the season to January 1st, including receipts of the Tobacco Growers Co-operative Association amount to 79,318,732 pounds, compared with sales of 87,852,510 pounds to the corresponding date a year ago. The amount of tobacco that has been marketed is 54.3 per cent of the estimated crop for the season, while last year 55.1 per cent of the crop was marketed prior to January 1st. The grades of tobacco sold in December averaged lower than those sold in November, but were better than those sold in December 1923.

In North Carolina, producers' sales of tobacco in December totaled 29,327,163 pounds at an average of \$23.60 per hundred pounds, compared with 45,313,838 pounds sold in December 1923, at an average of \$20.28. Winston-Salem led in December sales, selling 5,855,876 pounds, Wilson ranking a close second with 5,596,690 pounds. The highest prices were paid at Mebane, which averaged \$31.54 per hundred, and Durham, with an average of \$27.07. Previous to January 1st the auction warehouses sold 208,385,480 pounds of producers' tobacco, or approximately 75 per cent of the estimated crop, compared with 64 per cent of the 1923 crop that was sold previous to January 1, 1924. A number of the North Carolina warehouses have closed for the season, and nearly all of the crop is out of the growers' hands, most of the unsold portion of the crop having been delivered to the Tobacco Growers Association.

AGRICULTURAL NOTES—The weather during December and early January was unfavorable for farm work, and farmers did little except the chores. The rains and snow were beneficial to grain crops, however, and farmers in the northern part of the District filled ice houses. While the weather was unfavorable for marketing tobacco, it was very favorable for ordering it, and probably the balance of the tobacco crop will be marketed quickly when the weather permits. Roads are badly washed and are deep in mud in many sections of the District, which of course handicaps the farmers in their marketing operations.

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 1924 and 1923. The figures are taken from official national and state agricultural department reports, and represent the latest estimates that are available, nearly all of them being final estimates.

| Crops | Yrs. | Maryland | W. Virginia | Virginia | N. Carolina | S. Carolina |
|--------------------|------|------------|-------------|-------------|-------------|-------------|
| Corn (bus.) | 1924 | 18,538,000 | 15,260,000 | 35,679,000 | 44,514,000 | 21,862,000 |
| | 1923 | 25,231,000 | 20,128,000 | 53,563,000 | 56,868,000 | 32,670,000 |
| Cotton (bales) | 1924 | ..... | ..... | 30,000 | 765,000 | 750,000 |
| | 1923 | ..... | ..... | 50,000 | 1,020,000 | 770,000 |
| Tobacco (lbs.) | 1924 | 21,420,000 | 7,200,000 | 139,100,000 | 278,320,000 | 41,360,000 |
| | 1923 | 21,384,000 | 7,740,000 | 150,960,000 | 386,400,000 | 74,460,000 |
| I. Potatoes (bus.) | 1924 | 3,818,000 | 4,944,000 | 19,200,000 | 4,500,000 | 3,885,000 |
| | 1923 | 3,920,000 | 5,880,000 | 14,136,000 | 3,956,000 | 3,296,000 |
| S. Potatoes (bus.) | 1924 | 1,170,000 | 360,000 | 5,175,000 | 10,500,000 | 6,230,000 |
| | 1923 | 1,170,000 | 390,000 | 5,280,000 | 10,500,000 | 9,118,000 |
| Oats (bus.) | 1924 | 2,074,000 | 4,704,000 | 4,394,000 | 4,644,000 | 7,704,000 |
| | 1923 | 1,758,000 | 4,704,000 | 3,586,000 | 5,082,000 | 10,728,000 |
| Wheat (bus.) | 1924 | 8,532,000 | 2,574,000 | 9,628,000 | 5,544,000 | 1,548,000 |
| | 1923 | 11,520,000 | 2,964,000 | 11,145,000 | 6,038,000 | 1,925,000 |
| Hay (tons) | 1924 | 740,000 | 1,146,000 | 1,370,000 | 829,000 | 178,000 |
| | 1923 | 405,000 | 915,000 | 1,019,000 | 1,041,000 | 353,000 |
| Peanuts (lbs.) | 1924 | ..... | ..... | 74,100,000 | 152,945,000 | 22,400,000 |
| | 1923 | ..... | ..... | 122,760,000 | 162,800,000 | 30,400,000 |
| Apples (bus.) | 1924 | 1,749,000 | 7,410,000 | 15,184,000 | 6,450,000 | ..... |
| | 1923 | 2,300,000 | 8,320,000 | 10,000,000 | 2,700,000 | ..... |

BUILDING OPERATIONS FOR THE MONTHS OF DECEMBER, 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..... | 570 | 308 | 934 | 593 | \$ 4,623,360 | \$ 2,971,920 | \$ 568,320 | \$ 657,240 | \$ 1,562,520 | 43.1% | 1 |
| 2 | Cumberland..... | 17 | 32 | 3 | 6 | 31,391 | 78,280 | 630 | 9,289 | — 55,548 | — 63.4 | 2 |
| 3 | Frederick..... | 8 | 7 | 0 | 0 | 11,640 | 10,600 | 0 | 0 | 1,040 | 9.8 | 3 |
| 4 | Hagerstown*..... | *15 | | *5 | | *20,080 | | *988 | | | | 4 |
| VIRGINIA | | | | | | | | | | | | |
| 5 | Lynchburg..... | 11 | 14 | 12 | 17 | 31,825 | 22,525 | 22,525 | 8,130 | 23,695 | 43.6 | 5 |
| 6 | Norfolk..... | 103 | 67 | 63 | 38 | 623,667 | 118,017 | 60,446 | 34,375 | 531,721 | 348.9 | 6 |
| 7 | Petersburg..... | 0 | 2 | 5 | 3 | 0 | 5,750 | 1,225 | 8,311 | — 12,836 | — 91.3 | 7 |
| 8 | Richmond..... | 121 | 116 | 58 | 62 | 1,305,627 | 1,015,335 | 69,382 | 122,544 | 237,130 | 20.8 | 8 |
| 9 | Roanoke..... | 72 | 62 | 19 | 25 | 1,125,275 | 119,635 | 10,533 | 18,851 | 997,322 | 720.2 | 9 |
| WEST VIRGINIA | | | | | | | | | | | | |
| 10 | Bluefield..... | 17 | 19 | 7 | 0 | 23,925 | 156,355 | 5,125 | 0 | — 127,305 | — 81.4 | 10 |
| 11 | Charleston..... | 25 | 25 | 7 | 27 | 49,250 | 133,438 | 4,200 | 38,775 | — 118,763 | — 69.0 | 11 |
| 12 | Clarksburg..... | 18 | 12 | 8 | 3 | 23,660 | 11,950 | 2,285 | 725 | 13,270 | 104.7 | 12 |
| 13 | Huntington..... | 100 | 79 | 15 | 16 | 264,855 | 213,715 | 12,330 | 81,065 | — 17,595 | — 6.0 | 13 |
| 14 | Parkersburg..... | 10 | 13 | 4 | 10 | 15,550 | 36,500 | 840 | 1,965 | — 21,975 | — 57.1 | 14 |
| NORTH CAROLINA | | | | | | | | | | | | |
| 15 | Asheville..... | 26 | 22 | 48 | 34 | 397,783 | 200,009 | 21,207 | 41,811 | 177,170 | 73.3 | 15 |
| 16 | Charlotte..... | 40 | 27 | 3 | 3 | 398,812 | 240,535 | 3,100 | 2,000 | 159,377 | 65.7 | 16 |
| 17 | Durham..... | 18 | 29 | 5 | 4 | 15,600 | 59,100 | 7,575 | 63,350 | — 99,275 | — 81.1 | 17 |
| 18 | Greensboro..... | 36 | 68 | 17 | 19 | 130,850 | 505,084 | 12,655 | 16,051 | — 377,630 | — 72.5 | 18 |
| 19 | High Point..... | 35 | 25 | 8 | 9 | 82,615 | 79,860 | 3,400 | 6,020 | 135 | 0.2 | 19 |
| 20 | Raleigh..... | 42 | 45 | 7 | 2 | 175,501 | 273,366 | 2,995 | 750 | — 95,320 | — 34.8 | 20 |
| 21 | Salisbury..... | 6 | 2 | 2 | 14 | 7,075 | 12,115 | 300 | 775 | — 5,515 | — 42.8 | 21 |
| 22 | Wilmington..... | 8 | 17 | 5 | 6 | 220,000 | 346,000 | 8,400 | 7,000 | — 124,600 | — 35.3 | 22 |
| 23 | Winston-Salem..... | 41 | 39 | 48 | 56 | 166,840 | 120,050 | 20,106 | 10,688 | 56,208 | 43.0 | 23 |
| SOUTH CAROLINA | | | | | | | | | | | | |
| 24 | Charleston..... | 5 | 6 | 7 | 8 | 13,900 | 51,207 | 2,600 | 2,075 | — 36,782 | — 69.0 | 24 |
| 25 | Columbia..... | 14 | 15 | 45 | 33 | 49,470 | 24,775 | 20,517 | 8,440 | 36,772 | 110.7 | 25 |
| 26 | Greenville..... | 13 | 12 | 0 | 12 | 48,810 | 36,500 | 0 | 4,875 | 7,435 | 18.0 | 26 |
| 27 | Spartanburg..... | 14 | 22 | 15 | 16 | 198,515 | 45,611 | 1,960 | 10,410 | 144,454 | 257.9 | 27 |
| DIST. OF COLUMBIA | | | | | | | | | | | | |
| 28 | Washington..... | 356 | 177 | 208 | 296 | 3,091,559 | 2,842,555 | 444,466 | 428,525 | 264,945 | 8.1 | 28 |
| Totals..... | | 1,726 | 1,262 | 1,553 | 1,312 | \$13,127,455 | \$9,730,787 | \$1,307,122 | \$1,583,740 | \$ 3,120,050 | 27.6% | |

*Hagerstown figures not included in totals —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.

Permits for new construction issued in twenty-seven reporting cities of the Fifth District during December totaled 1,726 with estimated valuation of \$13,078,645, compared with 2,142 permits and valuation of \$11,236,822 in November 1924, and 1,262 permits and valuation of \$9,730,787 in December 1923. Alteration and repair permits issued in December totaled 1,553, valued at \$1,307,122, compared with 2,168 permits and valuation of \$1,381,873 in November 1924, and 1,312 permits and valuation of \$1,583,740 in December 1923. In total valuation for both new work and alterations or repairs, December 1924 showed \$14,434,577, compared with \$12,618,695 in November 1924, and \$11,314,527 in December 1923.

Although 1923 was a record breaking year in construction work, both the number and estimated valuation of permits issued for new work in 1924 exceeded the figures of the previous year. The total number of permits issued in the reporting cities during 1924 was 25,191, with estimated valuation amounting to \$162,566,001, compared with 23,940 permits and a valuation of \$149,399,911 issued during 1923. The volume of construction work was quite generally scattered throughout the District, only one city, Charleston, S. C., falling materially behind its 1923 figures. Among the cities reporting increased operations in 1924, Asheville and Spartanburg stand out in percentage gain, and an enormous amount of work was undertaken in Baltimore, Richmond and Washington.

FIGURES ON RETAIL TRADE
As Indicated by Reports from Twenty-nine Department Stores in the Fifth Reserve District
for the last Six Months of 1924

| Percentage of increase (or decrease) in net sales during the month named, 1924, over same month in 1923: | | | | | | |
|--|-------|--------|-------|-------|--------|--------|
| | July | August | Sept. | Oct. | Nov. | Dec. |
| Baltimore | 4.2 | — 7.0 | 6.1 | — 1.9 | 1.8 | 6.6 |
| Richmond | — 5.9 | — 1.1 | 16.2 | 1.7 | 2.7 | 14.7 |
| Washington | 6.6 | — 4.3 | 15.9 | — 4.6 | 2.5 | 7.9 |
| Other Cities | 0.3 | — 5.0 | 2.8 | — 4.9 | — 4.8 | 1.2 |
| District Average | 3.3 | — 5.3 | 9.8 | — 2.8 | 1.4 | 7.2 |
| Percentage of increase (or decrease) in net sales from July 1st through month named, 1924, over net sales during the same period in 1923: | | | | | | |
| | July | August | Sept. | Oct. | Nov. | Dec. |
| Baltimore | 4.2 | — 1.5 | 1.4 | 0.3 | 0.7 | 2.2 |
| Richmond | — 5.9 | — 3.7 | 3.1 | 2.7 | 2.7 | 5.9 |
| Washington | 6.6 | 1.2 | 6.6 | 2.6 | 2.6 | 4.1 |
| Other Cities | 0.3 | — 2.4 | — 0.5 | — 1.9 | — 2.6 | — 1.6 |
| District Average | 3.3 | — 0.9 | 3.0 | 1.0 | 1.1 | 2.8 |
| Percentage of increase (or decrease) in net sales during the month named, 1924, over average sales during the corresponding months of 1920, 1921 and 1922: | | | | | | |
| | July | August | Sept. | Oct. | Nov. | Dec. |
| Baltimore | — 0.9 | — 13.9 | 0.3 | 6.7 | 2.1 | 7.8 |
| Richmond | 33.3 | 22.2 | 32.1 | 29.4 | 20.5 | 35.0 |
| Washington | 2.9 | — 4.5 | 18.0 | 3.7 | 4.8 | 15.1 |
| Other Cities | — 5.7 | — 4.0 | 2.9 | — 7.8 | — 7.6 | 1.2 |
| District Average | 3.6 | — 5.4 | 9.7 | 6.3 | 3.6 | 12.5 |
| Percentage of increase (or decrease) in stocks at close of month named, 1924, over stocks on same date in 1923: | | | | | | |
| | July | August | Sept. | Oct. | Nov. | Dec. |
| Baltimore | — 6.4 | — 6.9 | — 5.5 | — 2.4 | — 2.1 | 1.8 |
| Richmond | 8.6 | 7.1 | 5.8 | 9.0 | 6.2 | 11.0 |
| Washington | — 2.7 | — 6.5 | — 4.1 | — 5.4 | — 2.3 | — 4.0 |
| Other Cities | 2.0 | — 6.3 | — 5.0 | — 9.9 | — 13.6 | — 9.7 |
| District Average | — 2.8 | — 5.6 | — 4.1 | — 3.4 | — 3.0 | — 0.8 |
| Percentage of increase (or decrease) in stocks at close of month named, 1924, over stocks at close of preceding month the same year: | | | | | | |
| | July | August | Sept. | Oct. | Nov. | Dec. |
| Baltimore | — 8.0 | 3.3 | 15.6 | 9.6 | — 0.5 | — 18.3 |
| Richmond | — 4.7 | 2.2 | 9.6 | 12.1 | 3.7 | — 15.5 |
| Washington | — 7.1 | — 0.9 | 14.8 | 8.9 | 3.9 | — 20.4 |
| Other Cities | — 4.7 | — 1.1 | 10.9 | 5.4 | — 1.9 | — 20.4 |
| District Average | — 7.0 | 1.2 | 14.2 | 9.0 | 1.1 | — 19.0 |
| 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 | 470.4 | 501.2 | 475.5 | 432.4 | 404.4 | 347.9 |
| Richmond | 416.5 | 446.3 | 425.3 | 404.2 | 402.1 | 340.6 |
| Washington | 461.3 | 481.7 | 452.0 | 420.9 | 406.5 | 334.5 |
| Other Cities | 586.0 | 589.2 | 575.0 | 548.3 | 533.5 | 450.2 |
| District Average | 475.1 | 499.6 | 474.0 | 438.5 | 418.5 | 353.3 |
| Percentage of outstanding orders at the end of each month named, 1924, to total purchases of merchandise during 1923: | | | | | | |
| | July | August | Sept. | Oct. | Nov. | Dec. |
| Baltimore | 6.8 | 8.1 | 8.3 | 5.5 | 4.6 | 3.9 |
| Richmond | 8.2 | 9.0 | 10.4 | 8.4 | 4.8 | 1.1 |
| Washington | 5.5 | 6.4 | 7.1 | 4.8 | 4.2 | 6.2 |
| Other Cities | 6.8 | 7.9 | 7.4 | 5.8 | 5.3 | 3.3 |
| District Average | 6.5 | 7.6 | 8.0 | 5.6 | 4.5 | 4.6 |

— Denotes Decreased Percentage.

Retail trade in the Fifth District during December was exceptionally good in comparison with earlier months of the year. Sales in twenty-nine of the District's leading department stores were 7.2% greater than sales in December 1923, and 12.5% greater than average December sales during 1920, 1921 and 1922. This increase in business was done on smaller stocks, the selling value of goods on the shelves being 3.0% smaller on December 1st and 0.8% smaller on December 31st than on the corresponding dates in 1923. Stocks at the end of December were 19.0% smaller than a month earlier, November 30, 1924. The percentage of average stock on hand at the end of each month since July 1st to average monthly sales during the same period, six months, was 353.3%, in comparison with a corresponding average of 373.7% in the same stores during the second half of 1923, indicating a more rapid turnover during the fall of 1924 than during the preceding year. Outstanding orders for merchandise at the end of December amounted to 4.6% of total 1923 purchases.

WHOLESALE TRADE
December 1924.

| | Groceries | Dry Goods | Shoes | Hardware | Furniture | Drugs |
|--|------------|-----------|-----------|----------|-----------|-------|
| Number of reporting firms in each line..... | 41 | 15 | 13 | 17 | 6 | 13 |
| Percentage increase (or decrease) in net sales during Dec. 1924, compared with sales during Nov. 1924..... | - 1.7 | -27.3 | -19.2 | - 4.1 | -18.7 | - 2.3 |
| Percentage increase (or decrease) in net sales during Dec. 1924, compared with sales in Dec. 1923..... | 4.9 | 4.1 | - 4.6 | 3.4 | 18.1 | 14.5 |
| Percentage increase (or decrease) in cumulative sales from July 1st through Dec. 1924, compared with total sales during the last six months of 1923..... | 0.3 | -13.6 | -11.8 | - 8.2 | 8.9 | 2.8 |
| Percentage increase (or decrease) in stocks on hand Dec. 31, 1924, compared with Nov. 30, 1924..... | - 3.4 (11) | - 7.2 (8) | - 1.0 (5) | 3.2 (4) | 3.9 (2) | ..... |
| Percentage increase (or decrease) in stocks on hand Dec. 31, 1924, compared with Dec. 31, 1923..... | 9.8 (9) | -13.4 (7) | -21.1 (4) | 4.3 (3) | -22.7 (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.

All lines of wholesale trade reported upon showed lower sales in December 1924 than in November, but this is a seasonal development. Retailers usually put in their Christmas orders prior to December, and order as little as possible from then until after January inventories have been taken. In comparison with December 1923, the volume of business done in December 1924 was greater in groceries, dry goods, hardware, furniture and drugs, the only line reporting a decrease being shoes. In December 1923 retail trade was comparatively dull, and retailers did not have to place many last minute or fill-in orders, but in December 1924 retail trade probably exceeded expectations, and a considerably larger volume of fill-in orders had to be placed with jobbers and wholesalers.

Collections improved slightly in December in comparison with November, but continued distinctly slower than in 1923. For comparison, we show below the classifications by lines of collections made by the same firms in December 1924 and December 1923, to which we have added the totals for all months since and including July.

| <i>Lines</i> | <i>December Collections Reported As</i> | | | | | | | | | |
|------------------------|---|----|-------------|----|-------------|----|-------------|---|--------------|-----|
| | <i>Good</i> | | <i>Fair</i> | | <i>Slow</i> | | <i>Poor</i> | | <i>Total</i> | |
| | 1924-1923 | | 1924-1923 | | 1924-1923 | | 1924-1923 | | 1924-1923 | |
| Groceries | 5 | 15 | 25 | 21 | 5 | 1 | 2 | 0 | 37 | 37 |
| Dry Goods | 1 | 4 | 8 | 9 | 5 | 1 | 0 | 0 | 14 | 14 |
| Shoes | 0 | 1 | 9 | 8 | 3 | 3 | 0 | 0 | 12 | 12 |
| Hardware | 1 | 5 | 10 | 9 | 3 | 1 | 1 | 0 | 15 | 15 |
| Furniture | 1 | 2 | 4 | 3 | 1 | 1 | 0 | 0 | 6 | 6 |
| Drugs | 4 | 4 | 8 | 9 | 1 | 0 | 0 | 0 | 13 | 13 |
| December Totals | 12 | 31 | 64 | 59 | 18 | 7 | 3 | 0 | 97 | 97 |
| November Totals | 16 | 37 | 63 | 54 | 22 | 9 | 0 | 1 | 101 | 101 |
| October Totals | 14 | 38 | 61 | 51 | 21 | 10 | 3 | 0 | 99 | 99 |
| September Totals | 14 | 24 | 59 | 69 | 27 | 5 | 1 | 3 | 101 | 101 |
| August Totals..... | 16 | 23 | 62 | 65 | 24 | 14 | 1 | 1 | 103 | 103 |
| July Totals | 16 | 17 | 59 | 67 | 22 | 14 | 1 | 0 | 98 | 98 |

(Compiled January 20, 1925)

BUSINESS CONDITION IN THE UNITED STATES.

Compiled by the Federal Reserve Board

Production and employment in December continued the increase which began in the autumn and wholesale prices advanced further to the highest level for the year. Railroad shipments of goods continued in large volume and trade, both at wholesale and retail, was larger than a year ago.

PRODUCTION. The index of production in basic industries advanced about 10 per cent in December to a point 25 per cent higher than last summer but was still below the level of the opening months of 1924. Practically all of the 22 industries included in the index shared in the advance and the increases were particularly large in iron and steel, cotton manufacturing, coal mining, and meat packing. Among the industries not represented in the index the output of automobiles declined in December and was the smallest for any month in more than two years. Increased industrial activity was accompanied by an advance of about 2 per cent in factory employment, with larger increases in the metal and textile industries, and by a growth of nearly 5 per cent in total factory payrolls. Volume of building, as measured by contracts awarded, was less in December than in November, but continued unusually large for the season of the year.

TRADE. Distribution of goods was greater in December than in the same month of 1923, as indicated by larger railroad shipments and an increase in the volume of wholesale and retail trade. Christmas trade at department stores was greater than in the previous year, and sales by mail order houses and chain stores were the largest on record. Wholesale trade was seasonally less than in November but in practically all lines was larger than a year ago. Marketing of agricultural products was greater than for the corresponding month of any recent year.

PRICES. A further advance of more than 2 per cent in the Bureau of Labor Statistics index of wholesale prices carried the average in December 8 per cent above the low point of June and to the highest level since April 1923. Prices of all groups of commodities were higher, the principal increases being in farm products and foods. In the first half of January prices of grains, wool, coal and metals increased further, while sugar, dairy products, silk, coke and rubber declined.

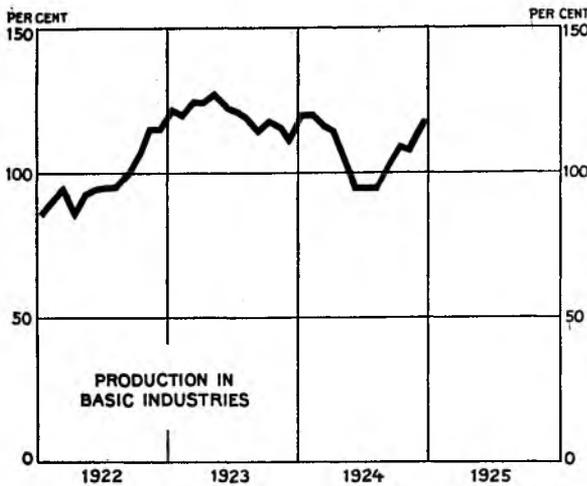
BANK CREDIT. At the Federal Reserve banks the rapid return flow of currency after the holiday trade resulted, during the four weeks ending January 21st, in a reduction of earning assets about equal to that for the same period a year earlier. The net out-flow of currency from the Reserve banks during the month preceding Christmas amounted to more than \$200,000,000, and the return flow after the Christmas peak, reflected both in the increase in reserves and in the decline of Federal Reserve note circulation, was in excess of \$300,000,000. Fluctuations in the earning assets of the Reserve banks during the past two months have reflected chiefly these seasonal changes in the demand for currency. The decline in discounts brought their total on January 21st to a smaller volume than at any time in 1924, and acceptances also showed a seasonal decrease. Holdings of United States securities, which have declined for more than two months, were about \$175,000,000 below the level of last autumn and in about the same amount as at the middle of 1924. Net exports of gold, which gave rise to a demand for Reserve bank credit, amounted to \$30,000,000 in December and were in larger volume during the first three weeks in January.

The growth of demand deposits at member banks in leading cities during the three weeks ending in the middle of January, which has been greater than the increase in their total loans and investments, has reflected the return of currency from circulation. In the same period there was some increase in commercial loans and a continued growth in loans secured by stocks and bonds. Holdings of investment securities have decreased somewhat since the middle of November, particularly at the banks in New York city.

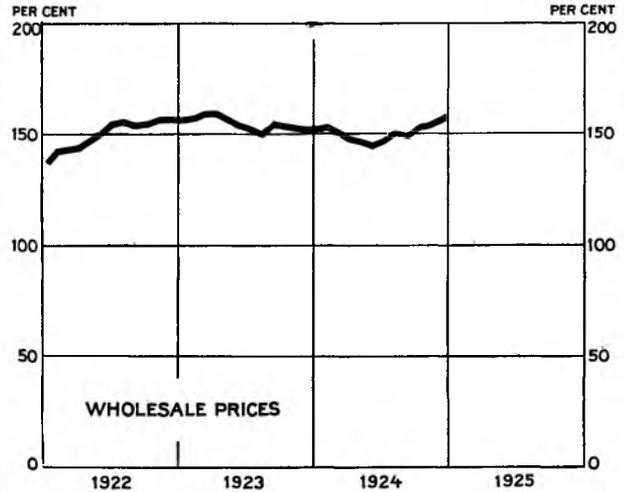
Firmer conditions in the money market in December and the first few days in January were followed later in the month by declines in rates on commercial paper to $3\frac{1}{2}$ per cent.

(See page 10)

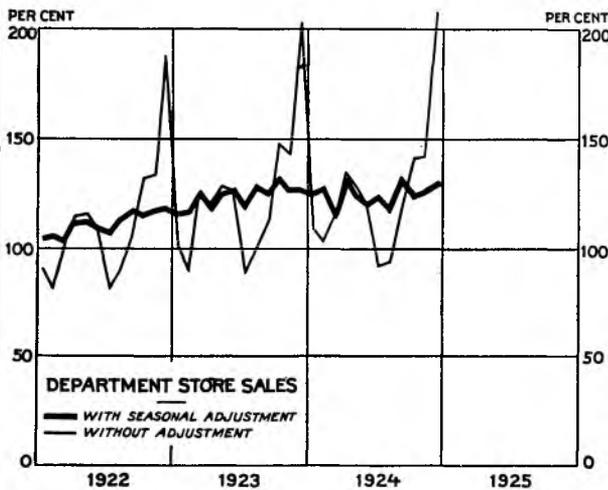
CHARTS SUPPLEMENTING THE NATIONAL SUMMARY



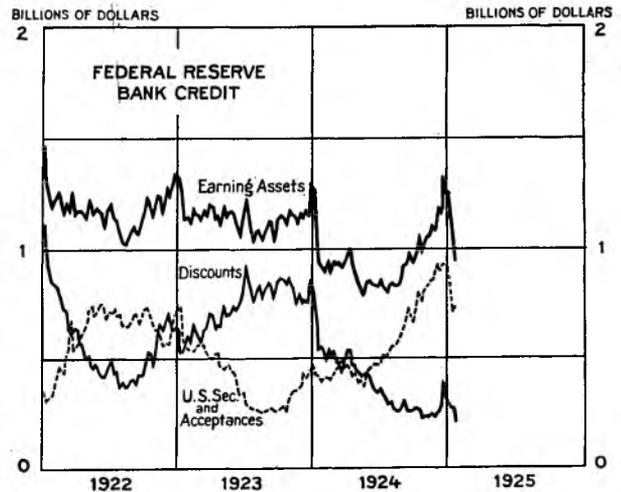
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure-December 117.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure-December 157.



Index of sales of 333 stores in 117 cities (1919=100). Latest figures, December 129 adjusted, 207 unadjusted.



Weekly figures for 12 Federal Reserve banks. Latest figures, January 21st.