

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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Business during January and the first half of February, while lacking much of the snap and enthusiasm that was evident a year ago, was nevertheless equal in volume to that of a year ago. A year ago the volume of business seemed greater by contrast because business men were just recovering from the depression which began about the middle of 1920 and lasted until the summer and early fall of 1922. This year the merchants are looking back over a period of good business for fifteen to eighteen months, and consequently the present activity, comparatively viewed, does not appear so remarkable as it did twelve months ago. The purchasing power of the Fifth District is considerably greater than it was a year ago, except in West Virginia where the coal miners are not able to secure full time employment. The Carolinas, which buy goods in enormous quantities from the wholesalers in Richmond and Baltimore, are in better financial shape than they have been since the spring of 1920. Agricultural yields were good on the whole in Virginia, Maryland and West Virginia, and both skilled and unskilled labor have been fully employed at high wages during the past year. Furthermore, people have been less extravagant with their funds, and have shown a growing disposition to use them in paying off debts, making investments in homes or securities, or building up savings accounts. The insurance companies found business in the Fifth District especially good during the past year.

Member banks in principal cities are able to care for all present needs of their customers, and future contingencies are provided for by the strong reserve position of the Federal Reserve Bank. Deposits show that bank customers are financially stronger this year than they were last year. Debits to individual accounts in the banks of the chief centers of the District are running above debits reported

during the corresponding period of 1923, indicating a volume of business transactions fully up to those of February a year ago. Business failures in the Fifth District were 12.1% fewer in number in January 1924 than in January 1923, and liabilities were 3.3% lower, the record in the District being distinctly better than the national average. Unskilled workmen are fully employed, and wage scales are unchanged from the levels of last year. Coal is plentiful, and is cheaper than it has been during recent years. The textile industry is marking time. Cotton prices continue to hold well above the 30 cents level, and are considerably above 1923 prices at the same season of the year. The yields in the cotton growing states of the Fifth District turned out fully up to estimates made last fall, and in North Carolina the official estimate of production was exceeded. Tobacco is bringing better prices than in December, and the size of the crop is up to the estimates. Farmers are making preparations for this year's planting, and are on the average well advanced with their work. They are in position to buy fertilizer, mules, agricultural implements and other supplies more advantageously than last year, and are paying cash for many of their purchases. Building construction in both the cities and country is holding up at or near the record levels of 1923, which appears to insure plenty of employment when the spring program gets under way. Retail trade as reflected in city department stores during January was 8.8% above sales in January 1923 and 7.2% above average January sales during the three years 1920, 1921 and 1922. Wholesale trade was greater in January in every line except groceries than in December 1923, the increases being largely seasonal, and in comparison with January 1923 the current month this year shows gains in groceries, hardware and furniture, with losses in dry goods, shoes and drugs.

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

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

ITEMS	Feb. 6, 1923	Jan. 9, 1924	Feb. 7, 1923
1. Total Loans and Discounts (including all rediscounts)	\$ 464,200,000	\$ 472,921,000	\$ 440,742,000
2. Total Investments in Bonds and Securities	125,790,000	127,991,000	135,006,000
3. Total Loans and Investments	589,990,000	600,912,000	575,748,000
4. Reserve Balance with Federal Reserve Bank	39,713,000	37,288,000	37,663,000
5. Cash in Vaults	13,226,000	15,028,000	13,129,000
6. Demand Deposits	350,071,000	353,950,000	338,624,000
7. Time Deposits	151,997,000	152,834,000	148,521,000
8. Borrowed from Federal Reserve Bank	26,471,000	30,870,000	21,101,000

The principal items of condition reported by seventy-six identical member banks are shown in the accompanying table as of three dates, February 6, 1924, January 9, 1924 and February 7, 1923, thus affording an opportunity for comparing the totals reported for the latest date with those reported for the previous month this year and on the corresponding date a year ago. In comparing the February 6, 1924 figures with those previously reported it should be understood that the figures show the conditions existing on the report dates only, and do not necessarily indicate that there were steady flows in the same directions during the entire period used in the comparison. The truth of this statement is revealed in the table itself, which shows higher figures for nearly all items on January 9, 1924 than on February 6, 1924, while the figures for the latter date are in turn higher than the figures reported on February 7, 1923.

A comparison of the February 6, 1924 figures with those as of January 9, 1924 shows that some liquidation of credit occurred during the four weeks, which is in line with seasonal expectations. Total loans and discounts in the seventy-six reporting banks declined between January 9th and February 6th from \$472,921,000 to \$464,200,000, and this reduction enabled the reporting member banks to reduce their rediscounts at the Federal Reserve Bank of Richmond from \$30,870,000 to \$26,471,000. As a further reflection of the reduction in outstanding loans to customers, demand deposits declined from \$353,950,000 on January 9th to \$350,071,000 on February 6th, and time deposits dropped from \$152,834,000 to \$151,997,000. Cash in vault also declined during the period under review from \$15,028,000 to \$13,226,000, this being a season of the year when banks as a whole have comparatively few calls for cash in large quantities, but reserves carried with the Reserve Bank increased from \$37,288,000 to \$39,713,000.

The reporting banks were extending more credit to customers on February 6, 1924 than on February 7, 1923, and were borrowing more extensively themselves from the Reserve Bank. On February 7, 1923, their total loans and discounts amounted to \$440,742,000 compared with \$464,200,000 on February 6, 1924, and rediscounts at the Reserve Bank amounted to \$21,101,000 and \$26,471,000 on the same two dates, respectively. Reserves carried by the reporting banks amounted to \$37,663,000 on February 7th last year but stood at \$39,713,000 on February 6th this year, and both demand and time deposits were also higher on the 1924 report date than a year ago. Their demand deposits rose during the year from \$338,624,000 to \$350,071,000, and time deposits increased from \$148,521,000 to \$151,997,000. Cash in vault stood at practically the same figure on both dates, amounting to \$13,129,000 on February 7th last year and \$13,226,000 on February 6th this year. Investments in bonds and securities a year ago amounted to \$135,006,000, but on February 6, 1924 had dropped to \$125,790,000, a natural decrease in view of the greater opportunities the reporting banks now have of using funds in loans and discounts to bring higher returns than can be realized from investments in most securities.

FEDERAL RESERVE BANK OPERATIONS

During the four weeks between January 16, 1924 and February 13, 1924, Cash Reserves held by the Federal Reserve Bank of Richmond declined from \$115,880,013.96 to \$113,186,715.55. Federal Reserve Notes in Actual Circulation declined between the same dates from \$92,701,420 to \$88,592,495, and the volume of Rediscounts for member banks held by the Reserve Bank fell from \$45,696,304.90 to \$44,477,823.21. On the other hand, Member Bank Reserve Deposits increased during the four weeks from \$64,369,279.09 to \$64,728,178.61. As a result of the changes mentioned, the ratio of cash reserves to combined note and deposit liabilities declined slightly, falling from 72.36% on January 16th to 72.26% on February 13th.

The increases or decreases in the items reported on February 13, 1924 compared with those reported on February 14, 1923 are comparatively small, especially in view of the great activity of business during most of 1923. A year ago the Cash Reserves of the Federal Reserve Bank of Richmond amounted to \$117,753,753.04 while on February 13, 1924 they amounted to \$113,186,715.55. The volume of Federal Reserve Notes in Actual Circulation on February 14, 1923 amounted to \$89,033,215 compared with \$88,592,495 in circulation on February 13, 1924. Rediscounts for member banks this year are higher than they were

a year ago, having risen from \$38,367,335.26 on February 14th last year to \$44,477,823.21 on February 13th this year, but the member banks are now carrying larger reserves than on the corresponding date a year ago, this item having amounted to \$62,424,579.24 on February 14, 1923 in comparison with \$64,728,178.61 on February 13, 1924. On February 14, 1923, the ratio of cash reserves to combined note and deposit liabilities stood at 76.51% and at 72.26% on February 13, 1924.

SAVINGS BANK DEPOSITS

Total deposits in fifteen regularly reporting mutual savings banks located in Baltimore increased during January, reaching at the end of that month the highest figure reported for any date since the Federal Reserve Bank began tabulating savings deposits in January 1920. On January 31, 1924, the combined deposits in the fifteen banks amounted to \$141,102,463, compared with totals of \$133,835,731 on January 31, 1923, \$123,885,687 on January 31, 1922, \$122,749,845 on January 31, 1921, and \$118,733,466 on January 31, 1920. The January 1924 total shows an increase of 5.4% over deposits a year ago and a gain of 18.8% over deposits in January 1920. The figures quoted show that the depositors in these banks saved approximately four million dollars in 1920, but during 1921 they saved only a little over a million dollars. In 1922, however, employment was more easily obtained, especially toward the end of the year, and depositors added nearly ten million dollars to their savings. During 1923 the net increase in the banks' deposits amounted to seven and a quarter millions.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FIVE WEEKS ENDING		
	Feb. 13, 1924	Jan. 9, 1924	Feb. 14, 1923
Asheville, N. C.....	\$ 25,840,000	\$ 26,398,000	\$ 24,265,000
Baltimore, Md.....	430,100,000	441,335,000	424,200,000
Charleston, S. C.....	28,458,000	37,985,000	45,221,000
Charleston, W. Va.....	39,235,000	44,769,000	43,375,000
Charlotte, N. C.....	52,036,000	55,941,000	43,191,000
Columbia, S. C.....	29,227,000	33,919,000	29,654,000
Cumberland, Md.....	9,284,000	10,996,000	8,780,000
Danville, Va.....	14,148,000	15,323,000	13,751,000
Durham, N. C.....	23,881,000	26,477,000	22,065,000
Greensboro, N. C.....	27,331,000	27,833,000	27,256,000
Greenville, S. C.....	30,170,000	35,622,000	27,500,000
Hagerstown, Md.....	11,936,000	12,320,000	10,139,000
Huntington, W. Va.....	29,320,000	31,615,000	29,458,000
Lynchburg, Va.....	22,308,000	25,433,000	24,317,000
Newport News, Va.....	8,039,000	9,024,000	8,742,000
Norfolk, Va.....	84,527,000	97,974,000	81,267,000
Raleigh, N. C.....	37,850,000	36,599,000	35,950,000
Richmond, Va.....	153,071,000	166,902,000	160,460,000
Roanoke, Va.....	26,656,000	29,814,000	26,336,000
Spartanburg, S. C.....	14,463,000	15,695,000	12,318,000
Washington, D. C.....	226,695,000	225,794,000	220,238,000
Wilmington, N. C.....	24,683,000	28,097,000	24,358,000
Winston-Salem, N. C.....	36,910,000	35,944,000	36,964,000
Totals for 23 cities.....	\$ 1,386,168,000	\$ 1,471,809,000	\$ 1,379,205,000

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 five weeks each, ending on February 13, 1924, January 9, 1924 and February 14, 1923, thus affording an opportunity for comparing the latest five weeks period with (1) the preceding period this year and (2) the corresponding period last year.

As is usually the case at this season of the year, debits reported for the five weeks ending February 13, 1924 were lower than for the five weeks ending January 9, 1924, the total reported by the twenty-three cities being \$1,386,168,000 during the February 13th period in comparison with \$1,471,809,000 reported for the January 9th period, a decrease of \$85,641,000, or 5.8% during the latter period. In view of the fact that the period ending January 9th contained the large volume of annual, semi-annual and quarterly payments of interest, dividends, etc., that fall due on January 1st, the smaller volume of transactions indicated by the table for the period ending February 13th is not unfavorable.

In comparison with the volume of debits reported a year ago, the total reported this year shows an increase. During the five weeks ending February 14th last year total debits in the reporting cities amounted to \$1,379,205,000, but for the corresponding period ending February 13th this year the same cities reported a total of \$1,386,168,000, an increase of \$6,963,000, or five tenths of one percent. The increase was generally distributed among the reporting cities, only seven of the twenty-three cities showing lower figures this year, and of the seven only three reported material declines.

**BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS
JANUARY, 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.....	203	172	18.0	\$ 7,173,862	\$ 2,716,407	164.1%
New York, Second.....	407	441	- 7.7	8,884,038	14,478,212	- 38.6
Philadelphia, Third.....	113	114	- 0.9	2,157,916	2,767,619	- 22.0
Cleveland, Fourth.....	175	182	- 3.8	6,160,933	7,235,898	- 14.9
Richmond, Fifth.....	152	173	-12.1	3,505,170	3,623,783	- 3.3
Atlanta, Sixth.....	136	186	-26.9	2,452,051	2,689,396	- 8.8
Chicago, Seventh.....	251	283	-11.3	12,641,812	6,250,185	102.3
St. Louis, Eighth.....	143	97	47.4	1,669,880	1,855,028	- 10.0
Minneapolis, Ninth.....	104	108	- 3.7	1,129,225	2,655,679	- 57.5
Kansas City, Tenth.....	168	81	107.4	2,035,090	1,491,314	36.5
Dallas, Eleventh.....	68	117	-41.9	1,170,988	1,524,107	- 23.2
San Francisco, Twelfth.....	188	172	9.3	2,291,543	1,922,869	19.2
Totals.....	2,108	2,126	- 0.8%	\$ 51,272,508	\$ 49,210,497	4.2%

Dun's Review, which furnishes us business failure statistics each month, in commenting upon the January record says, "Experience has shown that failures invariably increase in number during the first month of a year, owing largely to pressure of annual settlements, and there were more defaults in both manufacturing and trading lines in January of this year than in December of last year." Not much change occurred in liabilities in January in comparison with December 1923 or January 1923. Bankruptcies in the twelve Reserve Districts totaled 2,108 in January this year, with combined liabilities of \$51,272,508, compared with 1,841 failures in December 1923 with liabilities amounting to \$51,614,730, and 2,126 failures in January 1923 with total liabilities amounting to \$49,210,497. The number of failures in January this year therefore shows a decrease of eight-tenths of one percent under the number of failures in January 1923, but liabilities this year increased 4.2 percent. Of the twelve districts all show fewer failures this year than last except Boston, St. Louis, Kansas City and San Francisco, while all of the districts also show lower liabilities during the 1924 month except Boston, Chicago, Kansas City and San Francisco.

In the Fifth District specifically, January 1924 witnessed 152 failures compared with 173 reported in January 1923, with liabilities of \$3,505,170 and \$3,623,783, respectively, indicating a decrease of 12.1% in the number of failures and a decline of 3.3% in liabilities, a better record in both instances than the average for the nation. The number of failures in January this year, however, was the largest number reported for any month since January 1923.

The average liability per failure in January 1924 was \$23,060 in the Fifth District and \$24,323 in the nation as a whole, compared with average liabilities in January 1923 of \$20,947 in the Fifth District and \$23,147 in the nation.

LABOR—During January and the first half of February a good deal of unemployment developed among unskilled workmen, due chiefly to unseasonable weather for outside work, but skilled workmen as a class are still fully employed. Many of the large building projects undertaken last year have been or are being completed, and contractors have hesitated to begin new undertakings during the months which almost always bring bad weather. Some of the District's manufacturing enterprises are also accustomed to cut down their operations in midwinter. The unemployment noticed during the past six weeks is probably entirely seasonal, however, and is not believed to indicate a period of idleness for people who want to work. Large numbers of building permits are being issued, and there appears no lessening in the volume of public work being planned for the current year, and when this contemplated work opens up, with the passing of the winter, there should be plenty of work available. Farmers are still unable to secure satisfactory laborers in as large numbers as they would like, a condition of affairs which is assuming the appearance of permanency. Some of the state Legislatures are giving much thought to the problem and are discussing proposals to prevent labor agents from coming into the several states to recruit laborers for work in northern industrial centers.

COAL—There has been no material change in the coal situation during the past month. The mines are running a little more than half capacity, but they are bringing up sufficient coal to meet all demands. The railroads have provided prompt transportation for shipments this winter, generally speaking, and dealers have had no trouble in keeping their yards adequately stocked. During recent weeks the mines are reported to have received somewhat larger orders than during the earlier months of the winter, most of these increased orders coming from the Middle West and being caused by some uneasiness over the labor situation in the coal fields. The contract between the bituminous miners and operators expires on April 1st, and remembering the long strike of 1922 the West is apparently playing safe by laying in a coal reserve. The

miners and operators are conferring on a new wage and working agreement as we write, and the feeling between the parties appears to be better than it has been in recent years at contract time, but the points of view of the contending parties are widely different and the outcome of the negotiations is being watched with much interest by all coal consumers.

The Geological Survey states that 471,286,000 net tons of bituminous coal were mined during the first 263 days of the 1923-1924 coal year compared with 353,987,000 tons mined during the corresponding 263 days of 1922-1923.

The production of anthracite coal appears to have found a temporary level around 1,900,000 tons per week. At present the rate of anthracite production is somewhat less than during the corresponding periods of 1923 and 1921, but is slightly more than in 1922.

TEXTILES—The textile industry is in the doldrums, as it has been for six months or more, but the mills in the Fifth District appear to be somewhat less affected by the depression than mills located elsewhere. Buyers continue very reluctant in placing orders, and commit themselves for immediate needs only, but there has recently been some increase in the number of small orders placed in primary channels, and since jobbers and retailers do not appear to have large stocks, frequent orders will doubtless be necessary in the future unless the volume of retail trade now being done slows down considerably. We receive complaints about a lack of profit on the business being done more often than on the volume, the mills contending that they have not been able to increase their prices in keeping with prices of raw cotton. There is a great deal of talk about restricted running time in the industry, but there has as yet been comparatively little reduction in output in the Fifth District mills, and unfavorable conditions arising from uncertainty as to the consumer's attitude toward goods manufactured from high priced cotton have had little effect upon the quoted value of textile mill stock shares. Cotton consumption figures for January gathered by the Bureau of the Census showed a considerably greater activity among the mills than had been expected, the number of bales used during that month having been exceeded only five times during the last forty-two months, all of these occurring during the 1922-1923 season. The Fifth District mills used 231,953 bales in January compared with 182,042 bales consumed in December 1923 and 224,463 bales used in January 1923. During January this year the North Carolina mills consumed 125,344 bales, South Carolina mills consumed 95,698 bales, and Virginia mills consumed 10,911 bales. The consumption in the Fifth District during January amounted to 59.3% of total consumption in the cotton growing states and to 40.2% of the national consumption.

COTTON—In our Review last month we traced average weekly spot cotton prices in the Carolinas through the week ending January 12th, that week avering 33.80 cents per pound. The week ending January 19th witnessed a drop to an average of 32.17 cents, but since that time the market has been slowly moving upward again. The average price paid in the Carolinas during the week ending January 26th was 32.27 cents, the average for the week ending February 2nd was 32.44 cents, and the week ending February 9th, the latest period for which figures are available as we write, averaged 33.15 cents. Very little cotton is being sold, however, most of the crop having passed from the control of the growers to purchasers or to co-operative associations.

On February 14th the Census Bureau released cotton consumption figures for January. The report showed 576,644 bales consumed during the month, a distinctly larger figure than any one had expected, but the report had little effect upon the cotton market. Traders are not sure that the public will buy cotton goods at prices that would become necessary if cotton prices rise very much, and consequently bullish news does not effect the market as it would have done before the experiences of 1920 and 1921 had taught the manufacturers, jobbers and retailers the danger of stocking up with goods that are abnormally high priced. In January 1923 consumption totaled 610,375 bales, but last year the mills were receiving all the forward orders they cared to accept, and cotton was five or six cents per pound cheaper than it now is. Total consumption for the season to date, August 1, 1923 through January 31, 1924, amounts to 3,087,117 bales, compared with 3,272,579 bales consumed during the corresponding six months ending January 31, 1923. Cotton on hand in consuming establishments at the end of January amounted to 1,633,332 bales, compared with 1,623,453 bales on December 31, 1923 and 1,986,605 bales on January 31, 1923. Public warehouses and compresses held 2,966,466 bales on January 31st, in comparison with 3,526,164 bales on December 31, 1923 and 3,481,689 bales on January 31, 1923. Imports during January totaled 47,693 bales, compared with 35,601 bales in December 1923 and 117,501 bales in January 1923. Exports in January amounted to 546,253 bales, compared with 845,581 bales in December 1923 and 473,476 bales in January 1923. Total exports since August 1, 1923 amount to 3,870,204 bales, compared with 3,379,488 bales exported during the corresponding six months of the previous cotton year. The foreign manufacturers have been buying cotton more freely than domestic mills.

The latest ginning report released by the Census Bureau gave 9,946,462 bales as the total ginned previous to January 16th, and in the detailed report by states some of them showed a higher figure than the estimate of the year's production. This led many traders to believe that the government's estimate of 10,081,000 bales as the 1923 production may have been too low, but high consumption figures counterbalanced

any bearish influence the report might otherwise have had on cotton prices. Previous to January 16th North Carolina had ginned 1,028,998 bales, South Carolina 784,991 bales, and Virginia 48,013 bales, the North Carolina figure being 8,998 bales above the estimated production for the year.

TOBACCO—The monthly tobacco sales report issued by the Agricultural Statistician of the Virginia Department of Agriculture states that during January 9,360,008 pounds of bright tobacco were sold in Virginia, at an average price of \$21.40 per hundred pounds, and 6,476,233 pounds of dark tobacco at an average of \$18.49 per hundred. Total bright sales this season on the auction floors total 49,260,932 pounds and dark sales aggregate 15,281,541 pounds, neither of these figures including receipts of the Tobacco Growers Co-Operative Association. The total of both bright and dark tobacco sold previous to February 1st, and including the receipts of the Growers Association previous to January 1st, amounted to 104,209,251 pounds. Prices of both bright and dark tobacco averaged higher in January than in December, but were lower than the average for the month of January 1923. According to estimates of the warehousemen the quality of the January sales averaged slightly better than in December, but lower than in January 1923. The January sales graded 24% good, 37% medium and 39% common, while in January last year the report showed 28% good, 40% medium, and 32% common. Danville led the bright markets in both prices and sales in January with a total of 4,611,010 pounds sold for an average of \$23.76 per hundred. Lynchburg led the dark markets with sales of 2,010,898 pounds, but Drakes Branch led the dark markets in price with an average of \$20.80 per hundred pounds.

In North Carolina, producers' sales in January totaled 28,377,478 pounds for an average of \$19.80 per hundred, the market at Winston-Salem leading with total sales of 5,832,758 pounds and Mebane paying the highest prices with an average of \$25.90 per hundred. Total sales this season to February 1st aggregate 290,386,420 pounds, exclusive of deliveries to the Co-Operative Association, and during the season the market at Wilson has sold 57,119,091 pounds in comparison with 32,775,288 pounds sold by its nearest competitor, Greenville. The total sales made by the independent warehouses previous to February 1st represents 75.1% of the estimated crop for the year.

The Tobacco Growers Co-Operative Association reports receipts previous to February 9, 1924, amounting to 138,800,000 pounds, of which 34,500,000 pounds came from the South Carolina belt, 26,000,000 pounds from the Eastern North Carolina belt, and 78,300,000 pounds from the Old Bright Leaf North Carolina-Virginia belt.

AGRICULTURAL NOTES—Since the middle of January the ground has been either wet or frozen in Virginia and farmers are consequently not so far advanced with their plowing as they usually are at this season. The lack of snow cover during the cold weather left the wheat crop without protection, and it has been injured by freezing, according to the crop report of the State Agricultural Statistician. Favorable weather in the spring may overcome the present poor condition of wheat, however. Tobacco growers have generally finished burning off plant beds, and some beds have been sown. The state agricultural authorities believe that there will probably be some increase in the Burley acreage in Southwest Virginia, as the growers have been very well pleased with the returns from the 1923 crop. In the Norfolk section early potato growers have started planting, and planting will be under way on the Eastern Shore within two weeks. Weather conditions have been favorable for this work. In the central and southern districts brief spells of warm weather have caused peach buds to become more advanced than usual, but there is no immediate danger to this fruit. The condition of apple buds is very good, and pruning has made favorable progress. Live stock is in good condition. Cattle have been wintering quite well, and early lambs are progressing favorably.

The North Carolina Agricultural Statistician reports serious damage to small grain by the January freezes, oats having suffered especially. Farmers are busy cutting cotton stalks and disking the land for planting, this work being ahead of the usual average for the season. Many farmers in North Carolina are skeptical about boll weevil danger and are planning to go the limit in cotton acreage, but this attitude is not universal. Preparation and planting of tobacco seed beds is under way, but the price outlook being considered discouraging, some reduction in acreage is contemplated, cotton taking the place of tobacco on much of this land. Co-Operative Association members are reported to be better pleased with tobacco prices than they were early in the season. Most winter truck was killed in January, but reseeding in the eastern counties was promptly done. This replanting naturally results in backward crops, but much of this handicap may be overcome if favorable weather develops. Fruit buds are plentiful and given favorable weather the prospects are for a big crop this year. Live stock is in good condition and interest in live stock production appears to be on the increase.

Fertilizer manufacturers expect to sell more of their product this year than last, and they have imported raw materials heavily. The shipping season for fertilizer begins about the second week in February and runs until April. The North Carolina Department of Agriculture reports that farmers are paying cash for much of their fertilizer and other supplies, and buggy, wagon and mule dealers report larger sales than for several years past, all of which reflects the improved financial position of the farmers.

BUILDING OPERATIONS FOR THE MONTHS OF JANUARY, 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.....	294	318	683	773	\$ 3,282,120	\$ 3,881,640	\$ 245,880	\$ 502,200	\$— 855,840	— 19.5%	1
2	Cumberland.....	17	12	9	6	48,865	22,875	7,070	4,825	28,235	101.9	2
3	Frederick.....	5	2	1	0	5,025	6,500	800	0	675	— 10.4	3
VIRGINIA												
4	Lynchburg.....	17	22	18	20	62,642	70,575	101,658	9,432	84,293	105.4	4
5	Norfolk.....	92	83	46	64	237,415	260,320	68,485	26,247	19,333	6.7	5
6	Richmond.....	113	143	62	58	1,361,750	1,549,148	148,371	157,880	— 196,907	— 11.5	6
7	Roanoke.....	67	74	21	36	179,375	192,430	10,864	10,736	— 12,927	— 6.4	7
WEST VIRGINIA												
8	Bluefield.....	14	11	5	3	115,490	28,900	1,700	1,350	86,940	287.4	8
9	Charleston.....	35	50	37	28	184,542	217,020	30,430	38,882	— 145,242	— 56.8	9
10	Clarksburg.....	23	20	10	9	105,985	38,900	4,675	3,780	172,292	403.7	10
11	Huntington.....	73	99	17	10	1,396,743	272,232	16,640	5,295	1,135,856	409.3	11
12	Parkersburg.....	*11		*12		24,350	75,000	3,900	20,000	— 66,750	— 70.3	12
NORTH CAROLINA												
13	Asheville.....	31	46	32	11	181,315	269,363	13,420	4,742	— 79,370	— 29.0	13
14	Charlotte.....	33	35	4	14	1,393,955	159,675	2,475	47,990	1,188,765	572.4	14
15	Durham.....	18	18	4	3	92,000	162,800	7,450	850	— 64,200	— 39.2	15
16	Greensboro.....	47	18	15	19	790,978	238,825	38,570	11,802	578,921	231.0	16
17	High Point.....	35	**36	4		54,647	**225,550	1,550		— 169,353	— 75.1	17
18	Raleigh.....	56	**41	5		198,936	**294,132	11,300		— 83,896	— 28.5	18
19	Wilmington.....	11	9	2	2	40,000	25,400	5,550	2,500	— 17,600	63.1	19
20	Winston-Salem.....	56	52	43	63	151,720	233,850	20,621	46,855	— 108,364	— 38.6	20
SOUTH CAROLINA												
21	Charleston.....	4	10	20	13	800	8,715	5,050	5,423	— 8,288	— 58.6	21
22	Columbia.....	29	55	44	58	48,180	95,880	10,152	9,786	— 47,334	— 44.8	22
23	Greenville.....	28	25	18	18	87,555	67,255	101,135	32,620	88,815	88.9	23
24	Spartanburg.....	34	27	25	30	220,955	194,913	6,540	23,995	8,587	3.9	24
DIST. OF COLUMBIA												
25	Washington.....	247	360	178	197	1,255,205	2,155,706	717,370	361,198	— 544,329	— 21.6	25
Totals.....		1,379	1,566	1,303	1,435	\$11,520,548	\$10,747,604	\$1,581,606	\$1,328,388	\$ 1,026,162	8.5%	

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

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. This should be kept in mind in comparing the cities, the point being especially important in the case of the cities in the Carolinas where many millions of dollars have recently been and are still being invested in textile plants located near the reporting cities, but outside their official boundaries.

• Building operations in the Fifth District, as indicated by the number and estimated value of building permits issued during January in twenty-five of the leading cities of the District, compared favorably with the work arranged for in January last year. The reporting cities issued 1,379 permits for new construction in January this year, with estimated valuation of \$11,520,548, compared with 1,566 permits issued in January 1923, with estimated valuation of \$10,747,604, a decrease of 187 permits this year but an increase of \$72,944 in estimated valuation. Most of the decrease in permits occurred in the three largest cities of the District, and was due more to the unusually large number issued during January 1923 than to any real slump in construction work planned in January this year. The total estimated valuation for both new work and alterations or repairs provided for in January 1924 amounted to \$13,102,154, compared with a total of \$12,075,992 in January 1923, a gain of 8.5% this year.

Attention is called to the note under the building permit table. The note appears this month for the first time, but in the future it will be carried regularly as a warning against the danger of putting too much value on the actual permit figures published. There is unfortunately no way in which the number or value of suburban work can be ascertained with sufficiently accuracy to enable us to show figures on it, but it is undoubtedly of very great importance. All of the cities are tending to spread their residential sections over the surrounding country, the wide use of automobiles having removed the necessity of remaining within the city, but of greater importance is the suburban development going on near the cities that are industrial centers. During the past five or six years many millions of dollars have been invested in textile mills near the Carolina cities included in the above table, but practically none of this development has shown in the monthly building permit figures collected by the city authorities. Many of the manufacturing centers have more people within a radius of a few miles, but all outside the city limits, than the official population of the city itself. Of course all of these suburban dwellers buy from the city merchants, de-

posit in and borrow from the city banks, and for all practical purposes are residents of the city near which they live.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Jan., 1924, compared with Jan., 1923.....	2.8	23.6	15.1	6.4	8.8
Percentage increase in net sales during Jan. 1924, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	— 0.7	43.0	9.1	5.3	7.2
Percentage increase in stocks on hand at the end of Jan., 1924, over stocks on hand at the end of Jan., 1923.....	3.2	20.4	0.9	12.8	4.9
Percentage increase in stocks on hand at the end of Jan., 1924, over stocks on hand at the end of Dec, 1923.....	— 3.9	— 11.4	— 7.8	— 0.9	— 5.7
Percentage of average stocks on hand at the end of each month since Jan. 1, to average net sales each month during the same period, one month.....	380.9	346.8	400.1	582.3	404.7
Percentage of outstanding orders at the end of Jan., 1924, to total purchases of merchandise during the year 1923.....	6.5	6.4	8.7	7.0	7.4

—Denotes Decrease.

Retail trade in January, as reflected in sales in city department stores, was better than the seasonal average, and made up part of the dullness in staple lines noted in December. Twenty-nine stores sold 8.8% more goods, measured by dollar value, in January than in January 1923, and 7.2% more than the January average sales during the years 1920, 1921 and 1922. The selling value of stocks on hand in the reporting stores was 4.9% greater at the end of January than on the corresponding date last year, but were 5.7% less in value than at the end of December 1923. The percentage of stock on hand at the end of January 1924 to net sales during the same month was 404.7%, and outstanding orders at the end of January amounted to 7.4% of total purchases of merchandise during 1923. Richmond's sales in January were 23.6% above sales in January last year, but stocks in Richmond showed an increase of 20.4%, while Washington sales increased 15.1% and stocks gained only nine-tenths of one percent. Stocks in Baltimore and the group of Other Cities increased more than sales. The rate of turnover was faster in Richmond during January than in any of the other cities, with Baltimore next. Washington led in the percentage of outstanding orders to total 1923 purchases.

We are pleased to announce the addition of two important stores to the reporting list, one located in Maryland and the other in West Virginia, bringing the total number of co-operating stores up to twenty-nine.

WHOLESALE TRADE

The accompanying table shows in percentage form the increase or decrease in the dollar amount of sales made in January 1924 by representative wholesale firms dealing in groceries, dry goods, shoes, hardware, furniture and drugs, in comparison with (1) sales made in December 1923, and (2) sales made in January 1923. In addition, some information is included on stocks on hand at the end of January 1924 in comparison with the other two dates.

All lines except groceries show increased sales in January this year in comparison with sales in December 1923, but most of these gains are due to seasonal demand following the inventory period. Grocery firms, dry goods jobbers and furniture manufacturers increased their stocks during January, but stocks decreased in shoe and hardware lines.

In comparison with sales made in January 1923, the current month this year shows gains in groceries, hardware and furniture, but declines in dry goods, shoes and drugs. The decline in dry goods is by comparison with unusually large sales made in January 1923 rather than due to a small volume of sales this

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	45	15	14	16	7	13
Percentage increase (or decrease) in net sales during Jan. 1924, compared with sales during Dec. 1923.....	- 1.3	83.2	8.2	31.8	57.4	28.3
Percentage increase (or decrease) in net sales during Jan. 1924, compared with sales during Jan. 1923.....	8.3	-5.9	-16.6	10.7	16.9	- 4.4
Percentage increase (or decrease) in stocks on hand Jan. 31, 1924, compared with Dec. 31, 1923.....	0.3(8)	29.6(6)	- 4.1(3)	- 5.2(3)	8.3(4)	
Percentage increase (or decrease) in stocks on hand Jan. 31, 1924, compared with Jan. 31, 1923.....	- 3.9(5)	23.7(5)	- 7.9(3)	8.6(3)	71.7(3)	

-Denotes decreased percentage.

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

year, and the same explanation applies in less degree to the decline in shoe sales. Stocks on hand in dry goods jobbing houses, in hardware firms and at furniture factories were larger at the end of January 1924 than on the corresponding date in 1923, but stocks of wholesale grocers and shoe jobbers were smaller than last year.

Collections appear to have slowed up distinctly during January in comparison with the two or three months preceding the Christmas holidays. Several of the reporting firms neglected to classify collections this month, but 101 firms sent in the desired information. Of these 101, the number reporting collections as either *Good* or *Fair* amounted to 84.2% of the whole, compared with 92.5% so reporting for December 1923 and January 1923. It is probable that the slowing up is not as great as these figures indicate, however, since practically without exception the firms that neglected to give the classification this month have been reporting either *Good* or *Fair* during recent months. The classifications made in January were as follows:

<i>Lines</i>	<i>Good</i>	<i>Collections Reported As</i>			<i>Total</i>
		<i>Fair</i>	<i>Slow</i>	<i>Poor</i>	
Groceries	12	24	6	0	42
Dry Goods	1	9	5	0	15
Shoes	0	9	3	0	12
Hardware	5	9	1	0	15
Furniture	1	4	1	0	6
Drugs	5	6	0	0	11
January 1924 totals.....	24	61	16	0	101
December 1923 totals.....	35	64	8	0	107
January 1923 totals.....	29	81	9	0	119

Compiled February 20, 1924

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

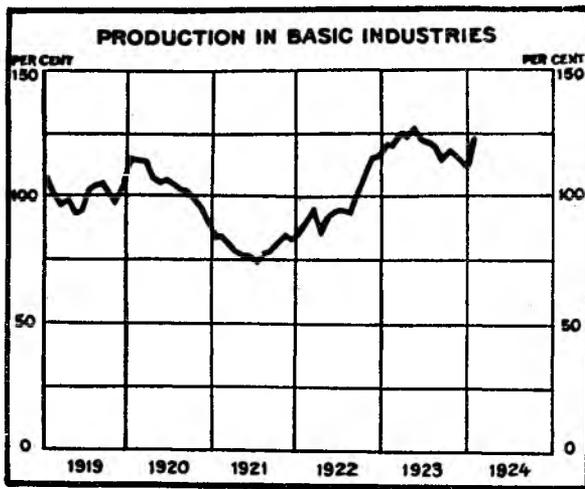
Production of basic commodities increased sharply in January. The volume of distribution continued larger than a year ago, and the wholesale price level remained unchanged. In February there was an increase in the demand for credit for commercial purposes.

PRODUCTION. The Federal Reserve Board's index of production in basic industries increased 8 percent in January and was at approximately the same level as a year ago. This increase followed a downward movement which had been under way since May 1923. The increases over December, which occurred in most of the industries, were particularly large in the production of steel ingots, lumber, and bituminous coal and in mill consumption of cotton. A small but general reduction of working forces at industrial establishments resulted in a slight decline in the index of factory employment. The largest decreases occurred at plants manufacturing food products and tobacco. Contract awards for new buildings in January were slightly higher in value than in December and were 26 percent above a year ago.

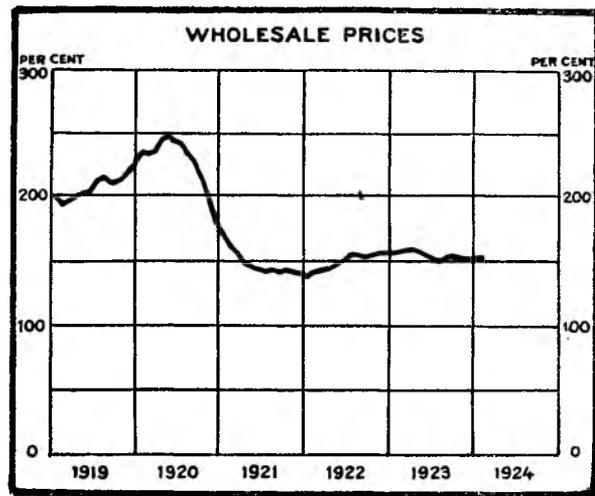
TRADE. Railroad shipments, particularly of miscellaneous merchandise increased during January and total car loadings were somewhat above the high level of January 1923. The index of wholesale trade increased 11 percent during January and was slightly higher than a year ago. Sales in groceries, meat and drugs were larger than in January 1923, while sales of dry goods and shoes were smaller. Retail trade in January showed the usual seasonal decline in comparison with the closing months of 1923, but compared with a year ago department store sales were 7 percent larger and stocks of merchandise at these stores, after declining in January, were 6 percent above last year's level. Sales of mail order houses in January exceeded those of a year ago by 11 percent.

PRICES. The wholesale price index of the Bureau of Labor statistics remained unchanged during January and was at a level 3 percent lower than a year ago. Prices of fuels and building materials, which had been declining since early in 1923, increased in January, while prices of farm products, foods and clothing declined. During the first two weeks of February prices of hogs, sugar, hides, lumber and metals advanced, while prices of cotton, wheat and silk declined.

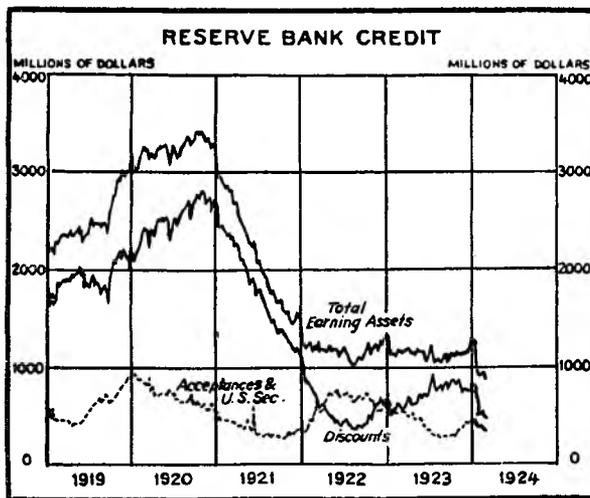
BANK CREDIT. The volume of borrowing for commercial purposes at member banks in leading cities, after an almost continuous decline for more than three months, increased considerably during the latter part of January and the first two weeks in February. This increase was accompanied by a decline in loans secured by stocks and bonds. Total loans and investments of the reporting banks are now slightly larger than a year ago, commercial loans and loans on stocks and bonds being larger, but investments being smaller. At the Reserve Banks the total volume of earning assets fluctuated within narrow limits during February. The large return flow of currency and the payment of discounts, which characterized the early weeks of the year, did not continue after January. Since the first week in February the volume of discounts for member banks has been about \$500,000,000 and the holdings of securities purchased in the open market about \$400,000,000. The easier money conditions of January were followed in February by slightly firmer rates on acceptances and on short term Government securities. Commercial paper rates in the New York market remained unchanged at 4¾ percent.



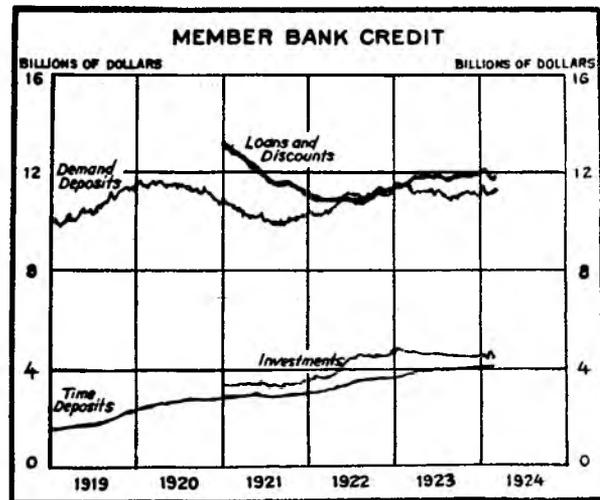
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—January 1924.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure—January 1924.



Weekly figures for 12 Federal Reserve Banks. Latest figures, February 20th.



Weekly figures for member banks in 101 leading cities. Latest figures, February 13th.

NOTE: The January index figure for Production, given as 121 in the note under the chart above, should be 120, revision having been made by the Federal Reserve Board after the chart was engraved.

FIFTH FEDERAL RESERVE DISTRICT

