

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

MARCH 31, 1924

There are exceptions here and there, but most of the Fifth Reserve District's industries are about as active as they have ever been, and a few are exceptionally busy. During the period under review one of the leading fertilizer companies and its numerous subsidiaries went into the hands of receivers, but their troubles date back previous to this year and are not chargeable to 1924. An insufficiency of orders has forced many textile mills to adopt part time operations. Prices of both cotton and tobacco are now lower than comparative prices a year ago, and severe weather has delayed farm work since the middle of February. Bankruptcies in the Fifth District were more numerous in February than during the corresponding month last year, and the total involvement was also greater, but both number and liabilities were less than in January. Coal mines are not receiving enough orders to keep them running to capacity, but this is due to an over-development in the industry, with an excessive number of active mines, rather than to any real lack of consumptive demand.

Examining the prosperous industries and trades, the outstanding feature is the steady continuation of record breaking building operations, the number of permits for new work issued in the reporting cities of the Fifth District for February being the highest number ever reported for that month of the year, with total valuations only slightly below valuations of a year ago, which were in turn the highest ever reported. Debits to individual accounts, in spite of lower prices of tobacco, cotton and some mercantile articles, are running practically the same as a year ago. Member banks generally in the District are in position to meet all legitimate demands for credit, and the Reserve Bank is in a strong reserve position

to care for any unusual demands that might arise. Savings deposits are distinctly higher than a year ago, and the purchasing power of the District is greater than it was in February 1923, especially in the Carolinas where larger cotton crops were raised than in 1922. This cotton also brought higher prices than the crop of the previous year. Labor is as fully employed as is to be expected at this season, only a few unskilled workers being idle, and there is sufficient construction work of various kinds in immediate prospect to give employment to all as soon as spring weather comes. While farm work is unseasonably delayed, prospects on the whole are good for the agricultural sections, the fruit outlook being better than for several years, and demand for all farm products apparently sufficient to hold out fair hopes for profitable prices during the coming season. Retail trade in February was greater than in February last year and also above the average in February of the three years 1920, 1921 and 1922, and stocks in retail stores are not excessive. In wholesale lines dry goods and shoes are rather dull, but groceries, hardware, furniture and drugs are moving in greater volume than in 1923, and collections are on the whole fairly good, showing some improvement during February in comparison with January, the preceding month. Automobile dealers are selling all the cars they can secure, and live stock dealers report sales of mules far ahead of last year. Farmers are paying cash for much of their fertilizer and are planning another year of economical operations. Finally, the Internal Revenue Collectors have announced that while accurate figures are not available, the number of persons liable for income tax has considerably increased during the past year, and the payments on March 15th exceeded expectations.

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

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

ITEMS	Mar. 5, 1924	Feb. 6, 1924	Mar. 7, 1923
1. Total Loans and Discounts (including all rediscounts)	\$ 461,848,000	\$ 463,708,000	\$ 449,561,000
2. Total Investments in Bonds and Securities	126,099,000	124,283,000	132,479,000
3. Total Loans and Investments	587,947,000	587,991,000	582,040,000
4. Reserve Balance with Federal Reserve Bank	38,332,000	36,382,000	36,349,000
5. Cash in Vaults	13,059,000	13,304,000	13,555,000
6. Demand Deposits	330,930,000	342,395,000	334,417,000
7. Time Deposits	160,328,000	157,417,000	151,680,000
8. Borrowed from Federal Reserve Bank	35,245,000	21,754,000	23,669,000

The accompanying table shows the principal items of condition reported by seventy-six identical member banks as of three dates, March 5, 1924, February 6, 1924, and March 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 March 5, 1924 figures with those previously reported it should be understood that the figures show 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.

Between February 6, 1924 and March 5, 1924, total loans and discounts in the reporting banks changed very little, declining from \$463,708,000 to \$461,848,000, while investments in bonds and securities increased from \$124,283,000 to \$126,099,000. Reserve balances with the Federal Reserve Bank increased from \$36,382,000 to \$38,332,000 between February 6th and March 5th, but the amount of cash in the vaults of the reporting banks decreased from \$13,304,000 to \$13,059,000. Demand deposits dropped from a total of \$342,395,000 on February 6th to \$330,930,000 on March 5th, but time deposits showed a substantial increase during the month, rising from \$157,417,000 on February 6th to \$160,328,000 on March 5th. The volume of discounts at the Reserve Bank increased from \$21,754,000 on February 6th to \$35,245,000 on March 5th, but an increase in the volume of member bank borrowing is customary at this season of the year when banks are making plans to finance the purchase of fertilizer and the planting of crops, and merchants are borrowing to discount bills for spring merchandise. Many of the seventy-six reporting banks make considerable advances at this season to country banks, especially to state non-member banks, and much of the proceeds of this member bank borrowing from the Federal Reserve Bank will ultimately find its way to non-member banks.

A comparison of the figures shown in the table for March 5, 1924 with those reported for March 7, 1923, shows that the reporting member banks are extending more credit to their customers this year than they were a year ago, and are themselves borrowing more extensively from the Reserve Bank. On March 7, 1923, total loans and discounts reported amounted to \$449,561,000, but on March 5th this year this item stood at \$461,848,000. As between the dates compared, however, the investments in stocks and bonds in the reporting banks declined from \$132,479,000 to \$126,099,000. The amount of cash held in the vaults of the reporting banks was \$13,059,000 on March 5th this year compared with \$13,555,000 carried in cash on March 7th last year, but reserves deposited with the Reserve Bank amounted to \$38,332,000 on March 5, 1924 compared with \$36,349,000 on the corresponding date in 1923. Demand deposits are lower than last year, having declined from a total of \$334,417,000 on March 7, 1923 to \$330,930,000 on March 5, 1924, but between the same two dates time deposits increased from \$151,680,000 to \$160,328,000. Discounts at the Federal Reserve Bank totaled \$23,669,000 on March 7, 1923 and \$35,245,000 on March 5, 1924.

FEDERAL RESERVE BANK OPERATIONS

During the four weeks between February 13th and March 12, 1924, the volume of Federal Reserve Notes in actual circulation fell from \$88,592,000 to \$85,627,000; the total of member bank reserve deposits dropped from \$64,728,000 to \$62,076,000; and the volume of rediscounts for member banks increased from \$44,478,000 to \$50,911,000. As a result of these changes, the cash reserves held by the Federal Reserve Bank of Richmond declined from \$113,187,000 to \$102,401,000, and the ratio of cash reserves to combined note and deposit liabilities declined from 72.26% on February 13th to 67.26% on March 12th. All of these changes are seasonal and are due to the greatly increased demand for credit in connection with agricultural activities, chiefly the financing of fertilizer purchases.

The increases or decreases in the items reported on March 12, 1924 compared with those reported on March 14, 1923 are comparatively small, but all of them indicate an increased use of Reserve Bank credit this year. A year ago the Cash Reserves of the Federal Reserve Bank of Richmond amounted to \$110,819,000 while on March 12, 1924 they amounted to \$102,401,000. The volume of Federal Reserve Notes in actual circulation on March 14, 1923 amounted to \$84,976,000 compared with \$85,627,000 in circulation on

March 12, 1924. Rediscounts for member banks this year are higher than they were a year ago, having risen from \$43,463,000 on March 14th last year to \$50,911,000 on March 12th this year. Member Bank Reserve Deposits stand at practically the same level as last year, when they were \$61,349,000 on March 14, 1923 as compared with \$62,076,000 on March 12, 1924. In keeping with the increased use of credit by member banks, the reserve ratio of cash to combined note and deposit liabilities stood at 67.26% on March 12, 1924 in comparison with 73.50% on March 14, 1923.

SAVINGS BANK DEPOSITS

Deposits in fifteen mutual savings banks in Baltimore remained practically stationary during February. On February 29, 1924, the fifteen banks had combined deposits amounting to \$141,084,827, compared with \$141,102,463 at the close of January this year, a decrease of \$17,636, but with the exception of January the February 29th total of deposits was higher than any previous month on record. On February 28, 1923, deposits in the reporting banks aggregated \$134,045,000; on February 28, 1922 the total amounted to \$124,282,395; on February 28, 1921 to \$122,742,831; and on February 29, 1920 to \$119,097,809. The February 29, 1924 total shows an increase of 5.3% over deposits a year ago and a gain of 18.5% over deposits in February 1920.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	Mar. 12, 1924	Feb. 13, 1924	Mar. 14, 1923
Asheville, N. C.....	\$ 18,480,000	\$ 19,764,000	\$ 18,874,000
Baltimore, Md.....	343,556,000	341,400,000	336,200,000
Charleston, S. C.....	22,224,000	22,008,000	36,727,000
Charleston, W. Va.....	32,791,000	30,094,000	32,851,000
Charlotte, N. C.....	39,219,000	41,777,000	36,932,000
Columbia, S. C.....	21,163,000	22,940,000	25,287,000
Cumberland, Md.....	7,686,000	7,267,000	7,329,000
Danville, Va.....	8,657,000	11,268,000	8,203,000
Durham, N. C.....	16,719,000	18,316,000	17,424,000
Greensboro, N. C.....	20,067,000	21,459,000	20,295,000
Greenville, S. C.....	23,419,000	23,969,000	22,076,000
Hagerstown, Md.....	8,553,000	9,491,000	8,328,000
Huntington, W. Va.....	23,707,000	22,803,000	25,627,000
Lynchburg, Va.....	16,987,000	17,529,000	18,484,000
Newport News, Va.....	5,986,000	6,297,000	6,617,000
Norfolk, Va.....	60,701,000	65,762,000	66,361,000
Raleigh, N. C.....	27,780,000	27,950,000	26,700,000
Richmond, Va.....	116,831,000	121,955,000	115,097,000
Roanoke, Va.....	22,082,000	20,899,000	20,635,000
Spartanburg, S. C.....	11,388,000	11,008,000	11,043,000
Washington, D. C.....	174,424,000	179,580,000	169,406,000
Wilmington, N. C.....	18,408,000	19,901,000	21,348,000
Winston-Salem, N. C.....	27,076,000	29,320,000	30,136,000
Totals for 23 cities.....	\$ 1,067,904,000	\$ 1,092,757,000	\$ 1,081,980,000

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 periods of four weeks each, ending March 12, 1924, February 13, 1924, and March 14, 1923, thus affording an opportunity for comparing the latest four weeks period with (1) the preceding like period this year and (2) the corresponding period last year. The debits figures include all checks drawn on deposit accounts of individuals, firms and corporations, and the United States Government, including checks against saving accounts, payments from trust funds and certificates of deposit paid, and therefore furnish one of the best indicators of the volume of current business transactions that is available.

Total debits in the banks of the reporting cities amounted to \$1,067,904,000 during the four weeks ending March 12, 1924, compared with a total of \$1,092,757,000 reported for the four weeks ending February 13th this year, a decrease during the later period of \$24,853,000, or 2.3%. A decline at this season is not unusual, however, and is due chiefly to some delayed settlements of holiday bills that fell into the period ending February 13th and to the restriction of expenditures by many persons just prior to March 15th, the first income tax payment date of the year. Other influences tending to lower the total volume of debits during the more recent four weeks are the slackening in tobacco sales as the end of the selling season approaches and reduced payrolls at textile mills as curtailment of running time spreads.

In comparison with debits reported a year ago, the figures reported for the four weeks ending March 12th this year show a slight decrease, and appear to indicate a smaller volume of business during the 1924 period.

The four weeks ending March 14, 1923, witnessed a volume of debits that aggregated \$1,081,980,000, and the corresponding period ending March 12, 1924, witnessed a total of \$1,067,904,000, a decrease this year of \$14,076,000, or 1.3%. A considerable part of this decline is probably due to lower prices for some of the leading crops, especially tobacco.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS FEBRUARY, 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.....	140	150	— 6.7	\$ 2,608,111	\$ 4,637,721	— 43.8%
New York, Second.....	300	262	14.5	5,594,337	8,883,288	— 37.0
Philadelphia, Third.....	82	58	41.4	2,376,178	1,024,670	131.9
Cleveland, Fourth.....	135	121	11.6	2,824,143	6,293,852	— 55.1
Richmond, Fifth.....	128	109	17.4	3,456,937	2,452,891	40.9
Atlanta, Sixth.....	129	135	— 4.4	2,361,030	4,029,704	— 41.4
Chicago, Seventh.....	243	195	24.6	8,733,400	3,081,365	183.4
St. Louis, Eighth.....	97	81	—19.8	1,489,558	1,008,734	47.7
Minneapolis, Ninth.....	85	72	—18.1	1,216,850	2,217,789	— 45.1
Kansas City, Tenth.....	129	89	44.9	1,968,081	1,154,384	70.5
Dallas, Eleventh.....	57	91	—37.4	1,280,548	2,104,596	— 39.2
San Francisco, Twelfth.....	205	145	41.4	2,032,864	3,738,945	— 45.6
Totals.....	1,730	1,508	14.7%	\$ 35,942,037	\$ 40,627,939	— 11.5%

The figures in the table were furnished by R. G. Dun & Co., and in commenting upon them *Dun's Review* says, "A decrease of 18% in number of commercial failures in the United States and of about 30% in the liabilities from the January totals is shown by statistics for the short month of February. In point of number, the improvement is less marked than that of a year ago, when the defaults fell off by 29%, but there was one more business day in February this year. The decline in last month's indebtedness, however, largely exceeds the reduction of about 17% in February 1923. Insolvencies last month, excluding banking suspensions, numbered 1,730 and involved \$35,942,037 of liabilities, which is an increase of 222 in number over the 1,508 failures in February 1923, or 14.7%, but a decrease of about \$4,686,000 in amount from the \$40,627,939 of the earlier period, or 11.5%. More defaults occurred last month among both manufacturers and traders than was the case a year ago, but the indebtedness of the trading class, despite the increased number of insolvencies, declined by \$3,400,000. There was a considerable reduction in the number of large insolvencies in February of this year from those of that month of last year, and the aggregate liabilities of these failures of unusual size also were much smaller."

The February record in the Fifth District was not as good as the national record, particularly in total liabilities involved. During February 1924 the District witnessed 128 insolvencies with liabilities of \$3,456,937, compared with 109 bankruptcies with liabilities of \$2,452,891 in February 1923, increases this year of 17.4% in number and 40.9% in liabilities. As mentioned in the preceding paragraph, the number of failures nationally in February 1924 increased 14.7%, but the liabilities decreased 11.5%.

The average liability per failure in February 1924 was \$27,007 in the Fifth District and \$20,776 in the nation as a whole, compared with average liabilities in February 1923 of \$22,504 in the Fifth District and \$26,942 in the nation.

LABOR—The unemployment mentioned in last month's *Review* among unskilled workers continued through February and the first half of March, but did not reach serious proportions. The weather in the Fifth District was unfavorable for outside work during most of the past month, but February and March are usually severe months and the unemployment noted was not exceptional at this season. Skilled workmen have found sufficient work on the inside to supply full employment. Curtailment of running time among textile mills has reduced the incomes of the operatives, but few mills have shut down and therefore comparatively few operatives have been thrown entirely out of employment. All danger of a soft coal strike in union mines appears to have vanished since our February 29th *Review* was written, the miners and operators having agreed on a renewal of the contract which expires on April 1st. Farm labor is scarce and so expensive that farmers cannot afford to hire their normal help even when workmen can be secured. Recognizing the seriousness of this scarcity of agricultural workers, the Virginia legislature has attempted to check the drain from the farms by passing a bill laying a heavy tax on agents who recruit labor in the state for transportation to other states.

COAL—As above stated, since the February issue of this *Review* was written bituminous coal miners and operators have agreed on a new working agreement, and all danger of a coal strike appears to have

vanished for the time being. The agreement reached is to run two years, and continues present wage scales practically unchanged, the agreement applying to union mines only. The clearing up of strike threats has tended to check the increased volume of orders the mines were receiving a month ago, and production has been gradually lessening during the past four weeks, but production is still at a high rate for this season of the year. The Census Bureau, reporting through the Geological Survey in its March 15th report, says of soft coal production during February: "It is now estimated that the total production of soft coal in February was 45,725,000 net tons. This decrease of 5,076,000 tons in comparison with January was due in part to an actual reduction in the rate of output and in part to the fact that there were less working days in February than in January. Production was at a high rate for this season of the year, however, as is indicated by the fact that the output in February set a new high mark for that month. Cumulative production during the present coal year to the end of February stood at 502,782,000 tons, the second largest figure ever recorded for a similar period. Compared with the record year 1918-1919, the present year is about 3 per cent behind." The Geological Survey further states that anthracite production during the first 11 months of the present coal year totaled 85,395,000 net tons, a figure which has been exceeded only twice in the past. This year's anthracite production is 5,069,000 tons, or 6 per cent, more than the average production during the first 11 months of the nine preceding years.

TEXTILES—Since the middle of February curtailment in operating time has spread among the cotton mills of the Fifth District, and many mills are now running approximately four days a week. A few mills have closed entirely, but the majority of them are laying off no workers and are trying to give all employees about two-thirds normal time. Curtailment was forced on the mills by the hand-to-mouth buying of jobbers and retailers during many months, which had become accentuated since cotton prices began declining. Last fall buyers refrained from placing orders for future delivery at the quotations raw cotton prices then made necessary in order to avoid loss to the mills, not knowing whether consumers would buy textiles at such prices, and since cotton began declining the same buyers are hesitating to make commitments until they can secure sufficient advance information on crop prospects for this year to enable them to judge whether or not the market is likely to go lower. All this uncertainty has resulted in a steady stream of small orders to the mills for immediate requirements, but since the mills do not know when this stream may cease they hesitate to buy cotton and manufacture it. The entire industry, therefore, is in a state of uncertainty, all the way from the manufacturer who is unwilling to make up more goods than he has immediate orders for to the retailers who are unwilling to buy more goods than they actually need to fill their daily requirements, and therefore little profitable business is possible. This situation has existed for nearly a year, and there are apparently no signs at present of any material change in the situation until this year's crop prospects can be fairly well estimated.

Cotton consumption in the Fifth District during February amounted to 205,116 bales, or 40.4% of national consumption, North Carolina mills having used 110,973 bales, South Carolina mills 83,967 bales, and Virginia mills 10,176 bales. The Fifth District mills used 208,239 bales of cotton in February 1923, or 36.7% of national consumption.

COTTON—Between the weeks ending February 9th and March 15th, cotton prices in the Fifth District declined between five and six cents per pound. In our *Review* last month we stated that the average price paid in the two Carolinas for spot cotton was 33.15 cents per pound during the week ending February 9th, but during the week ending February 16th the average price dropped to 30.87 cents, a decline of approximately \$12 a bale. The downward trend continued without check, the average price declining to 29.66 cents per pound during the week ending February 23rd, to 28.31 cents during the week ending March 1st, to 27.59 cents during the week ending March 8th, and to 27.56 cents during the week ending March 15th, the latest period for which figures are available. The figures quoted above, and additional information gleaned from various cotton market reports, appear to indicate that the decline has been at least temporarily arrested. All persons interested in cotton are focusing their attention on the new crop, and are watching especially the weather reports from the South.

The Census Bureau's cotton consumption report for February, issued on March 14th, was distinctly higher than had been generally expected, and it acted as a steadying influence on the market. Cotton used by domestic mills in February totaled 507,876 bales in comparison with 576,644 bales consumed in January this year and 566,924 bales used in February 1923, but a year ago the textile mills were receiving all the orders they cared to accept, and many of the Southern mills at least were operating night shifts. Total consumption for the season to date, August 1, 1923 through February 29, 1924, amounts to 3,594,993 bales compared with 3,839,503 bales during the corresponding seven months ending February 28, 1923. Cotton on hand in consuming establishments at the end of February amounted to 1,578,272 bales, compared with 1,633,332 bales on January 31, 1924 and 2,021,903 bales on February 28, 1923. Public warehouses and compresses held 2,485,009 bales on February 29th, compared with 2,966,466 bales so held on January 31st this year and 2,804,494 bales on February 28th last year. Imports during February totaled 48,601 bales, compared with 47,693 bales in January 1924 and 66,329 bales in February 1923, while exports totaled 482,146 bales in

February 1924, 546,253 bales in January 1924, and 359,657 bales in February 1923. Cotton consumed in the cotton growing states in February numbered 349,759 bales, compared with 391,038 bales consumed in January 1924 and 356,315 bales in February 1923. February consumption in the cotton growing states amounted to 68.9% of national consumption, compared with 62.9% in February 1923.

The Government has made no report of intended cotton plantings as was published last year. Six weeks or two months ago it appeared likely from reports to us that the acreage would be increased, but the downward movement of cotton prices and unfavorable weather has somewhat changed the nature of the reports and it is impossible to draw any definite conclusion as to the probable planting. Much is believed to depend upon prices during the next month, upon the weather, and upon the available supply of farm labor. The Department of Agriculture's Delta laboratory announced on March 18th that the number of live boll weevils that have survived the winter is the smallest since the laboratory was established in 1915, but many experienced cotton growers contend that the number of weevils that emerge from hibernation is not nearly so important as the weather conditions during the growing and fruiting season.

TOBACCO—During the month of February, 9,712,109 pounds of tobacco were sold on the auction markets in Virginia, according to warehouse reports to the Commissioner of Agriculture, compared with 8,992,399 pounds sold in February 1923. The total of warehouse sales and the receipts of the Tobacco Growers Association in Virginia to March 1st is 142,478,825 pounds, an amount equal to 99.6% of the estimated production of the state for the season. There were probably six or seven million pounds of tobacco still on the farms on March 1st, showing that the year's yield was somewhat greater than expectations. As is usual when the end of the season approaches, the average price declined during February, owing to the large amount of common tobacco coming on the market. The Bright tobacco sales in February amounted to 6,024,205 pounds and brought an average price of \$17.07 per hundred, compared with 3,451,427 pounds sold in February 1923 at an average of \$26.16 per hundred. Dark tobacco sales in February amounted to 3,687,904 pounds, averaging \$18.09 per hundred, compared with 5,540,972 pounds sold in February 1923, at an average price of \$18.79 per hundred. According to estimates of the warehousemen the quality of the tobacco sold in February graded 20% good, 33% medium and 47% common, while the January sales graded 24% good, 37% medium and 39% common. Danville led the Bright markets in the number of pounds sold with 2,871,192 pounds, while Lynchburg led the Dark markets with total sales of 1,250,029 pounds.

The monthly tobacco sales report issued by the State Agricultural Statistician of North Carolina states that almost four times as much tobacco was sold in North Carolina in February 1924 as in February 1923, seventy-nine warehouses being open this year in comparison with forty-seven last year. Total sales for producers in February 1924 amounted to 16,669,753 pounds, at an average of \$16.78 per hundred, compared with approximately 5,000,000 pounds sold in February 1923 for an average of \$22.87 per hundred. Wilson not only led the state in first hand sales during February, selling 2,619,965 pounds, but to date Wilson has sold 59,799,050 pounds of producers' tobacco, which sets a record for the largest amount of tobacco ever sold on one market during a single season. It is estimated that the six warehouses in Wilson have paid out approximately \$13,800,000 for the tobacco sold this year. Total producers' sales in the auction warehouses of North Carolina amounted to 306,974,376 pounds previous to March 1st, and the Tobacco Growers Co-Operative Association is estimated to have received 60,000,000 pounds in that state. The estimated crop for the year was 386,000,000 pounds.

The Tobacco Growers Co-Operative Association reports total receipts of bright tobacco prior to March 1st amounting to 145,239,710 pounds, of which the South Carolina belt delivered 34,497,584 pounds, the Eastern North Carolina belt delivered 26,747,120 pounds, and the Old Belt of Virginia and North Carolina delivered 83,995,006 pounds.

Some reduction in tobacco acreage is expected this year in both North Carolina and Virginia, especially in the former where there is intense interest in cotton as a result of the record crop grown in the state in 1923 and the satisfactory prices the growers received last fall.

AGRICULTURAL NOTES—Farm work in the Fifth District has been greatly handicapped by bad weather during the past month. Several snows and rains have fallen, and these have kept the ground so wet that little plowing has been possible. In addition, severe cold injured some early crops such as grains and truck, but fortunately fruit buds had not advanced far enough to be materially damaged by the freezes. At the present writing the prospects for a full fruit crop are better than they have been for several years, the delayed development of the buds probably lessening the chances that future frosts will do much harm. Tobacco beds have been prepared throughout the District, and many of them have been planted. Some corn land has been prepared, but this work is distinctly behind the seasonal average. Potatoes have been planted in Virginia. The large amount of moisture in the ground appears to insure good pasturage for early grazing.

BUILDING OPERATIONS FOR THE MONTHS OF FEBRUARY, 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.....	460	317	672	554	\$ 2,780,160	\$ 3,759,360	\$ 565,440	\$ 289,716	\$— 703,476	— 17.4%	1
2	Cumberland.....	27	15	11	12	95,840	41,815	18,044	25,385	46,684	69.5	2
3	Frederick.....	9	3	2	2	17,470	23,400	675	7,000	— 12,255	— 40.3	3
VIRGINIA												
4	Lynchburg.....	21	13	29	16	65,065	23,615	34,752	15,950	60,252	152.3	4
5	Norfolk.....	119	90	54	43	454,525	302,980	115,635	44,824	222,356	63.9	5
6	Richmond.....	176	112	76	50	1,356,703	1,037,420	83,911	173,609	229,585	19.0	6
7	Roanoke.....	119	78	44	46	349,828	263,595	23,346	14,090	95,489	34.4	7
WEST VIRGINIA												
8	Bluefield.....	26	9	10	3	162,700	21,500	6,935	875	147,260	658.1	8
9	Charleston.....	37	82	27	14	1,280,816	205,795	16,085	27,950	1,063,156	454.8	9
10	Clarksburg.....	11	16	6	10	29,850	18,625	13,190	6,675	17,740	70.1	10
11	Huntington.....	98	77	24	10	487,325	171,715	12,330	7,005	320,935	179.6	11
12	Parkersburg.....	*18	.....	*6	.....	35,260	100,000	4,350	25,000	— 85,390	— 68.3	12
NORTH CAROLINA												
13	Asheville.....	44	47	64	18	233,516	288,538	28,620	8,493	— 34,895	— 11.7	13
14	Charlotte.....	48	53	14	6	354,865	401,000	33,325	10,600	— 23,410	— 5.7	14
15	Durham.....	24	15	2	6	308,150	29,550	1,256	21,950	257,906	500.8	15
16	Greensboro.....	34	23	25	11	89,860	204,427	44,460	18,882	— 88,989	— 39.9	16
17	High Point.....	47	29	6	5	140,166	47,155	1,350	4,800	89,561	172.4	17
18	Raleigh.....	44	**46	0	.....	92,300	**164,295	0	.....	— 71,995	— 43.8	18
19	Wilmington.....	9	7	2	4	19,200	52,000	2,800	19,000	— 49,000	— 69.0	19
20	Winston-Salem.....	75	46	57	44	302,839	548,800	36,625	28,875	— 238,211	— 41.2	20
SOUTH CAROLINA												
21	Charleston.....	5	15	12	17	7,040	44,450	5,490	24,030	— 55,950	— 81.7	21
22	Columbia.....	24	56	45	53	78,283	56,305	4,635	7,817	— 18,796	— 29.3	22
23	Greenville.....	21	23	12	14	74,275	77,300	4,965	5,750	— 3,810	— 4.6	23
24	Spartanburg.....	24	25	17	21	94,475	21,830	7,685	12,590	67,740	196.8	24
DIST. OF COLUMBIA												
25	Washington.....	172	304	366	336	2,031,400	4,524,025	264,819	502,855	—2,730,661	— 54.3	25
Totals.....		1,674	1,501	1,517	1,295	\$10,941,911	\$12,429,495	\$1,330,723	\$1,303,721	\$—1,460,582	— 10.6%	

*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.

Twenty-five of the leading cities in the Fifth District reported the largest total number of building permits issued in February ever known for that month of the year, but valuation figures were lower than in February last year. The reporting cities issued 1,674 permits for new construction during February 1924, with estimated valuation of \$10,941,911, compared with 1,501 permits issued for similar work in February 1923, with estimated valuation of \$12,429,495. Reports from building inspectors indicate that an exceptionally large proportion of the permits issued this year are for residence construction, which tends to reduce the total valuation for the work in comparison with earlier periods when more business building was being done. There also appears to be a tendency in at least several of the cities toward construction of more moderate priced houses, which will be within the means of a wider circle of prospective purchasers. All reports from builders, building supply dealers, and others interested in various phases of construction work agree that signs point to another splendid year in the building field, and many of our correspondents expect the volume of work done this year to exceed that done in 1923.

On page 12 of this *Review* we are showing some additional information on construction work, the number of permits for new work issued each month since March 1919 in twenty-one identical cities of the Fifth District being shown in both tabular and graphic form.

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

As a rule February is one of the duller months in the year in retail trade, and this is especially true in the years when Easter falls as late in the spring as it does this year, but the volume of business done in

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Feb., 1924, compared with Feb., 1923.....	10.6	20.5	12.6	9.6	12.1
Percentage increase in net sales from Jan. 1, through Feb. 29, compared with sales during the same two months of 1923.....	6.5	22.2	13.8	7.4	10.4
Percentage increase in net sales during Feb. 1924, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	5.9	32.4	2.1	9.2	7.9
Percentage increase in stocks on hand at the end of Feb., 1924, over stocks on hand at the end of Feb., 1923.....	0.6	15.8	1.8	14.0	3.6
Percentage increase in stocks on hand at the end of Feb., 1924, over stocks on hand at the end of Jan, 1924.....	6.2	14.2	11.8	7.5	9.0
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, two month.....	418.0	398.8	425.6	685.2	441.9
Percentage of outstanding orders at the end of Feb., 1924, to total purchases of merchandise during the year 1923.....	7.5	6.3	6.2	6.4	6.8

February this year by twenty-eight department stores in the Fifth District was 12.1% greater in dollars than the business done during the corresponding month last year and 7.9% greater than the average for February 1920, 1921 and 1922. Cumulative sales in the twenty-eight reporting stores from January 1st through February 29th were 10.4% greater this year than last. Stocks on the shelves at the end of February 1924 were 9.0% more valuable than stocks on hand at the end of January 1924 and 3.6% ahead of stocks on February 28, 1923, the increase during the past month being of course seasonal, and due to the arrival of early spring merchandise. The percentage of average stocks on hand at the end of each month since January 1st to average monthly sales during the same period, two months, was 441.9%, which is a lower figure than practically the same stores reported a year ago, indicating a more rapid rate of stock turn-over this year. Outstanding orders for merchandise at the end of February amounted to 6.8% of total purchases during the calendar year 1923.

WHOLESALE TRADE

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	45	15	14	17	7	13
Percentage increase (or decrease) in net sales during Feb. 1924, compared with sales during Jan. 1924.....	- 1.9	- 5.2	16.6	-14.4	14.8	- 9.1
Percentage increase (or decrease) in net sales during Feb. 1924, compared with sales during Feb. 1923.....	9.4	- 2.1	-17.7	9.1	31.9	5.1
Percentage increase (or decrease) in stocks on hand Feb. 29, 1924, compared with Jan. 31, 1924.....	1.6(12)	2.3(9)	- 3.8(6)	- 1.6(5)	19.0(4)	
Percentage increase (or decrease) in stocks on hand Feb. 29, 1924, compared with Feb. 28, 1923.....	- 0.1 (6)	22.4(5)	-11.9(5)	0.3(3)	29.7(4)	

-Denotes decreased percentage.

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

The accompanying table shows in percentage form the increase or decrease in the dollar amount of sales made in February 1924 by one hundred and eleven representative firms dealing in groceries, dry goods,

shoes, hardware, furniture and drugs, in comparison with (1) sales made in January 1924, and (2) sales made in February 1923. Groceries, dry goods, hardware and drugs show reduced sales in February in comparison with January, both this year, but shoes show an increase of 16.6% during the later month and furniture a gain of 14.8%. In comparison with February 1923, sales in February this year show increases in four of the six lines, dry goods and shoes reporting the only decreases. In February last year every line reported upon showed substantial gains in comparison with sales during the corresponding month of 1922, and therefore it speaks particularly well for business this year that four of the six lines made further gains.

Five of the six lines for which we show figures sent us some information on the amount of stock on hand at the end of February 1924 in comparison with stock on hand a month ago and a year ago. All of the five lines except shoes show larger stocks at the end of February than at the end of January. In comparison with stock carried last year, increases this year are shown in dry goods, hardware and furniture lines, and decreases are reported in groceries and shoes, the changes during the year in hardware and groceries being less than one per cent.

Collections are somewhat less satisfactory than they were a year ago, but show a slight improvement over January of this year. Of the 111 wholesale firms that reported sales to us this month, 102 classified their collections as either *Good*, *Fair*, *Slow* or *Poor*, and of the classifying firms 84.3% rated collections as either *Good* or *Fair* in comparison with 84.2% thus reporting in January and 90.6% in February 1923. We give below the classifications of collections made by 102 firms for February, and for comparative purposes we have added the totals reported for January 1924 and February 1923:

<i>Lines</i>	<i>Collections Reported As</i>				<i>Total</i>
	<i>Good</i>	<i>Fair</i>	<i>Slow</i>	<i>Poor</i>	
Groceries	14	22	3	1	40
Dry Goods	1	11	3	0	15
Shoes	0	8	4	1	13
Hardware	6	8	2	0	16
Furniture	1	3	2	0	6
Drugs	5	7	0	0	12
February 1924 Totals.....	27	59	14	2	102
January 1924 Totals.....	24	61	16	0	101
February 1923 Totals.....	25	81	9	2	117

(Compiled March 19, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

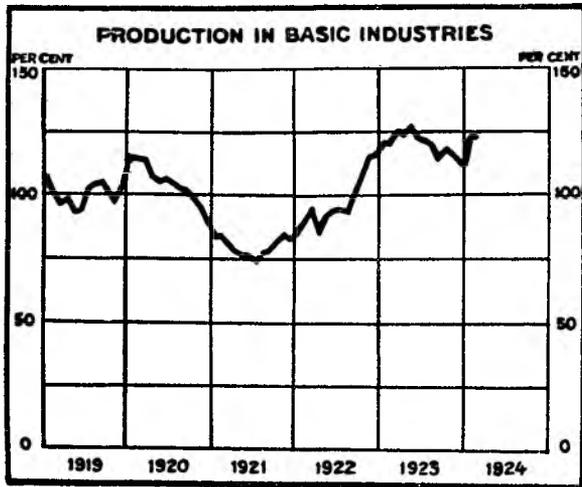
Employment at industrial establishments increased in February and the output of basic commodities was slightly larger. Distribution, both at wholesale and retail, continued large, wholesale prices were somewhat higher, and there was a further increase in the volume of borrowing for commercial purposes.

PRODUCTION. The Federal Reserve Board's index of production in basic industries, adjusted to allow for length of month and other seasonal variation, increased less than 1 percent in February. Production of pig iron, steel ingots, and flour increased, while mill consumption of cotton and production of cement and lumber declined. Factory employment advanced 1 percent in February, following successive decreases during the three preceding months. Increases in working forces were reported by most industries and were particularly large at iron and steel plants, automobile factories and textile finishing establishments. Fuller employment through reduction of part time work is indicated by an increase of over 5 percent in average weekly earnings. Building activity was slightly less than in January, though contracts awarded were 7 percent larger than a year ago.

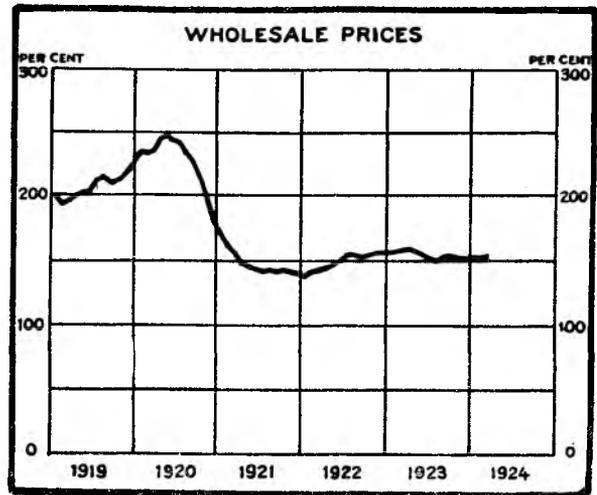
TRADE. Railroad shipments in February were in greater daily volume than in January and car loadings of practically all important commodities were larger than a year ago. The daily average volume of wholesale business increased about 5 percent in February but was slightly smaller than a year ago. Sales of meat, dry goods, and hardware were larger than in February 1923, while sales of shoes were smaller. Department store sales in February averaged about the same daily volume as in January and about 8 percent more than a year ago, while merchandise stocks at these stores at the end of the month were 6 percent above last year's level. Business of mail order houses and chain stores also showed increased activity in comparison with January.

PRICES. Wholesale prices, as measured by the index of the Bureau of Labor Statistics, advanced slightly in February. Prices of fuel, metals, and building materials increased, while prices of farm products, clothing and chemicals declined. During the first two weeks in March price declines occurred in wheat, cotton, silk, hides and rubber, and price advances in hogs, copper and crude petroleum.

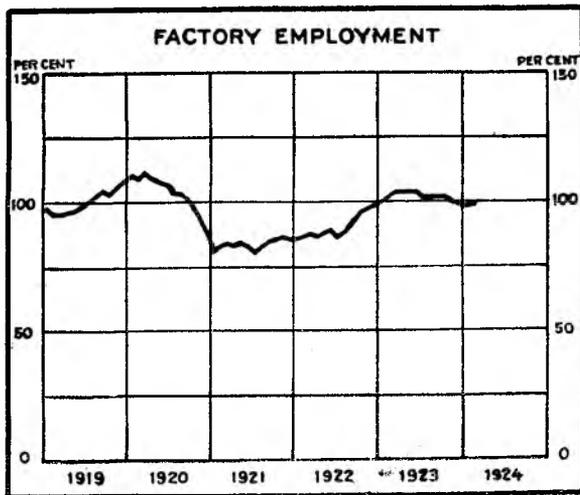
BANK CREDIT. The volume of borrowing for commercial purposes at member banks in leading cities in the early part of March continued the increase which began in the latter part of January, and on March 12th total loans of the reporting banks were higher than at any time since the seasonal peak at the turn of the year and about \$275,000,000 higher than a year ago. At the Federal Reserve Banks during the four weeks period ending March 19th, a further decline in the volume of discounts for member banks and of Acceptances was offset by an increase in the holdings of U. S. Securities, so that total earning assets were at about the same level as in February. Federal Reserve Note circulation continued to decline, while the total money in circulation increased. Easier money conditions were reflected in a slight decline in rates for commercial paper to $4\frac{1}{2}$ percent and also in lower rates for Bankers Acceptances and reduced yields on Treasury Certificates. The March offering of \$400,000,000 of One Year Treasury Certificates bearing interest at 4 percent, as compared with $4\frac{1}{4}$ percent on a similar issue sold in December, was over subscribed.



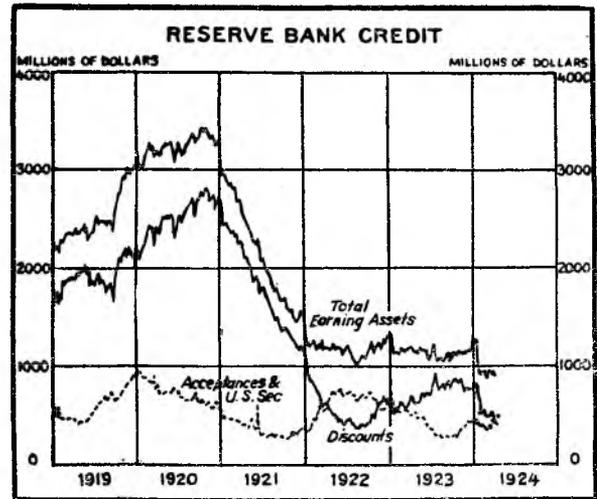
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—February 121.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure —February 152.

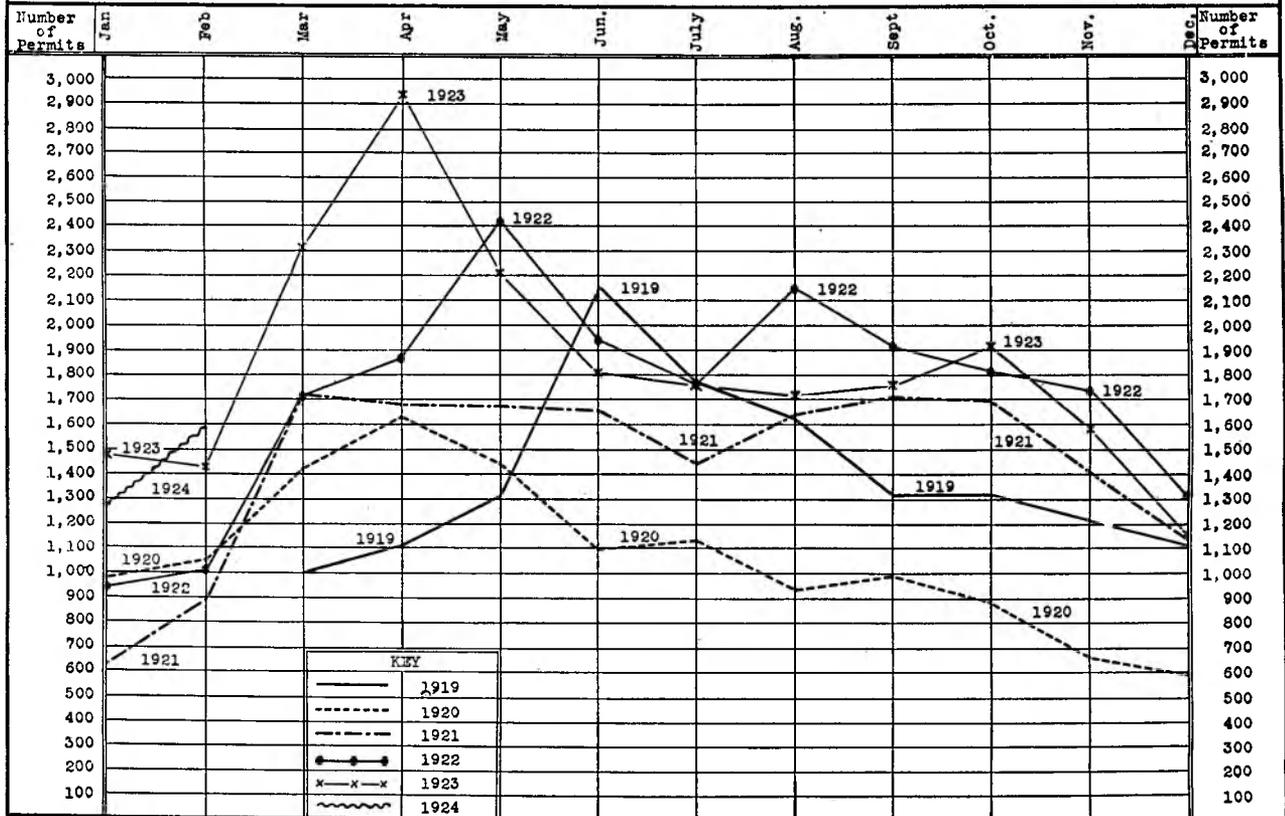


Index of 33 manufacturing industries (1919=100). Latest figure, February 99.



Weekly figures for 12 Federal Reserve Banks. Latest figures, March 19th.

**NUMBER OF BUILDING PERMITS FOR NEW CONSTRUCTION IN 21 CITIES
BY MONTHS FROM MARCH 1919 TO FEBRUARY 1924, INCLUSIVE**



The chart above and the table below show the number of permits issued for new construction in twenty-one cities of the Fifth Federal Reserve District each month from March 1919 to February 1924, both inclusive. The cities included in the tabulation are Baltimore, Cumberland and Frederick, Maryland; Lynchburg, Norfolk, Richmond and Roanoke, Virginia; Charleston and Huntington, West Virginia; Asheville, Charlotte, Durham, Greensboro, High Point, Wilmington and Winston-Salem, North Carolina; Charleston, Columbia, Greenville and Spartanburg, South Carolina; and Washington, D. C. In this *Review* each month we show the number of permits issued in all of the above named cities, and the reader can carry the chart lines and the figures in the table on through 1924. The data from which the chart was made follows:

	1919	1920	1921	1922	1923	1924
January .....	.....	978	623	943	1,494	1,286
February .....	.....	1,050	893	1,005	1,430	1,593
March	1,000	1,422	1,717	1,711	2,315	
April	1,104	1,629	1,681	1,864	2,931	
May	1,307	1,442	1,676	2,413	2,209	
June	2,147	1,099	1,665	1,940	1,808	
July	1,787	1,135	1,442	1,786	1,763	
August	1,623	938	1,630	2,151	1,723	
September	1,317	996	1,704	1,908	1,761	
October	1,323	893	1,699	1,814	1,922	
November	1,218	669	1,404	1,736	1,582	
December	1,113	592	1,131	1,321	1,169	
Totals.....	13,939*	12,843	17,265	20,592	22,107	

* Figures for ten months only.