

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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The business situation in the Fifth Federal Reserve District is complex at the middle of April, both favorable and unfavorable factors being discernible. In comparison with the corresponding period last year, when business was developing a speculative tendency, March business this year was marked by conservatism at best, and by distinct hesitancy in several important lines. The greatest contrast between business in March 1923 and March 1924 in the Fifth District is seen in the textile industry, which is at present operating quite generally on restricted time and without sufficient orders to absorb even the limited output of the mills, while at this season last year the mills were running full time, and had orders on hand for several months ahead. Business failures in March in the District exceeded all previous monthly records in liabilities involved, due, however, to one large failure referred to hereafter, and were 5% more numerous than during the corresponding month last year. The coal mines in the Fifth District have probably not averaged an output of more than 40% of capacity during the past two months, the reason for the curtailed operations being given as an insufficiency of orders. Labor for farm work is scarce, and farmers claim that they cannot meet the wages paid by road and construction companies. Preparation of land for planting this year's crops is behind, due to the cold and wet spring, and agriculture will therefore get away to a late start, a more important factor since the boll weevil has invaded the District than it was previous to this invasion.

It is gratifying to find, however, that an examination of the favorable factors plainly visible in the Fifth District shows that they outweigh the unfavorable ones enumerated in the preceding paragraph. First, a careful study of the apparent weaknesses reveal encouraging features. During the past two weeks some signs of a better demand for textile mill products have developed, and stocks of goods in the hands of jobbers and retailers are not large. The record liabilities involved in the March failures were due entirely to the difficulties of one very large company, and these difficulties are not indicative of present conditions, since the company's adversities began in 1920. The poor demand for coal is relative, the aggregate demand being large, but the needs of war time encouraged the opening of so many mines that

there is not sufficient business to keep them all operating profitably in normal times. Previous accumulation of supplies also affects current demand. Labor, while scarce for farm work, is plentiful for all construction and industrial purposes, and the scarcity of farm hands will tend to prevent overproduction of certain crops. The unseasonably cold and wet spring delayed budding of trees, and the present outlook for commercial fruit growers is better than for several years. The banks as a whole in the District are in position to finance the year's normal needs without strain, and the Federal Reserve Bank of Richmond has extended liberal credit and is in almost exactly the same position it occupied a year ago. The volume of business as reflected by debits to individual accounts in clearing house banks in the District was greater during the four weeks ending April 9, 1924 than during either of the four weeks periods ending March 12, 1924 and April 11, 1923. Cotton prices have recently shown a rising tendency, and foreign demand for cotton appears to be gradually improving. Virginia's tobacco yield turned out larger than last fall's estimates. Building operations continue at or near record levels, with no signs as yet that any material decline in impending, and dealers in all kinds of building materials are enjoying a large volume of business. Retail trade as indicated by reports from twenty-nine large department stores was only one-tenth of one percent less during the first three months of this year than during the first quarter of 1923, a very satisfactory volume of business when it is remembered that Easter came on April 1st last year but not until April 20th this year, a condition that would cause a considerable amount of retail trade that occurred in March 1923 to occur in April 1924. The variation in the date of Easter also influenced wholesale trade to some extent, postponing all refilling and last minute orders until April this year. Cumulative sales in wholesale groceries, hardware and furniture were greater during the first three months of 1924 than during the corresponding period last year, but sales in dry goods, shoes and drugs were less. The decline in drug sales was small, and it is worthy of mention that spring sales in dry goods and shoes were very large last year, which doubtless accounts for a considerable part of the declines noted in those lines this season.

CONDITION OF SEVENTY-SIX REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	April 9, 1924	Mar. 5, 1924	April 11, 1923
1. Total Loans and Discounts (including all rediscounts).....	\$ 475,886,000	\$ 461,848,000	\$ 462,453,000
2. Total Investments in Bonds and Securities.....	121,103,000	126,099,000	130,198,000
3. Total Loans and Investments.....	596,989,000	587,947,000	592,651,000
4. Reserve Balance with Federal Reserve Bank.....	35,771,000	38,332,000	34,040,000
5. Cash in Vaults.....	13,236,000	13,059,000	15,884,000
6. Demand Deposits.....	333,307,000	330,930,000	335,157,000
7. Time Deposits.....	165,601,000	160,328,000	154,146,000
8. Borrowed from Federal Reserve Bank.....	30,832,000	35,245,000	33,043,000

The accompanying table shows the principal items of condition reported by seventy-six identical member banks as of three dates, April 9, 1924, March 5, 1924 and April 11, 1923, thus affording an opportunity for comparing the totals reported for the latest date with those reported for the preceding month this year and on the corresponding date a year ago. In comparing the April 9, 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 March 5, 1924 and April 9, 1924, the reporting banks increased their loans to customers from \$461,848,000 to \$475,886,000, an increase of \$14,038,000, but between the same dates they reduced their rediscounts at the Federal Reserve Bank from \$35,245,000 to \$30,832,000, a curtailment of \$4,413,000. An expansion of loans to customers and a reduction in rediscounts at the Reserve Bank are movements in opposite directions and seldom occur simultaneously, but an examination of the table indicates how they were made. Between March 5th and April 9th the reporting banks reduced their investments in bonds and securities from \$126,099,000 to \$121,103,000, which provided \$4,996,000 of loanable funds; their reserve deposits at the Reserve Bank were decreased from \$38,332,000 to \$35,771,000, providing \$2,561,000 for other uses; their demand deposits increased from \$330,930,000 to \$333,307,000, a gain of \$2,377,000; and their time deposits rose from \$160,328,000 to \$165,601,000, an increase of \$5,273,000. Between the same dates, March 5th and April 9th, cash in vaults changed only slightly, increasing from \$13,059,000 to \$13,236,000.

A comparison of the April 9, 1924 figures with those reported a year ago shows some interesting developments. Total loans and discounts for customers on April 11, 1923 stood at \$462,453,000, but had risen to \$475,886,000 on April 9th this year, an increase of \$13,433,000, while rediscounts at the Reserve Bank fell between the same dates from \$33,043,000 to \$30,832,000, a decline of \$2,211,000, and reserve balances with the Reserve Bank rose from \$34,040,000 to \$35,771,000, an increase of \$1,731,000. On April 11th last year cash in vaults totaled \$15,884,000 compared with \$13,236,000 on April 9th this year, a decrease of \$2,648,000; and demand deposits fell between the same dates from \$335,157,000 to \$333,307,000, a decline of \$1,850,000. On the other hand, the investments in bonds and stocks held by the reporting banks decreased between April 11, 1923 and April 9, 1924 from \$130,198,000 to \$121,103,000, providing \$9,095,000 of loanable funds, and time deposits rose from \$154,146,000 to \$165,601,000, an increase of \$11,455,000. The normal development in a bank statement leads one to expect demand deposits to increase when outstanding loans to customers increase, time deposits ordinarily being influenced very little by the volume of loans made, but during the past year demand deposits have actually declined while time deposits have increased notably. This may be due, in some measure at least, to classification of deposits.

FEDERAL RESERVE BANK OPERATIONS

Condition statements of the Federal Reserve Bank of Richmond as of March 12th and April 16th, both this year, reflect the usual expansion in the volume of credit called for by member banks at this time of the year, when agricultural undertakings are being financed for the coming season. Between March 12th and April 16th, the volume of Federal Reserve Notes in actual circulation declined from \$85,627,000 to \$80,794,000, bank credit rather than cash being needed at this season; the total of member bank reserve deposits increased from \$62,076,000 to \$62,386,000; and the volume of rediscounts for member banks increased from \$50,911,000 to \$58,353,000. As a result of these changes, the cash reserves held by the Federal Reserve Bank of Richmond declined from \$102,401,000 to \$90,653,000, and the ratio of cash reserves to combined note and deposit liabilities declined from 67.26% on March 12th to 61.49% on April 16th. The demand for credit from member banks did not increase as much this year between the middle of March and the middle of April as it did during the corresponding month last year, the lateness of the season doubtless having something to do with it.

The figures showing the chief items of condition as of April 16, 1924 in comparison with the figures as of April 18, 1923 show a slightly larger use of Reserve Bank credit this year, but the differences between the

figures on the two dates are strikingly small. On April 18, 1923, Federal Reserve Notes in actual circulation totaled \$82,195,000 in comparison with \$80,794,000 on April 16th this year. Member bank reserve deposits last year aggregated \$61,642,000 compared with \$62,386,000 this year. The volume of rediscounts amounted to \$56,928,000 in 1923 and \$58,353,000 in 1924, and cash reserves totaled \$90,849,000 on April 18, 1923 and \$90,653,000 on April 16, 1924. The ratio of cash reserves to note and deposit liabilities combined was 62.93% on April 18th last year and 61.49% on April 16th this year.

SAVINGS BANK DEPOSITS

Deposits in fifteen mutual savings banks in Baltimore rose a little less than one percent during March, reaching at the end of that month the highest total reported for any date since the Federal Reserve Bank began tabulating the figures in January 1920. On March 31, 1924, the fifteen banks had combined deposits amounting to \$142,329,341, compared with \$141,102,463 reported at the end of January 1924, the previous record month. On March 31, 1923, deposits in the reporting banks aggregated \$134,954,223; on March 31, 1922, the total amounted to \$125,122,842; on March 31, 1921 to \$124,263,612; and on March 31, 1920 to \$120,667,494. The March 1924 total shows an increase of 5.5% over deposits a year ago and a gain of 18.0% over deposits in March 1920.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	April 9, 1924	Mar. 12, 1924	April 11, 1923
Asheville, N. C.....	\$ 21,707,000	\$ 18,480,000	\$ 18,373,000
Baltimore, Md.....	341,824,000	343,556,000	348,221,000
Charleston, S. C.....	28,073,000	22,224,000	27,116,000
Charleston, W. Va.....	33,426,000	32,791,000	34,881,000
Charlotte, N. C.....	43,447,000	39,219,000	37,790,000
Columbia, S. C.....	22,497,000	21,163,000	23,365,000
Cumberland, Md.....	8,766,000	7,686,000	9,344,000
Danville, Va.....	8,229,000	8,657,000	8,325,000
Durham, N. C.....	19,245,000	16,719,000	16,338,000
Greensboro, N. C.....	22,213,000	20,067,000	19,337,000
Greenville, S. C.....	20,640,000	23,419,000	20,086,000
Hagerstown, Md.....	10,296,000	8,553,000	10,824,000
Huntington, W. Va.....	24,083,000	23,707,000	24,217,000
Lynchburg, Va.....	18,117,000	16,987,000	18,503,000
Newport News, Va.....	6,191,000	5,986,000	7,961,000
Norfolk, Va.....	63,333,000	60,701,000	68,291,000
Raleigh, N. C.....	27,775,000	27,780,000	26,450,000
Richmond, Va.....	111,756,000	116,831,000	111,150,000
Roanoke, Va.....	21,759,000	22,082,000	21,773,000
Spartanburg, S. C.....	11,593,000	11,388,000	12,040,000
Washington, D. C.....	183,796,000	174,424,000	181,665,000
Wilmington, N. C.....	21,445,000	18,408,000	20,458,000
Winston-Salem, N. C.....	29,626,000	27,076,000	30,684,000
Totals for 23 cities.....	\$ 1,099,837,000	\$ 1,067,904,000	\$ 1,097,192,000

The accompanying table shows 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 April 9, 1924, March 12, 1924, and April 11, 1923, thus affording an opportunity for comparing the latest four weeks period with (1) the preceding like period this year, and (2) the corresponding period last year. The debits figures include all checks drawn on deposit accounts of individuals, firms and corporations, and the United States Government, including checks against savings accounts, payments from trust funds and certificates of deposit paid, 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 \$1,099,837,000 during the four weeks ending April 9th in comparison with \$1,067,904,000 reported during the four weeks ending March 12th, both dates this year. This increase of \$31,933,000, or 3.0%, was due partly to income tax payments on March 15th and partly to the quarterly payments of interest, etc., falling due on April 1st. There was also one more business day during the more recent four weeks. Washington's birthday having fallen in the period ending March 12th. The increase in debits was well distributed throughout the District, seventeen of the twenty-three cities reporting higher figures for the April 9th than for the March 12th period.

Total debits reported for the four weeks ending April 9, 1924 were greater than the total reported for the corresponding four weeks in 1923, the lateness of Easter and restrictions in operating time at textile plants this year to the contrary notwithstanding. The period ending April 11, 1923 witnessed debits to the amount

of \$1,097,192,000, while during the period ending April 9, 1924, the total volume of debits reached \$1,099,837,000, a gain of \$2,645,000, or approximately one-quarter of one percent.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS MARCH, 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.....	163	143	14.0	\$ 2,729,443	\$ 2,996,492	— 8.9%
New York, Second.....	363	316	14.9	26,870,199	8,883,184	202.5
Philadelphia, Third.....	83	73	13.7	1,724,650	10,622,911	— 83.8
Cleveland, Fourth.....	144	130	10.8	3,037,892	5,156,589	— 41.1
Richmond, Fifth.....	105	100	5.0	42,232,527	2,847,909	1,382.9
Atlanta, Sixth.....	128	117	9.4	5,111,223	2,788,463	83.3
Chicago, Seventh.....	251	203	23.6	8,296,645	5,360,490	54.8
St. Louis, Eighth.....	100	107	— 6.5	1,313,655	1,508,844	— 12.9
Minneapolis, Ninth.....	77	76	1.3	979,270	1,415,434	— 30.8
Kansas City, Tenth.....	113	97	16.5	1,851,517	1,361,100	36.0
Dallas, Eleventh.....	74	91	— 18.7	950,677	2,474,504	— 61.6
San Francisco, Twelfth.....	216	229	— 5.7	2,553,328	2,977,218	— 14.2
Totals.....	1,817	1,682	8.0%	\$ 97,651,026	\$ 48,393,138	101.8%

Business failures in the United States were more numerous in March than in March of last year, and the total of liabilities involved broke all previous records. There were 1,817 insolvencies in March 1924, with aggregate liabilities of \$97,651,026, compared with 1,682 bankruptcies reported in March 1923 with total liabilities of \$48,393,138, increases this year of 8.0% in number and 101.8% in liabilities. In commenting upon the March record, *Dun's Review* says, "The abnormally heavy indebtedness for March, this year, is explained by the fact that four manufacturing defaults alone supplied 60 percent of the total sum reported, and one—a chemical company in the South—had liabilities of \$40,000,000, or fully 40 percent of the aggregate for the month. Prior to March, the heaviest indebtedness for a single month was the \$87,500,000 of December 1921, and the second largest monthly amount, \$79,300,000, was recorded last October."

In the Fifth District the number of failures reported in March was 105, showing an increase of 5.0% over the 100 failures reported in March 1923, but aggregate liabilities during the current month amounted to \$42,232,527 compared with \$2,847,909 reported a year ago. The chemical company above referred to, with liabilities of approximately \$40,000,000, accounted for 95% of the District total, and its failure is due not so much to unusually unfavorable conditions existing at present but rather to an inability to work out of the position created when cotton declined from above 40 cents in the spring of 1920 to below 10 cents during the summer of 1921.

It has been our custom to show each month the average liability per failure in the United States and the Fifth District, but this month we omit these averages, since the exceptionally large sum involved in four manufacturing failures would make average figures misleading.

LABOR—The outstanding fact in labor conditions in the Fifth Federal Reserve District is the shortage of farm hands. Farmers in many localities are unable to secure sufficient help to carry on their operations on the scale desired, and when laborers are secured the wages are so high that it is doubtful whether farmers can profitably employ them. There are plenty of workers in the cities to meet all demands except in certain skilled trades, but there is no surplus of sufficient importance to drive workers to kinds of labor that are distasteful to them. However, the farmers are becoming adjusted to a condition that bids fair to be permanent, this adjustment being affected by greater personal application and by the use of machinery. In the cities employment conditions have improved with the coming of weather that is favorable for outside work and the excess of unskilled workers mentioned in last month's *Review* has been reduced. Construction work of various kinds is of course responsible for the comparative ease with which employment is secured. There have been no material changes in wage scales during recent months.

COAL—The Geological Survey, in its weekly report on the production of coal dated April 12, 1924, says, "The mine reports for the week ending March 29th show that the depression in the soft coal industry that began early in February is rapidly gaining in intensity. Production in the last week of the coal year 1923-1924 declined 5%, with an attendant sharp decrease in working time. The immediate cause of the most recent decline was a general and marked softening of the market. Larger losses of working time through lack of demand were reported in every district with the single exception of Logan County, W. Va. The full extent of the present depression may be seen from the fact that of the mines in 23 districts east of the Mississippi that reported those in 22 were shut down 50% or more of full time on the average. Practically all of the losses were ascribed to 'no market.'" Production of anthracite is running at a slightly

lower rate than a year ago, but the demand is much better than for soft coal. Locally, retail prices of coal have been reduced in some sections of the District since our last month's *Review* was written, the reductions being usual at this season of the year when coal purchases for heating drop off. In Richmond the reductions ranged from less than \$1 to \$3 a ton, the higher reduction applying to a few prepared sizes of New River and Pocahontas coal. Dealers' yards are quite generally well stocked and prompt deliveries can be made.

TEXTILES—The situation in the textile field has not changed materially since the middle of March. The tendency among the mills to curtail production has continued and has broadened to include other plants, but on the other hand there have been some brief periods of greater freedom in placing orders. Cotton prices have recently advanced, and this rise apparently stimulated some buying, but most of the mills have large stocks of goods already made up and are in position to fill a considerable volume of orders without increasing operating time. The trade appears unstable, buying movements quickly dwindling away at each unfavorable sign shown by the market. The demand for textiles continues to be affected by uncertainty concerning the prospects for this year's cotton crop.

Cotton consumption in the Fifth District during March amounted to 191,293 bales, or 39.5% of national consumption, North Carolina mills having used 103,704 bales, South Carolina mills 80,479 bales, and Virginia mills 7,110 bales. The Fifth District mills used 230,201 bales of cotton in March 1923, or 36.9% of national consumption for that month.

COTTON—Cotton prices have fluctuated widely since March 15th, the latest date covered in our last month's *Review*, but on the whole the trend has been upward as a consequence of a growing realization of the scarcity of available cotton, unfavorable weather for planting the new crop, and fairly good foreign demand. The average price paid for spot cotton in the two Carolinas during the week ending March 15th was 27.56 cents per pound, and the average for the week ending March 22nd rose to 28.05 cents. During the week ending March 29th there was a sharp decline, the average price dropping to 26.60 cents per pound, the lowest price reported since the week ending September 8, 1923, but a rise to 28.04 cents followed during the week ending April 5th and continued to 29.93 cents during the period ending April 12th, the latest week for which accurate figures are available.

On March 20th the Bureau of the Census released its final cotton crop report for the 1923 season, placing the year's production at 10,128,478 equivalent 500 pound bales. A crop of 10,081,000 bales had been estimated by the Department of Agriculture in its final report last December. The 1922 crop was 9,762,029 bales. In the Fifth District, all of the three cotton growing states increased their yields much more, proportionally, than the national average, North Carolina producing this year 1,017,325 bales compared with 851,640 bales in 1922, South Carolina growing 769,416 bales compared with 492,535 bales the previous year, and Virginia reporting 50,250 bales compared with 26,515 bales, making a total for the three states of 1,836,991 bales this year compared with 1,370,690 bales the year before, a 1924 increase of 34%. Most of the cotton is sold by the growers between August and February, and between those months the prices actually paid on the leading markets in the Carolinas averaged 6.63 cents per pound higher for the 1923 crop than for the 1922 crop. The 1923 crop in the District, exclusive of seed and oil, brought in approximately \$281,150,000 compared with \$164,483,000 realized for the previous year, an increase of \$116,667,000, or 70.9%. The acreage planted in 1923 was greater than the 1922 acreage, and more fertilizer was also used, thus making the 1923 crop more expensive than the previous one, but the increase in expense of production was not nearly as great as the increase in yield.

Cotton consumed in American mills during March totaled 483,928 bales, compared with 507,876 bales used in February this year and 623,105 bales in March 1923, the decline in comparison with the other months mentioned reflecting the curtailment in operations at textile mills pointed out elsewhere in this *Review*. The report on consumption was about in line with expectations, and had little effect upon the cotton market when released on April 15th by the Bureau of the Census. Total consumption for the season to date, August 1, 1923 through March 31, 1924, amounts to 4,079,364 bales compared with 4,462,698 bales during the corresponding eight months ending March 31, 1923. Cotton on hand in consuming establishments at the end of March amounted to 1,498,266 bales, compared with 1,578,272 bales on February 29, 1924 and 2,034,535 bales on March 31, 1923. Public warehouses and compresses held 1,983,544 bales on March 31st, compared with 2,485,009 so held on February 29th this year and 2,377,799 bales on March 31st last year. Imports during March totaled 49,832 bales, compared with 48,601 bales in February 1924 and 53,219 bales in March 1923, while exports totaled 332,168 bales in March 1924, 482,146 bales in February 1924, and 318,210 bales in March 1923. Cotton consumed in the cotton growing states in March numbered 332,109 bales, compared with 349,759 bales consumed in February 1924 and 392,027 bales in March 1923. March consumption in the cotton growing states amounted to 68.6% of national consumption, compared with 62.9% in March 1923.

No figures on the acreage the farmers are likely to plant in cotton are available this year, but there are no signs that acreage will be reduced in the Fifth District at least. Last year the crop was profitable to

the average grower in comparison with other agricultural products, and the low supply of cotton on hand at present encourages the farmers to believe that reasonably satisfactory prices are likely to prevail for the new crop. The season is backward, due to cold and wet weather, but favorable weather during the next few weeks would enable the growers to overcome the late start. Labor is scarce, and may have some influence in restricting acreage, but on the other hand fertilizer is cheaper than a year ago and the farmers are undoubtedly in better financial position to plant a large crop than they were in the spring of 1923.

TOBACCO—Leaf tobacco sales on the open markets in Virginia amounted to 5,355,398 pounds during March, according to warehouse reports to the Commissioner of Agriculture. The 1923 crop has practically all left the farms, and most of the markets have closed for the season. A few of the Dark markets will remain open during April. Total sales on the open markets and the receipts of the Tobacco Growers Association to April 1st amounted to 157,095,654 pounds compared with 161,150,567 pounds to the same date last year, the 1923 crop having exceeded the estimate of the year's production made last fall. There were 2,598,688 pounds of Bright tobacco sold on the open markets during March at an average price of \$14.25. Dark tobacco sales in March amounted to 2,756,710 pounds and the average price was \$16.24. It is very unusual for Dark tobacco to bring a higher price than Bright, but largely owing to the poor quality of the latter the average prices have been higher for Dark tobacco during the past two months. According to the warehousemen, the March sales graded 16 percent good, 30 percent medium, and 54 percent common, while in February sales graded 20 percent good, 33 percent medium and 47 percent common. Danville led the Bright markets with sales of 1,339,001 pounds and Lynchburg led the Dark markets with 958,431 pounds.

Reports issued by official crop reporters in Virginia and North Carolina state that some increase in tobacco acreage is expected in Virginia this year, while a slight decrease is expected in North Carolina. Last year the acreage in Virginia was below the average because of unfavorable weather at planting time, so an increase in 1924 will tend to bring the state back to its normal acreage. In some sections of the Virginia tobacco belt there is considerable interest in cotton, but it is not probable that the substitution of cotton for an old established crop like tobacco will be very material. South Carolina will probably plant about the same acreage as in 1923, when a large crop for that state was produced. The Agricultural Statistician of North Carolina states that stocks of tobacco on hand are rather heavy in consideration of the year's probable requirements for manufacturing.

AGRICULTURAL NOTES—The weather this spring has been cold and wet, and plowing and planting are therefore from a week to three weeks late, but the absence of warm spells prevented fruit trees budding too soon. The cold weather damaged grain crops considerably, there being little snow to protect them against ice and cold, but most of the damage can be overcome with favorable weather the rest of the season. Virginia's fruit prospects are the best for several years, and it is unlikely that late frosts will damage the crop this season.

In Virginia the condition of wheat on April 1st was 78 percent of normal, compared with 86 percent last December and 90 percent the average on April 1st during the past ten years. The fields have a poor stand with many bare spots, and in a few instances entire fields have been abandoned. Southwest Virginia reporters state that wheat prospects in that section are the poorest for many years. Rye in Virginia was 82 percent of normal, compared with 87 percent last year and 90 percent the ten year average. The early potato crop is estimated to be 5 percent greater than last year, but the cold, wet weather during March was unfavorable and the crop is coming up poorly. Pastures are more backward than usual but the abundance of moisture should insure rapid improvement when the weather becomes warm. Reports received by the Virginia Agricultural Statistician from 705 farmers from all parts of the state show that Virginia farmers are planning to plant less corn and peanuts than last year, but more rye, oats, barley, potatoes and tobacco. The actual acreage, however, will depend upon weather conditions and the labor supply at the time of planting. The reduction in corn acreage is planned because of a reduction in the number of hogs on the farms and the scarcity of labor available for farm work, while the reduction in peanut acreage is reported to be chiefly due to the greater profit the farmers believe they can make by substituting cotton for the peanuts.

North Carolina farmers are busy making up for their late start, and took full advantage of good weather that prevailed during the first half of April. A good beginning in planting is reported from many southern and eastern counties, but it is a little early for the planting of the major crops. Practically all crops except tobacco are expected to be increased in acreage in North Carolina this year, the expected extent of the increases ranging from about 1 percent for corn to 16 percent for Irish potatoes.

BUILDING OPERATIONS FOR THE MONTHS OF MARCH, 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.....	561	492	1,032	963	\$ 5,018,100	\$ 3,016,440	\$1,215,720	\$ 628,080	\$ 2,589,300	71.0%	1
2	Cumberland.....	48	43	33	14	168,700	146,501	66,556	5,285	83,470	55.0	2
3	Frederick.....	15	16	2	8	46,823	67,665	2,700	8,175	— 26,317	— 34.7	3
VIRGINIA												
4	Lynchburg.....	31	21	28	42	67,136	135,095	40,016	15,981	— 43,924	— 29.1	4
5	Norfolk.....	101	158	56	57	612,295	562,380	92,688	29,894	112,709	19.0	5
6	Richmond.....	198	166	76	84	1,325,785	1,875,624	134,244	160,046	— 575,641	— 28.3	6
7	Roanoke.....	97	171	48	79	288,692	456,505	17,010	29,745	— 180,548	— 37.1	7
WEST VIRGINIA												
8	Bluefield.....	26	29	5	7	87,200	79,574	4,450	5,000	7,076	8.4	8
9	Charleston.....	71	90	25	38	118,554	322,315	200,060	33,955	— 37,656	— 10.6	9
10	Clarksburg.....	50	57	17	39	495,081	185,575	6,340	31,150	284,696	131.4	10
11	Huntington.....	180	243	35	19	1,066,368	895,100	66,300	22,490	215,078	23.4	11
12	Parkersburg.....	*50		*27		196,400	100,000	6,425	50,000	52,825	35.2	12
NORTH CAROLINA												
13	Asheville.....	38	52	59	23	270,500	456,876	18,018	12,124	— 180,482	— 38.5	13
14	Charlotte.....	71	51	14	19	656,550	478,325	21,425	40,945	158,705	30.6	14
15	Durham.....	40	32	4	6	238,500	98,865	2,025	3,200	138,460	135.7	15
16	Greensboro.....	83	46	36	34	341,099	159,760	40,715	47,595	174,459	84.1	16
17	High Point.....	49	49	14	6	330,150	199,862	4,875	6,475	128,688	62.4	17
18	Raleigh.....	46	**96	3		148,950	**670,409	1,700		— 519,759	— 77.5	18
19	Salisbury.....	17	27	10	5	68,100	147,900	6,375	16,100	— 89,525	— 54.6	19
20	Wilmington.....	10	8	4	4	401,000	50,500	5,100	10,500	345,100	565.7	20
21	Winston-Salem.....	82	103	93	92	460,375	636,643	39,640	29,068	— 165,696	— 24.9	21
SOUTH CAROLINA												
22	Charleston.....	8	8	20	21	25,275	11,700	14,197	25,025	2,747	7.5	22
23	Columbia.....	36	46	41	91	60,701	138,075	9,745	59,488	— 127,117	— 64.3	23
24	Greenville.....	24	30	14	25	269,535	118,810	23,800	12,970	161,555	122.6	24
25	Spartanburg.....	40	29	36	36	139,330	51,042	11,665	9,145	90,808	150.9	25
DIST. OF COLUMBIA												
26	Washington.....	253	461	404	505	2,962,940	3,310,459	268,737	525,519	— 604,301	— 15.8	26
Totals.....		2,175	2,524	2,109	2,217	\$15,864,139	\$14,372,000	\$2,320,526	\$1,817,955	\$ 1,994,710	12.3%	

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

NOTE--The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments. 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.

Reports received for March from building inspectors in twenty-six leading cities of the Fifth Federal Reserve District show no diminution in building activity, although the number of permits issued was less than the number issued during the corresponding month last year. The number of permits for new construction issued in March was 2,175 compared with 2,524 issued in the same cities in March 1923, but the estimated valuation of the work this year amounted to \$15,864,139 compared with \$14,372,000 last year, an increase of 10.4%. This year a large number of single permits are being taken out for the erection of several houses, in some cases one permit covering an entire block of residences. For example, the table shows that 198 permits were issued in Richmond during March, but these provided for 289 buildings. Only nine of the twenty-six cities reported a larger number of permits this year, but fifteen cities reported increased valuations, those in Baltimore, Clarksburg, Durham, Wilmington and Spartanburg being especially notable. Salisbury, N. C., is included in the table this month for the first time.

Building supply dealers are generally optimistic on the outlook for the next few months, a natural attitude in view of the orders they are receiving. Prices of building material are practically the same as for the past year, advances in a few lines having been offset by softening in others, and wages in construction trades are firm. Money on mortgages can be had without difficulty, and speculative builders appear to find a ready market for their houses, especially for inexpensive single family dwellings that can be carried on mortgage for little more than rent money.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Mar. 1924, compared with Mar. 1923.....	— 14.5	— 11.1	— 13.0	— 18.5	— 14.2
Percentage increase in net sales from Jan. 1 through March 31, compared with sales during the same three months of 1923.....	— 2.6	7.8	2.8	— 3.6	— 0.1
Percentage increase in net sales during Mar. 1924, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	— 10.9	9.4	— 13.3	— 9.5	— 9.3
Percentage increase in stocks on hand at the end of March 1924, over stocks on hand at the end of March 1923.....	3.7	15.5	3.7	11.2	5.5
Percentage increase in stocks on hand at the end of March 1924, over stocks on hand at the end of Feb. 1924.....	12.6	7.8	8.4	9.1	10.4
Percentage of average stocks on hand at the end of each month since Jan. 1, 1924, to average net sales each month during the same period, three months.....	414.2	404.2	435.9	616.8	441.0
Percentage of outstanding orders at the end of March 1924, to total purchases of merchandise during the year 1923.....	6.3	6.6	4.7	5.1	5.6

—Denotes Decrease.

Spring trade in retail circles is influenced very materially by the weather, but probably the date on which Easter falls is equally as important. This year Easter was very late, falling on April 20th, and consequently spring trade through March was postponed in comparison with last year when Easter fell on April 1st. Chiefly as a result of this natural lateness of the season retail trade in twenty-nine reporting department stores in the Fifth District was 14.2% less in dollar amount during March than in March 1923, and cumulative sales from January 1st through March 31st were 0.1% under sales during the corresponding three months last year. March 1924 sales were 9.3% less than average March sales during the three years 1920, 1921 and 1922, but here again the Easter date enters in, Easter having occurred near the first of April during two of those three years. In view of the late season this year, the decrease in cumulative sales during the first three months is very small, and indicates a very satisfactory volume of business. Stocks on hand in the reporting stores are larger than a year ago, an increase in the selling value of stocks amounting to 5.5% having been reported at the end of March in comparison with March 1923, and stocks on March 31, 1924 were also 10.4% greater in value than stocks on hand February 29, 1924. The percentage of average stock on hand at the end of each month since January 1st to average monthly net sales during the three months was 441.0%, compared with a percentage of 425.1% in practically the same stores during the first quarter of 1923, indicating a slightly slower rate of turn-over this year. Outstanding orders for merchandise at the end of March amounted to 5.6% of total purchases during the calendar year 1923.

Among the individual cities, Washington shows an increase in cumulative sales during the first three months of this year amounting to 2.8% in comparison with sales during the corresponding period of 1923, and Richmond shows an increase of 7.8%, but Washington stocks have increased only 3.7% within the year while Richmond stocks were 15.5% greater on March 31, 1924 than on the corresponding date last year. The group of Other Cities shows the greatest decline in business this year in comparison with last year, cumulative sales during the first three months having dropped 3.6% under sales during the first quarter of 1923 while stocks in the reporting stores increased 11.2% between March 31, 1923 and March 31, 1924.

WHOLESALE TRADE
March 1924.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	43	15	14	16	7	13
Percentage increase (or decrease) in net sales during Mar. 1924, compared with sales during Feb. 1924.....	0.02	-20.8	11.5	- 1.2	0.3	4.1
Percentage increase (or decrease) in net sales during Mar. 1924, compared with sales during Mar. 1923.....	- 2.5	-28.0	-23.4	-14.9	-10.9	- 1.7
Percentage increase (or decrease) in cumulative sales from Jan. 1st through Mar. 31st, 1924, compared with sales during the corresponding three months of 1923.....	4.9	-12.2	-19.6	0.9	9.9	- 0.6
Percentage increase (or decrease) in stocks on hand Mar. 31, 1924, compared with Feb. 29, 1924.....	- 2.2(12)	- 1.0(8)	- 2.8(6)	2.3(4)	- 8.8(4)	
Percentage increase (or decrease) in stocks on hand Mar. 31, 1924, compared with Mar. 31, 1923.....	- 0.1 (6)	20.3(6)	-13.4(5)	22.0(2)	15.5(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.

In the accompanying table we show the trend of wholesale trade during March 1924, sales during that month being compared with (1) sales during February of this year, and (2) with sales during March last year. In addition, stocks on hand as of March 31, 1924 are compared with stocks on hand February 29, 1924 and March 31, 1923. Finally, we include a new figure this month, showing the percentage of increase or decrease in cumulative sales from January 1st through March 31st this year, compared with total sales by the same firms during the corresponding three months of 1923.

March sales show lower totals than February sales in dry goods and hardware lines, but higher totals were reported in groceries, shoes, furniture and drugs. In comparison with March 1923, the past month's record is not so favorable, decreased sales having been reported for all of the six lines. Cumulative sales from January 1st through March 31st were greater this year than during the corresponding three months of 1923 in groceries, hardware and furniture, but were lower in dry goods, shoes and drugs. During the spring of 1923 business in dry goods and shoes was unusually good, and therefore the decreases in this year's volume of business are probably not as indicative of unsatisfactory demand as the comparison alone might indicate.

Stocks on hand varied little between February 29th and March 31st, but four of the five lines show some decreases during the month. Hardware stocks increased 2.3% in four reporting firms. In comparison with March 31, 1923, stocks on hand on March 31, 1924 show declines of 0.1% and 13.4% in groceries and shoes, respectively, but increases of 20.3% in dry goods, 22.0% in hardware and 15.5% in furniture.

Collections as reported by ninety-six wholesale firms were distinctly slower during March than they were a year ago, the most marked change occurring in the dry goods line. In March 1923 none of the ninety-six firms reported collections as definitely poor and only 10 reported them slow, but for March this year 3 firms reported poor and 18 slow. For comparative purposes we show below the classifications made for March 1924 and March 1923 by identical firms.

Lines	Collections in March Reported As									
	Good		Fair		Slow		Poor		Total	
	1924	1923	1924	1923	1924	1923	1924	1923	1924	1923
Groceries	7	10	25	23	5	5	1	0	38	38
Dry Goods.....	1	4	7	9	7	2	0	0	15	15
Shoes	0	0	6	9	3	2	2	0	11	11
Hardware	2	1	8	10	2	1	0	0	12	12
Furniture	1	0	5	7	1	0	0	0	7	7
Drugs	4	7	9	6	0	0	0	0	13	13
March Totals.....	15	22	60	64	18	10	3	0	96	96

(Compiled April 19, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

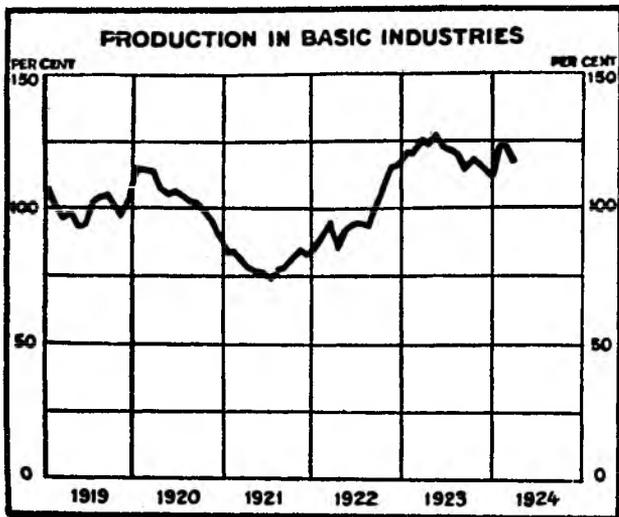
Production of basic commodities decreased during March, and there was a recession in wholesale prices. Distribution, both at wholesale and retail, showed less than the usual seasonal increase and was smaller than a year ago.

PRODUCTION. The Federal Reserve Board's index of production in basic industries, adjusted to allow for tenth of month and other seasonal variations, declined 3 percent in March. Output was reduced by most industries and the decreases were particularly large in mill consumption of cotton and production of bituminous coal and copper. Daily average production of steel ingots, however, was larger than in any previous month. The level of factory employment was unchanged but some curtailment in working hours was evidenced by a decline of one percent in average weekly earnings. Contract awards for new buildings in March reached the highest total value on record, owing chiefly to a large increase in the New York district. Estimates by the Department of Agriculture on the basis of condition on April 1st indicate a reduction of 4 percent in the yield of winter wheat and of 6 percent in the production of rye as compared with the final harvests in 1923.

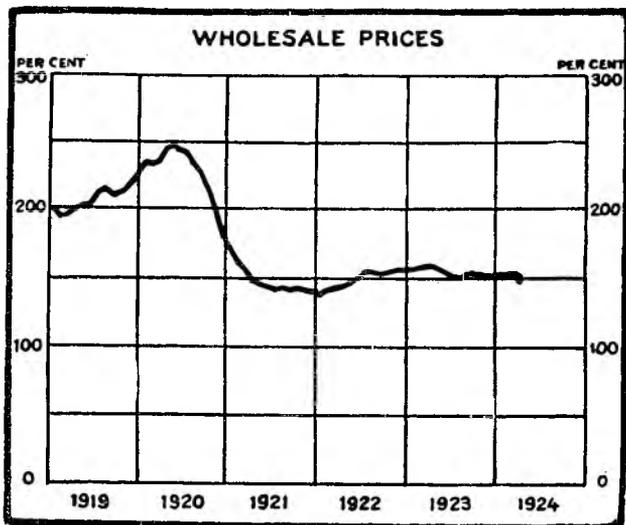
TRADE. Shipments of commodities by railroads declined each week in March and car loadings were 4 percent less than a year ago. Wholesale trade increased slightly during March but was 8 percent less than a year ago owing to decreases in sales of dry goods, shoes and hardware. March sales of department stores were 8 percent less than in March 1923 and merchandise stocks at the end of the month were 8 percent larger than a year ago. Sales of mail order houses also showed less than the usual seasonal increase in March. The decrease in the volume of purchases at retail compared with last year is partly accounted for by the late Easter and generally unfavorable weather conditions.

PRICES. Wholesale prices, as measured by the Bureau of Labor Statistics index, decreased slightly more than 1 percent in March and were 6 percent lower than a year ago. Prices of farm products, foods, clothing, chemicals and house furnishings declined, building materials remained unchanged, while fuel and metals were slightly higher than in February. During the first three weeks of April quotations on pig iron, lead, coal, silk and sugar declined, while prices of wheat, corn and cotton advanced.

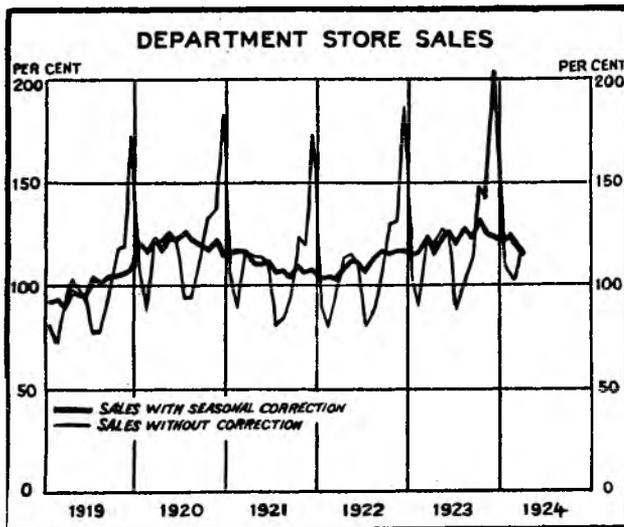
BANK CREDIT. The volume of borrowing for commercial purposes at member banks in leading cities, after increasing during the early part of the year, remained constant at a high level between the middle of March and the middle of April. During the four weeks period total loans of these banks were in larger volume than at any time in more than two years. Discounts and investments of the Federal Reserve Banks, which on April 2nd were slightly above \$1,000,000,000, declined by about \$125,000,000 during the first three weeks in April to the lowest point of the year. This decline represents a reduction in discounts and in the holdings of Acceptances, while the volume of Government securities increased somewhat. Money rates in the New York market during the first three weeks in April were at about the same level as in the latter part of March. Prime commercial paper was quoted at 4½ percent and 90 day Bankers' Acceptances at 4 percent throughout the period.



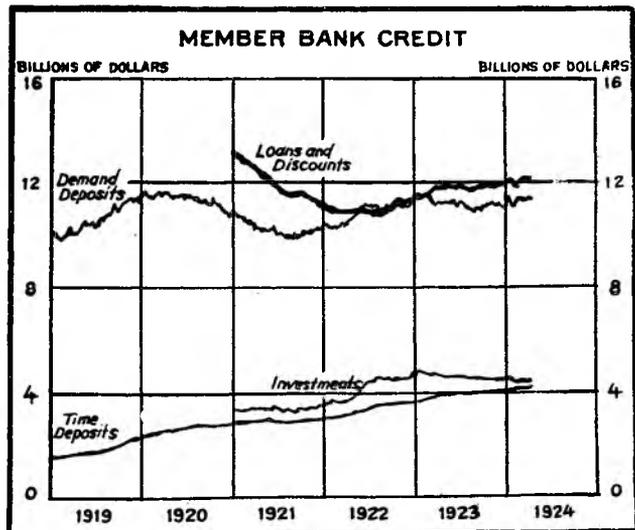
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—March 116.



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



Index of sales of 333 stores in 117 cities (1919=100). Latest figures—March 115.



Weekly figures for member banks in 101 leading cities. Latest figures, April 16th.

FIFTH FEDERAL RESERVE DISTRICT

