

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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It is difficult to point out a definite trend in the business development in the Fifth Federal Reserve District since the middle of April, but on the whole the available evidence seems to show further hesitancy and slackening in the activities of the business world. Part of the decrease was seasonal, a dull period naturally following the pre-Easter weeks, but there are signs that the slowing up was partly based upon an uncertainty about future prospects. The comparative prosperity of the District during the past eighteen months has rested largely upon the great activity in construction enterprises and on the improved financial condition of our agricultural population, but fears have been expressed that the building boom has passed its crest and there is, of course, no certainty that 1924 will prove as satisfactory a year for Fifth District farmers as 1923.

Reviewing business statistics for April, reports from regularly reporting member banks show reductions in outstanding loans to customers and in rediscounts at the Reserve Bank, both reductions being contrary to average seasonal demands for credit. Demand deposits also declined during April. Time deposits in reporting member banks, however, and deposits in mutual savings banks gained in comparison with March totals. The Federal Reserve Bank's total rediscounts for all member banks declined slightly during April, another movement counter to the expected seasonal trend. Debits to individual accounts in clearing house banks in twenty-three of the District's leading cities showed substantial decreases during the four weeks ending May 7th of this year in comparison with the preceding four weeks and with the corresponding four weeks of 1923. Business failures in the Fifth District were more numerous than in either March this year or April last year, and the total of liabilities involved was also greater than during April 1923, though much less than in March 1924 when a single corporation failed for approximately \$40,000,000. The

labor situation in the District is on the whole satisfactory except in the matter of farm labor. In all other lines the supply and demand are reasonably near a balance, and consequently no shortage or surplus of any importance exists. Coal mines are producing less coal than at any previous period on record, excepting times of general strikes, but customer's needs are being supplied promptly. Textile mills have curtailed running time very materially in the absence of forward orders, and are marking time until it becomes possible to judge the prospects for the 1924 cotton crop with some degree of accuracy. Cotton prices fluctuate from day to day, but the fluctuations are between narrow limits, and during the past month quotations have been higher than during the same period last year. April consumption of cotton was somewhat greater than had been expected in view of widespread reports of curtailment in operating time at the mills, but the amount of cotton consumed was about 17% less than the number of bales used in April 1923. Agriculture is getting away to a late start, due to an unusually wet and cold spring, but agricultural experts think that the outlook for the season is fairly good, and prospects for fruit are the best for several years. New construction work is holding up in remarkable volume, both the number of permits issued and the estimated valuation in the Fifth District during April being greater than during any other month on record except April 1923. Retail trade was better in April than in April 1923, but the improvement was chiefly due to the lateness of Easter this year. Wholesale trade in April was better than in April 1923 in groceries, shoes, furniture and drugs, but was less in dry goods and hardware. Collections were distinctly harder to make during April than during the corresponding month last year, judging from reports sent in by one hundred and three wholesale firms.

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

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

ITEMS	May 7, 1924	April 9, 1924	May 9, 1923
1. Total Loans and Discounts (including all rediscounts) .....	\$ 471,524,000	\$ 475,886,000	\$ 461,666,000
2. Total Investments in Bonds and Securities .....	118,768,000	121,103,000	130,508,000
3. Total Loans and Investments .....	590,292,000	596,989,000	592,174,000
4. Reserve Balance with Federal Reserve Bank .....	34,819,000	35,771,000	35,073,000
5. Cash in Vaults .....	12,947,000	13,236,000	13,509,000
6. Demand Deposits .....	325,816,000	333,307,000	328,516,000
7. Time Deposits .....	165,018,000	165,601,000	153,238,000
8. Borrowed from Federal Reserve Bank .....	29,716,000	30,832,000	37,081,000

The accompanying table shows the principal items of condition reported by seventy-six identical member banks as of three dates, May 7, 1924, April 9, 1924 and May 9, 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 May 7, 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.

There is usually an expansion of credit in the Fifth District during April, but this year the reporting member banks reduced both their outstanding loans to customers and their rediscounts at the Reserve Bank between April 9th and May 7th. Total loans and discounts in the seventy-six reporting banks declined from \$475,886,000 on April 9th to \$471,524,000 on May 7th, and rediscounts at the Reserve Bank fell during the same period from \$30,832,000 to \$29,716,000. Total investments in bonds and securities declined from \$121,103,000 on April 9th to \$118,768,000 on May 7th, reserve balance with the Federal Reserve Bank dropped from \$35,771,000 to \$34,819,000, cash in vaults fell from \$13,236,000 to \$12,947,000, demand deposits declined from \$333,307,000 to \$325,816,000, and time deposits declined from \$165,601,000 to \$165,018,000.

The several items in the statement as of May 7th show some interesting variations from the items in the statement as of May 9, 1923, the changes showing that the reporting banks are caring for a greater credit demand from their customers this year than last and are doing this with less assistance from the Reserve Bank. On May 9, 1923, the reporting banks had loans and discounts outstanding to the amount of \$461,666,000, but on May 7th this year this item had risen to \$471,524,000, an increase of approximately \$10,000,000. During the same period the volume of rediscounts held by the Reserve Bank from these reporting members declined from \$37,081,000 to \$29,716,000, a decrease of a little more than \$7,000,000, and demand deposits fell from \$328,516,000 to \$325,816,000, a drop of nearly \$3,000,000. The increase in loans and discounts, therefore, together with the decreases in rediscounts at the Reserve Bank and in demand deposits, indicates that the reporting banks have secured approximately \$20,000,000 from other sources during the year. An examination of the table shows that this amount was secured by a reduction in investments in bonds and securities, which declined approximately \$12,000,000 during the year, and by an increase in time deposits, which rose nearly \$12,000,000 between May 9, 1923 and May 7, 1924. On May 9th last year total investments in bonds and securities amounted to \$130,508,000, compared with \$118,768,000 on May 7th this year, and on May 9, 1923 time deposits stood at \$153,238,000, compared with \$165,018,000 on May 7, 1924. Between the same two dates, reserve balances with the Reserve Bank dropped from \$35,073,000 to \$34,819,000 and cash in vaults declined from \$13,509,000 to \$12,947,000.

### FEDERAL RESERVE BANK OPERATIONS

In contrast with the usual seasonal credit trend, rediscounts for member banks held by the Federal Reserve Bank of Richmond declined between April 16th and May 14th, this year, falling from \$58,353,000 to \$57,518,000. Between the same dates, the volume of Federal Reserve notes in actual circulation decreased from \$80,794,000 to \$76,226,000, and member bank reserve deposits dropped from \$62,386,000 to \$61,899,000. As a result of these changes, the cash reserves held by the Federal Reserve Bank of Richmond declined from \$90,653,000 on April 16th to \$85,194,000 on May 14th, and the ratio of cash reserves to combined note and deposit liabilities declined from 61.49% to 60.57%. The decline noted in the volume of rediscounts during the month was small, but the important fact is that there was a decline instead of the material increase that usually occurs during late April and early May.

The reserve position of the Federal Reserve Bank of Richmond was somewhat stronger on May 14th this year than on May 16th last year. A year ago the volume of rediscounts for members amounted to \$63,713,000 compared with \$57,518,000 this year, but on May 16, 1923 cash reserves amounted to \$80,122,000 in comparison with \$85,194,000 on May 14th this year and Federal Reserve notes in circulation amounted to \$78,884,000 compared with \$76,226,000. Reserve deposits of member banks rose during the year from

\$60,478,000 to \$61,899,000. As a result of the variations in the several items, none of which were very marked, the ratio of cash reserves to combined note and deposit liabilities rose from 57.03% on May 16th last year to 60.57% on May 14, 1924. This year the spring expansion of credit demands has been much less marked than last year or in average years. For example, on May 14, 1924 the volume of rediscounts for members held by the Federal Reserve Bank of Richmond was only about \$13,000,000 higher than the volume held at the middle of February this year, but on May 16, 1923 the volume of rediscounts so held was more than \$25,000,000 greater than the volume held at the middle of February 1923. Last year the ratio of cash reserves to combined note and deposit liabilities declined 19.48 points between February 14th and May 16th, while this year the decline between the corresponding dates was only 11.69 points.

### SAVINGS BANK DEPOSITS

Deposits in fifteen regularly reporting mutual savings banks in Baltimore continued to rise during April, reaching at the end of that month the record total of \$143,237,747, a gain of nearly a million dollars over the March 31, 1924 total. On April 30, 1923, deposits in the fifteen banks aggregated \$135,948,482; on April 30, 1922, the total of deposits was \$127,295,173; on April 30, 1921, it was \$125,132,192; and on April 30, 1920, it was \$121,710,304. Between April 1920 and April 1921, deposits increased 2.81% and between April 1921 and April 1922 the increase was only 1.73%, less in each case than the interest accumulation during those two years of depression and widespread unemployment, but between April 1922 and April 1923 the volume of deposits gained 6.80% and between April 1923 and April 1924 the rise amounted to 5.36%. The increases during the past two years indicate that depositors not only allowed much of their interest to accumulate but in addition made new deposits exceeding the interest that was withdrawn.

### DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	May 7, 1924	April 9, 1924	May 9, 1923
Asheville, N. C.....	\$ 21,984,000	\$ 21,707,000	\$ 18,666,000
Baltimore, Md.....	340,707,000	341,824,000	360,235,000
Charleston, S. C.....	24,586,000	28,073,000	24,064,000
Charleston, W. Va.....	32,656,000	33,426,000	41,357,000
Charlotte, N. C.....	40,585,000	43,447,000	39,196,000
Columbia, S. C.....	18,442,000	22,497,000	24,398,000
Cumberland, Md.....	8,419,000	8,766,000	9,580,000
Danville, Va.....	7,060,000	8,229,000	7,854,000
Durham, N. C.....	16,841,000	19,245,000	16,657,000
Greensboro, N. C.....	21,124,000	22,213,000	19,954,000
Greenville, S. C.....	19,431,000	20,640,000	19,323,000
Hagerstown, Md.....	10,189,000	10,296,000	10,311,000
Huntington, W. Va.....	25,357,000	24,083,000	25,501,000
Lynchburg, Va.....	17,248,000	18,117,000	18,370,000
Newport News, Va.....	6,016,000	6,191,000	7,422,000
Norfolk, Va.....	62,909,000	63,333,000	64,815,000
Raleigh, N. C.....	30,714,000	27,775,000	27,700,000
Richmond, Va.....	111,302,000	111,756,000	116,591,000
Roanoke, Va.....	22,208,000	21,759,000	22,975,000
Spartanburg, S. C.....	12,769,000	11,593,000	9,251,000
Washington, D. C.....	188,610,000	183,796,000	187,420,000
Wilmington, N. C.....	20,057,000	21,445,000	17,764,000
Winston-Salem, N. C.....	28,804,000	29,626,000	30,233,000
Totals for 23 cities.....	\$ 1,088,018,000	\$ 1,099,837,000	\$ 1,119,637,000

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 May 7, 1924, April 9, 1924 and May 9, 1923, thus affording an opportunity for comparing the latest four weeks period with (1) the preceding like period this year, and (2) the corresponding period last year. The debits figures include all checks drawn on deposit accounts of individuals, firms and corporations, and the United States Government, including checks against savings accounts, payments from trust funds and certificates of deposit paid.

Total debits in the twenty-three reporting cities during the four weeks ending May 7, 1924, amounted to \$1,088,018,000, compared with \$1,099,837,000 reported for the four weeks ending April 9th, a decline of \$11,819,000 during the more recent period. The decline was chiefly due to the large volume of debits included in the preceding period on account of the income tax payments on March 15th and the quarterly settlements made on April 1st.

Compared with the corresponding period last year, the four weeks ending May 7th this year shows a decrease in total debits from \$1,119,637,000 to \$1,088,018,000, a drop of \$31,619,000, or 2.8%. This decrease

during the year appears to indicate at first glance that the volume of business now being done is less than it was a year ago, but it is probable that much of the decline can be accounted for by decreased wholesale prices prevailing in April 1924 in comparison with April 1923. The Bureau of Labor Statistics Wholesale Price Index, all commodities included, has dropped 6.9% within the year under discussion, and while retail prices have not followed wholesale prices to any marked extent as yet, enough of current business is made up of wholesale trade to swing the volume of debits downward appreciably when wholesale prices fall. At any rate, it is clear that there was no considerable decrease in the physical volume of business transacted in April 1924 in comparison with April 1923.

### BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS APRIL, 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.....	161	151	6.6	\$ 2,875,171	\$ 2,139,720	34.4%
New York, Second.....	308	342	— 9.9	8,362,947	16,070,562	— 48.0
Philadelphia, Third.....	63	63	0.0	1,548,342	1,775,463	— 12.8
Cleveland, Fourth.....	148	116	27.6	13,040,996	3,914,384	233.2
<b>Richmond, Fifth.....</b>	<b>121</b>	<b>86</b>	<b>40.7</b>	<b>3,351,299</b>	<b>2,593,827</b>	<b>29.2</b>
Atlanta, Sixth.....	110	97	13.4	2,491,189	1,260,290	97.7
Chicago, Seventh.....	250	197	26.9	10,664,228	8,750,459	21.9
St. Louis, Eighth.....	79	80	— 1.3	1,033,327	2,168,109	— 52.3
Minneapolis, Ninth.....	105	76	38.2	1,254,620	840,890	49.2
Kansas City, Tenth.....	112	84	33.3	1,243,363	1,220,260	1.9
Dallas, Eleventh.....	56	93	— 39.8	881,236	8,874,897	— 90.1
San Francisco, Twelfth.....	194	135	43.7	2,157,734	1,883,080	14.6
<b>Totals.....</b>	<b>1,707</b>	<b>1,520</b>	<b>12.3%</b>	<b>\$ 48,904,452</b>	<b>\$ 51,491,941</b>	<b>— 5.9%</b>

Dun's Review for May 3, 1924, commenting on business failures in the United States during April, says: "A reduction in the number of failures in the United States invariably occurs during April, and last month the decrease from the March total was about 6 per cent. Numbering 1,707, the April defaults compare with 1,817 in March, and with 1,520 in April 1923. It thus appears that the failures for April, this year, are 12 per cent larger in number than those for that period of last year, but last month's liabilities, despite the increased number of defaults, are considerably smaller, \$48,904,452 comparing with \$51,491,941. There is, moreover, a marked falling off from the unprecedented indebtedness of more than \$97,600,000 recorded in March this year. More large failures occurred in April than in March, 71 for \$100,000 or more in each case involving \$29,060,961 altogether, or nearly 60 per cent of the aggregate liabilities for the month. The number of such defaults in March was 61, but they had an indebtedness of about \$78,200,000, of which \$40,000,000 was represented by a single manufacturing failure in the South. In April 1923, the number of large defaults was 58 and their liabilities were \$33,300,000, or almost 65 per cent of the total amount for that period."

In the Fifth District, the number of failures in April was greater than in March, which is contrary to the seasonal trend, but the total of liabilities involved was very much less than during the earlier month. April witnessed 121 bankruptcies with liabilities of \$3,351,299, compared with 105 bankruptcies with liabilities of \$42,232,527 in March and 86 failures with liabilities of \$2,593,827 in April last year.

Average liabilities per failure during April 1924 amounted to \$28,649 in the nation and \$27,697 in the Fifth District, compared with averages of \$33,876 in the nation and \$30,161 in the Fifth District during April 1923, the District average being better than the national average in both cases.

**LABOR**—Changes in the labor situation in the Fifth District since our April 30th *Review* was written have been relatively unimportant, but on the whole have tended to develop further along the lines mentioned last month. Labor for all kinds of farm work is scarce and too high priced for farmers, but on account of the unfavorable weather that prevailed during the first half of May the farmers were not able to do much work and therefore have not felt the shortage as keenly as they will when seasonable weather comes and farm work gets fully under way. Skilled workers are fully employed in the cities, and in some cases the workers think they have the situation sufficiently in hand to make demands for increased wages, but thus far the employers have been able to hold their own in the arguments that have sprung up here and there. In the cities there is some surplus of unskilled workers, chiefly as a result of the annual influx of workmen on their way to Northern and Eastern industrial centers. In the textile centers unemployment has increased to some extent, but most of the mills in cutting down their operations have kept all of their operatives on the pay-rolls, restricting working time for all rather than discharge any workers entirely. Lumber mills and tobacco factories are using their normal number of hands. Of course the underlying factor in the labor situation is the continued construction activity throughout the District and as long as this keeps up to the

present volume there does not appear to be any prospect of much serious unemployment for either skilled or unskilled workmen.

**COAL**—The Geological Survey, in its weekly report on the production of bituminous and anthracite coal issued on May 10, 1924, states that the production of soft coal appears to have found a temporary level between 6,700,000 and 6,900,000 tons per week, the total output in the week ending May 3rd being estimated at 6,832,000 net tons. Production is reported to be at an extremely low level for this season of the year. Excluding holiday weeks and periods in which production was curtailed through general strikes, the weekly rate of output at present is lower than at any date on record, except in a few weeks in the spring of 1921. Lack of demand continues as the chief stumbling block in the way of greater production, but as we pointed out in our *Review* last month, the poor demand for coal is relative, the aggregate demand being large. The trouble in the coal industry is that too many mines are operating, and industry in peace time cannot supply enough orders to keep all of the mines working to capacity. In the retail coal business, summer prices somewhat lower than those that prevailed previous to April 1st are being quoted, and dealers are making efforts to sell a considerable amount of coal during the summer months. All of the dealers appear to have full stocks in their yards, and orders can be filled promptly.

**TEXTILES**—The situation in the textile industry of the Fifth District continues unsatisfactory, but does not appear to have grown worse during the past month. All demand continues to be of the hand-to-mouth variety, jobbers and retailers being satisfied to let the mills carry the surplus stocks until there is actual need for them, feeling sure that refill orders will be given prompt attention. Most of the mills have uncomfortably large stocks of manufactured goods in their warehouses, most of which was made up from high priced raw material, and a great deal of the scattered business the mills are getting is said to be unprofitable. There has been comparatively little increase in curtailment in operating time during the past month, however, and cotton consumed by the Fifth District mills during April was less than 2,000 bales under March consumption. On the whole, it appears that Fifth District mills have curtailed operations somewhat less than mills in other sections of the country, cotton consumption in the District during April 1924 amounting to 39.4% of national consumption in comparison with 35.3% of national consumption used in the Fifth District during April 1923.

Cotton consumed in the Fifth District during April amounted to 189,176 bales, North Carolina mills having used 104,177 bales, South Carolina mills 76,391 bales, and Virginia mills 8,608 bales. The number of bales used in North Carolina and Virginia was greater than the number used in March this year. The Fifth District mills used 203,680 bales of cotton in April 1923, or 35.3% of national consumption for that month.

**COTTON**—In our April 30th *Review* we quoted spot cotton prices in the Carolinas through the week ending April 12th, the average price paid for middling during that week being 29.93 cents per pound. Since that date, however, the average price has been lower, falling to 29.88 cents per pound during the week ending April 19th, to 29.34 cents during the week ending April 26th, and to 28.61 cents during the week ending May 3rd. The week ending May 10th witnessed a slight recovery as a result of unfavorable weather reports from the cotton growing districts, the average price rising to 28.71 cents per pound.

The Department of Agriculture will issue semi-monthly cotton condition reports this year, as provided for in a bill recently passed by Congress, the reports being issued simultaneously with the Census Bureau's ginning reports. The dates upon which reports will be issued this year are June 2, July 2 and 21, August 8 and 25, September 8 and 23, October 8 and 25, November 8 and 21, and December 8. The reports will show the condition of the crop as of the first and fifteenth of the month, except the June 2 and July 2 reports, which will reflect conditions on May 25 and June 25, respectively.

Cotton consumed in American mills during April totaled 480,010 bales, compared with 483,928 bales used in March this year and 577,396 bales in April 1923. The report of April consumption, issued by the Census Bureau on May 14th, was perhaps a little higher than had been expected, but it exerted practically no influence on the market, attention apparently being focused on news relating to the new crop prospects rather than on current consumption figures or present stocks on hand. Total consumption for the season to date, August 1, 1923 through April 30, 1924, amounts to 4,559,374 bales compared with 5,040,004 bales during the corresponding nine months ending April 30, 1923. Cotton on hand in consuming establishments at the end of April amounted to 1,328,273 bales, compared with 1,498,266 bales on March 31, 1924 and 1,889,218 bales on April 30, 1923. Public warehouses and compresses held 1,512,086 bales on April 30th, compared with 1,983,544 bales on March 31st this year and 1,966,441 bales on April 30th last year. Imports during April totaled 40,436 bales, compared with 49,832 bales in March 1924 and 36,110 bales in April 1923, while exports totaled 320,774 bales in April 1924, 332,168 bales in March 1924, and 262,753 bales in April 1923. Total exports from August 1, 1923 through April 30, 1924 amounted to 5,003,129 bales, compared with 4,320,108 bales exported during the corresponding nine months of the preceding cotton year. Cotton consumed in the cotton growing states in April numbered 327,031 bales, compared with 332,109 bales in March 1924 and 363,865 bales in April 1923. April consumption in the cotton growing states amounted to

68% of national consumption, compared with 63% in April 1923. Cotton spindles active in the United States during April numbered 31,871,665, compared with 32,392,171 in March this year and 35,512,737 in April last year.

In the cotton growing states of the Fifth District the crop is getting a very late start. Wet weather in many sections has delayed planting, and cold weather has prevented proper germination of seed. Some cotton will probably have to be replanted in order to secure good stands, but on the whole the prospects for a good yield appear to be fair. Acreage is being increased in North Carolina and probably in Virginia. No information is available on acreage in South Carolina.

**TOBACCO**—During the month of April there were 777,911 pounds of tobacco sold on the open markets of Virginia, according to warehouse reports to the Commissioner of Agriculture. Only the dark and sun-cured markets were open during the month. The grade of tobacco sold at the end of the season is generally low, which accounts for the poor average price paid during April, \$13.23 per hundred pounds. Practically all the tobacco sold was handled at Bedford, Lynchburg and Richmond, the other dark markets receiving very little tobacco, and the bright markets being closed. The April sales completed the 1923-1924 season.

The 1923 Virginia tobacco crop amounted to 151,908,000 pounds, according to the calculations of the Virginia Agricultural Statistician, compared with 156,750,000 pounds grown in 1922. Prices during the season just closed averaged lower than in recent years, the greatest decline occurring in the price of bright tobacco which dropped nearly \$9 per hundred pounds. The average price of the different types was as follows: Burley, \$23.12 against \$26.49 in 1923; Bright, \$20.57 against \$29.36; Dark, \$18.09 against \$19.77; Sun-cured, \$13.22 against \$14.27. Danville was the leading market in the number of pounds sold during the season and also reported the highest average price. This market sold 29,395,956 pounds of producers' tobacco, more than half of all the Bright tobacco sold in the state. Lynchburg was the leading Dark market and ranked next to Danville in the total first hand sales. The Abingdon market sold nearly all of the Burley tobacco grown in Virginia, and the Sun-cured tobacco was sold at Richmond. The warehousemen estimated the season's crop as 21% good, 35% medium and 44% common, compared with averages during the previous season of 36% good, 36% medium and 28% common. The inferior quality of this season's crop largely accounts for the decline in price previously mentioned.

**AGRICULTURAL NOTES**—A production of 8,197,000 bushels of wheat is forecasted for Virginia this year by the Virginia Crop Reporting Service, in comparison with 11,145,000 bushels produced in 1923. The forecast is based upon a condition of 82 percent of normal on May 1st, and the final results may be larger or smaller as weather conditions are better or worse than the average. The acreage in wheat this year is the smallest since 1909. Nearly all farm work in Virginia is backward. Plowing made rapid progress during the latter part of April, but cold weather delayed planting. On May 1st reports indicated that 73 percent of the spring plowing had been completed, compared with 80 percent completed on the same date last year. Only 48 percent of the planting and seeding had been completed on May 1st compared with 51 percent last year. Usually a large part of Virginia's corn crop is planted during the latter part of April, but this year the weather has been so unseasonably cold that farmers have waited for more favorable conditions. The prospects for hay are very good, clovers and grasses having made a fine start. Stocks of old hay on the farms are smaller than usual, but are sufficient to meet requirements until the new crop is harvested. The outlook for fruit crops is most promising, but it is yet too early to make any estimates of probable production, as in many sections apples are still in bloom. Heavy rains and swollen streams probably damaged crops during the second week in May, but accurate information on the amount of damage done is not yet available.

The early part of April was cool and wet in North Carolina, but since the fifteenth of that month the weather has been generally favorable for farm work, and farmers are catching up with their seasonal activities. Planting is well advanced in many sections, and crops are growing splendidly, but the general opinion is that farm work averages from ten to fifteen days late. Tobacco farmers are transplanting, and plants are plentiful in the state as a whole, though they are small. Wheat is recovering much of the ground lost as a result of late winter freezes and is now growing fairly well, giving promise of a good crop. Spring oats are in good condition, but fall oats, which suffered from the winter freezes, show poor stands and indicate a short crop. Farmers are still planting corn, but some early plantings are up to good stands. Clover crops average from fair to good. Truck is late but is growing nicely, conditions in the commercial area being good. Prospects for fruit are considered extra good, and the state is expected to yield the largest crop in many years.

The Agricultural Statistician of South Carolina reports that crop prospects in that state compare favorably with average conditions on May 1st, although planting of most crops is late. The percentage of plowing done on May 1st was estimated at 73 percent, compared with 73 percent done to the same date last year and 84 percent the ten year average, and planting done was estimated at 65 percent compared with 68 percent on May 1st last year. The probable wheat yield of South Carolina for this year is estimated at 1,463,000 bushels, compared with 1,925,000 bushels harvested in 1923, the condition of the crop on May 1st being 80 percent in comparison with 83 percent a year ago. The condition of the oat crop is only 67 percent of normal. The commercial potato crop is reported to be poor. The supply of farm labor is estimated at 80 percent of normal, whereas the demand is 93 percent of normal.

## BUILDING OPERATIONS FOR THE MONTHS OF APRIL, 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							
<b>MARYLAND</b>												
1	Baltimore.....	658	898	1,326	1,307	\$ 3,914,880	\$ 4,190,520	\$ 636,960	\$ 781,740	\$— 420,420	— 8.5%	1
2	Cumberland.....	40	51	20	18	105,865	121,885	19,559	18,910	— 15,371	— 10.9	2
3	Frederick.....	16	9	5	6	56,480	39,750	4,975	12,275	9,430	18.1	3
<b>VIRGINIA</b>												
4	Lynchburg.....	18	30	29	28	108,241	102,316	71,858	32,685	45,098	33.4	4
5	Norfolk.....	122	148	73	83	627,220	570,715	80,134	61,151	75,488	11.9	5
6	Richmond.....	230	157	112	95	2,088,810	1,947,949	105,020	110,041	135,840	6.1	6
7	Roanoke.....	132	147	67	81	313,115	848,272	36,070	24,995	— 524,082	— 60.0	7
<b>WEST VIRGINIA</b>												
8	Bluefield.....	39	44	7	8	163,650	138,200	2,400	3,950	23,900	16.8	8
9	Charleston.....	73	120	35	20	397,244	1,115,044	126,080	1,148,749	—1,740,469	— 76.9	9
10	Clarksburg.....	74	37	49	18	211,065	73,785	45,010	6,185	176,105	220.2	10
11	Huntington.....	180	228	45	62	2,031,360	1,023,320	33,708	93,503	948,245	84.9	11
12	Parkersburg.....	*40		*22		85,300	175,000	12,750	75,000	— 151,950	— 60.8	12
<b>NORTH CAROLINA</b>												
13	Asheville.....	56	67	90	19	437,262	529,091	43,572	6,129	— 54,386	— 10.2	13
14	Charlotte.....	79	66	9	7	478,600	867,085	29,830	4,700	— 363,355	— 41.7	14
15	Durham.....	48	27	3	8	242,000	106,980	11,000	12,525	133,495	111.7	15
16	Greensboro.....	77	49	20	34	422,117	170,270	8,345	30,812	229,380	114.1	16
17	High Point.....	50	70	12	23	114,350	320,530	6,225	49,550	— 249,505	— 67.4	17
18	Raleigh.....	74	**71	9		562,175	**238,200	15,100		339,075	142.3	18
19	Salisbury.....	26	17	6	3	149,525	76,225	5,400	8,000	70,700	83.9	19
20	Wilmington.....	10	16	2	3	45,950	142,500	25,200	4,200	— 75,550	— 51.5	20
21	Winston-Salem.....	86	74	111	93	568,415	400,790	61,907	39,705	189,827	43.1	21
<b>SOUTH CAROLINA</b>												
22	Charleston.....	7	7	15	13	31,535	477,300	7,815	8,690	— 446,640	— 91.9	22
23	Columbia.....	18	24	64	83	198,425	59,765	10,065	19,989	128,736	161.4	23
24	Greenville.....	21	46	22	18	105,200	81,710	12,605	12,145	23,950	25.5	24
25	Spartanburg.....	36	28	23	33	225,575	85,382	13,059	13,700	139,552	140.8	25
<b>DIST. OF COLUMBIA</b>												
26	Washington.....	397	669	567	278	3,058,165	9,961,600	349,965	441,246	—6,994,716	— 67.2	26
Totals.....		2,567	3,100	2,721	2,341	\$16,742,524	\$23,864,184	\$1,774,612	\$3,020,575	\$—8,367,623	— 31.1%	

\*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 from building inspectors showing the number of permits issued in April and the estimated valuation of the work provided for in twenty-six cities of the Fifth District indicate that building activity continues unabated. While both the number of permits issued in April and the total valuation of the work were lower than in April 1923, the figures for April 1924 were higher than these reported for any other month since the Reserve Bank began tabulating the figures in 1919. Most of the work provided for in the April permits was residence or apartment construction, business buildings forming a considerably smaller percentage of the total than was the case in the years between 1919 and 1923.

The twenty-six cities reported a total of 2,567 permits issued in April 1924 for new construction, with estimated valuation of \$16,742,524, compared with 3,100 permits with estimated valuation of \$23,864,184 issued in the same cities during April 1923. Noteworthy gains in total valuations this year were reported by Huntington, W. Va., Durham, Greensboro, Raleigh and Salisbury, N. C., and Columbia and Spartanburg, S. C., while Roanoke, Va., Charleston, W. Va., Charlotte, High Point and Wilmington, N. C., Charleston, S. C., and Washington, D. C., reported material decreases in total valuation under April 1923. Baltimore reported a big decrease in the number of permits issued, but the decrease in valuation was relatively small. The greatest slackening in building activity is noted in Washington, D. C., the number of permits falling from 669 in April 1923 to 397 in April 1924, and estimated valuation falling from \$9,961,600 to \$3,058,165.

Permits for alterations and repairs were more numerous in April this year than during the same month in 1923, 2,721 permits for this class of work having been issued this year in comparison with 2,341 issued in April last year, but total valuation this year amounted to only \$1,774,612 in comparison with \$3,020,575 in April 1923. The combined valuation of both new work and alterations or repairs was \$18,517,136 in April 1924, compared with \$26,884,759 in April 1923, a decrease during the current month of \$8,367,623, or 31.1%.

In addition to construction of buildings in the cities, railroads and other corporations are doing much work of a somewhat similar nature that does not come under the control of city building inspectors and therefore cannot be shown in actual figures. Railroads are replacing wornout or obsolete equipment, adding to their rolling stock, building new bridges and improving trackage, and increasing station facilities. One prominent road which operates chiefly in the Fifth District recently placed orders for equipment and improvements totaling more than \$20,000,000, of which \$7,000,000 was for locomotives to be built in Richmond during the summer. Municipalities are doing a large amount of sewer and street work, and both states and counties are investing large sums in better roads. All of this work requires building materials and labor, and adds to general business activity throughout the District.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during April 1924, compared with April 1923.....	17.4	18.0	18.0	13.9	17.3
Percentage increase in net sales from Jan. 1 through April 30, compared with sales during the same four months of 1923.....	2.8	10.5	6.4	1.2	4.5
Percentage increase in net sales during April 1924, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	13.5	32.5	10.3	8.7	13.9
Percentage increase in stocks on hand at the end of April 1924, over stocks on hand at the end of April 1923.....	— 1.5	17.3	0.4	6.2	1.5
Percentage increase in stocks on hand at the end of April 1924, over stocks on hand at the end of March 1924.....	— 1.7	2.6	— 1.0	0.4	— 0.8
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, four months.....	393.0	395.6	420.6	582.2	421.6
Percentage of outstanding orders at the end of April 1924, to total purchases of merchandise during the year 1923.....	4.7	4.6	3.5	4.3	4.2

—Denotes Decrease.

Confidential reports received from twenty-nine department and general stores in the leading cities of the Fifth Reserve District show an average increase in retail sales amounting to 17.3% during April this year in comparison with sales in April 1923, and also an increase of 13.9% over average sales in April during the three years 1920, 1921 and 1922, but perhaps the greater part of these increases resulted from the late date on which Easter fell this year. In 1923 Easter occurred on April 1st while this year it occurred on April 20th. The most significant figure in the table this month is that which shows cumulative sales during the first four months of 1924 in comparison with sales during the corresponding period in 1923, and on the whole this figure is satisfactory. The table shows that cumulative sales in Baltimore were 2.8% greater between January 1st and April 30th this year than during the like period last year, the reporting stores in Richmond gained 10.5%, the Washington stores gained 6.4%, the group of Other Cities gained 1.2%, and the District as a whole averaged a gain of 4.5%. In view of the fact that the first four months of 1923 witnessed an increase in sales amounting to 9.7% over the first four months of 1922, the record for the first third of 1924 is distinctly good. Average stocks on the shelves of the reporting stores at the end of April were 1.5% more in value, measured in terms of selling figures, than on April 30, 1923, but were eight-tenths of one percent less in value than at the end of March 1924. Baltimore stores had 1.5% less stock on April 30th than on April 30th last year. The percentage of average stock on hand at the end of each month since January 1st to average monthly sales during the same period, four months, was 421.6% at the end of April compared with 427.0% at the end of April last year, indicating a slightly more rapid turn-over of stock this season than last. Outstanding orders for merchandise are distinctly smaller at present than they were a year ago, the percentage of outstanding orders to total purchases during the preceding year being 4.2% on April 30, 1924 compared with 6.4% reported on April 30, 1923. Outstanding orders were relatively largest in Baltimore and smallest in Washington at the end of April.

**WHOLESALE TRADE**  
**April 1924.**

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	46	15	14	18	6	13
Percentage increase (or decrease) in net sales during Apr. 1924, compared with sales during Mar. 1924 .....	- 0.2	- 8.7	1.6	4.8	10.2	- 5.1
Percentage increase (or decrease) in net sales during Apr. 1924, compared with sales during Apr. 1923.....	3.3	- 8.3	2.3	- 7.9	23.1	4.4
Percentage increase (or decrease) in cumulative sales from Jan. 1st through Apr. 30, 1924, compared with sales during the corresponding four months of 1923.....	4.5	-11.4	-14.6	- 1.6	12.8	0.5
Percentage increase (or decrease) in stocks on hand Apr. 30, 1924, compared with Mar. 31, 1924 .....	- 5.3(14)	- 4.6(8)	4.2(7)	- 4.5(4)	2.4(2)	
Percentage increase (or decrease) in stocks on hand Apr. 30, 1924, compared with Apr. 30, 1923.....	- 4.6 (8)	8.4(6)	-11.7(6)	11.0(2)	- 7.4(2)	

-Denotes decreased percentage.

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

In the accompanying table we show the trend of wholesale trade during April 1924, sales during that month being compared with (1) sales during March of this year, and (2) with sales during April last year. In addition, we show the percentage of increase or decrease in cumulative sales from January 1st through April 30, 1924, in comparison with total sales during the corresponding four months of 1923. Finally, stocks on hand April 30, 1924, are compared with stocks on hand a month ago and a year ago.

April sales in groceries, dry goods and drugs fell under March sales, while shoe, hardware and furniture sales increased. In comparison with April 1923, sales in April 1924 show increases in all lines reported upon except dry goods and hardware. Cumulative sales during the first four months of this year were greater in grocery, furniture and drug lines than during the corresponding period last year, but were less in dry goods, shoes and hardware.

Stocks on hand decreased in April in comparison with March in grocery, dry goods and hardware lines, but increased in shoes and furniture. In comparison with April last year, stocks on hand on April 30th this year were larger in dry goods and hardware lines, but less in groceries, shoes and furniture.

One hundred and three of the reporting wholesale firms classified their collections as Good, Fair, Slow or Poor in both April 1924 and April 1923, and in the table given below we have tabulated the classifications for both years. These figures show that collections this year are distinctly slower than they were in April 1923, the number of firms reporting Good having dropped from 24 to 16, and the number reporting Fair from 69 to 63, while the number reporting Slow rose from 9 to 19 and the number reporting Poor from 1 to 5. The percentage of firms reporting collections either Good or Fair in April this year was also smaller than the percentage that made the same classifications a month ago, covering March 1924.

Lines	Good		Fair		Collections in April Reported As				Total	
	1924—1923		1924—1923		1924—1923		1924—1923		1924—1923	
Groceries .....	8	9	26	29	7	3	1	1	42	42
Dry Goods .....	1	5	9	6	4	4	1	0	15	15
Shoes .....	0	0	8	11	2	1	2	0	12	12
Hardware .....	4	4	7	10	4	1	0	0	15	15
Furniture .....	1	0	5	6	0	0	0	0	6	6
Drugs .....	2	6	8	7	2	0	1	0	13	13
April Totals .....	16	24	63	69	19	9	5	1	103	103

(Compiled May 19, 1924)

# BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

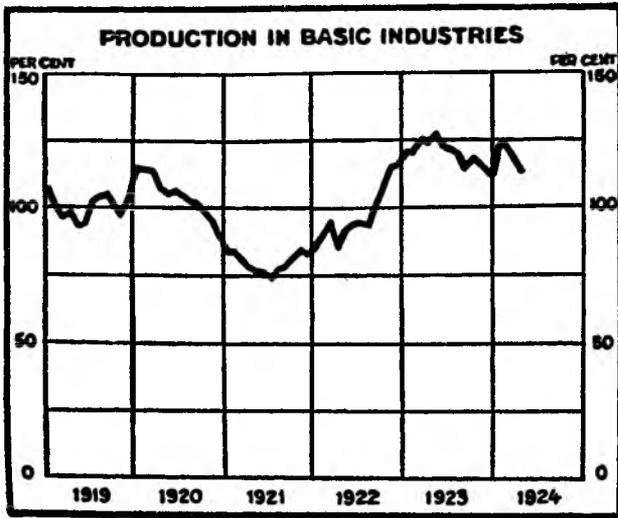
Factory employment and production of basic commodities declined in April and there was a further recession in wholesale prices. Retail trade was larger than in March, chiefly because of Easter buying, and was at about the level of earlier months of the year. There was a decrease in the volume of borrowing for commercial purposes and further easing of money rates.

**PRODUCTION.** The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, declined 2 percent in April. Declines were particularly large in iron and steel, coal, and woolen industries. Mill consumption of cotton, on the other hand, showed less than the usual seasonal reduction between March and April. Factory employment declined 2 percent in April, owing chiefly to large reduction of forces at textile and clothing establishments. Contract awards for new buildings reached a higher value than in March and were also larger than a year ago. The value of building permits granted, however, declined and was smaller than in the corresponding month of 1923. Department of Agriculture estimates on May 1st of the yield of winter wheat and rye are somewhat above the forecasts made in April. The acreage of winter wheat is estimated at 7 percent less than last year.

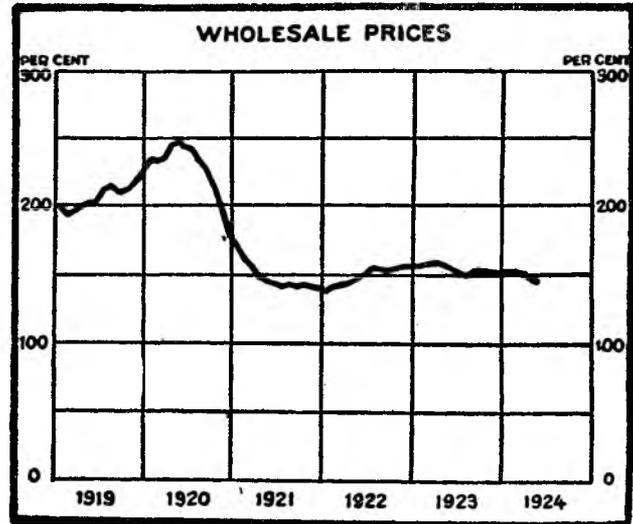
**TRADE.** Railroad shipments, which since the middle of March have been smaller than last year, were 3 percent less in April than a year ago. Shipments of coal were much below last year, while loadings of merchandise and miscellaneous freight were higher. Wholesale trade in April was in about the same volume as during the preceding month and as in April 1923. Sales of dry goods and hardware were smaller than a year ago, while sales of drugs and shoes showed some increase. Department store sales were considerably larger in April than in March, partly owing to the unusually late Easter. Total sales for the two months were 2 percent greater than in the corresponding period of 1923. Merchandise stocks at department stores showed less than the usual seasonal increase in April, but were at a higher level than a year ago.

**PRICES.** Wholesale prices, according to the Bureau of Labor Statistics index, declined 1 percent during April and reached the lowest point since May 1922. Farm products, however, advanced 2 percent in April. Metals and foods showed substantial reductions. Prices of clothing, fuel and chemicals also declined, while prices of building materials and house furnishings remained unchanged. During the first half of May quotations on cotton, wheat, flour and hogs increased, while prices of sugar, silk, wool and metals declined.

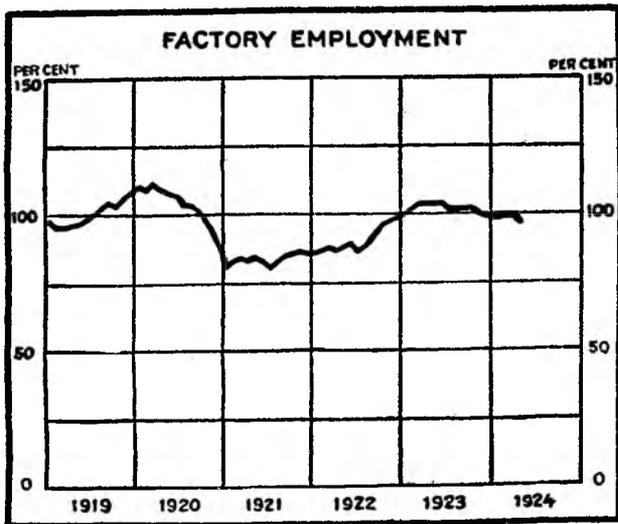
**BANK CREDIT.** During the five weeks period ending May 14th, the volume of borrowing for commercial purposes at member banks in leading cities declined somewhat from the high level reached early in April. There were increases, however, in loans on stocks and bonds and in investments in securities, so that the total of all loans and investments at the middle of May was higher than a month previous and in larger volume than at any time in more than three years. The volume of borrowing by member banks at Federal Reserve Banks declined further during the last week of April and first half of May, while holdings of securities bought in the open market increased slightly. Total earning assets declined to \$795,000,000 on May 21st, the lowest figure since the autumn of 1917. Further easing of money conditions during the last week of April and the first three weeks of May was reflected in a continued rise of the prices of Government securities, in a reduction from  $4\frac{1}{2}$  to  $4\frac{1}{4}$  percent in the rate for prime commercial paper, and a decline in the rate of Bankers Acceptances from 4 to 3 percent. On May 1st the discount rate of the Federal Reserve Bank of New York was reduced from  $4\frac{1}{2}$  to 4 percent.



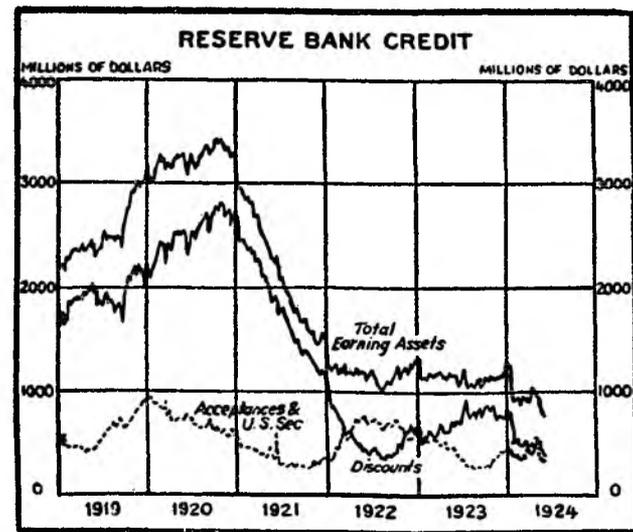
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—April 114



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure—April 148.



Index of 33 manufacturing industries (1919=100). Latest figure, April 97.



Weekly figures for 12 Federal Reserve Banks, Latest figures, May 21st.

# FIFTH FEDERAL RESERVE DISTRICT

