

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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A further slowing down in business and industry took place in the Fifth District during June, in keeping with the general tendency throughout the United States, but the decrease in the District was moderate and was little more than seasonal. No additional weak spots developed during the month in the District's industries, and conditions in the coal and textile fields grew no worse, if they did not slightly improve. The leading causes of the retardation of business in the nation appear to be a falling off in the demand for steel and iron as a result of lessened automobile output, a decline in railroad purchases, and the passing of the crest in building, but none of these influences affected the Fifth District materially. The steel and iron business of the District is comparatively unimportant, our automobile manufacturing is nominal, and building as yet has not fallen off to any appreciable extent. The unfavorable weather for cotton and tobacco is the key to whatever unseasonable slackening in business the District has experienced during the past two or three months.

An examination of the chief indicators of business prosperity or adversity in the Fifth District shows both strength and weakness. Among the outstanding favorable factors to be noted, perhaps the most striking is the abundance of credit available. Member banks regularly reporting to the Reserve Bank show a larger volume of outstanding loans to customers than a year ago, but their deposits have advanced greatly during the year and the volume of rediscounted paper held by the Reserve Bank is very much less than a year ago. Member bank reserves at the Reserve Bank are higher than last year, and the Reserve Bank has materially increased its cash reserves while its outstanding note circulation has decreased, with a resulting rise in the ratio of cash reserves to combined note and deposit liabilities. Debits to individual accounts at clearing house banks, a good indicator of the actual volume of business being transacted, are running under debits reported last year, but the difference is just about accounted for by the average reduction in commodity prices. Business failures

in the District, while more numerous in June than in June 1923, were lower in the total of liabilities involved. Labor continues sufficiently well employed to keep the purchasing power of the public at a high point, and retail trade has consequently held up extremely well in view of the unfavorable weather that prevailed during the spring and early summer. Farmers dependent upon fruit and truck have better prospects than for several years, and throughout the entire District there is an exceptionally good hay crop, assuring a supply of feed for farm animals. The volume of building continues to be unusually large in both number of projects and total valuation, which apparently assures plenty of work for all men employed in construction for the balance of the year at least.

Among the unfavorable factors influencing business in the Fifth District there are three that stand out distinctly. The depression in the textile industry continues, with little sign of immediate improvement, and the output of bituminous coal is very low in the absence of present demand. The third, and perhaps the most important, depressing factor is the great uncertainty as to this year's cotton and tobacco crops. Both crops are getting a late start, and excessive rainfall has weakened the plants and caused grasses and weeds to choke the fields. Labor for cleaning and cultivating the crops is scarce and high. Boll weevils have not yet been much in evidence this year, but it is too early to predict that there will not be a heavy infestation of the pests later in the season, and the lateness of the cotton crop will make the usual August migration of the weevils more disastrous than would be the case if the crop could have gotten an early setting of bolls. Theoretically the condition of cotton in South Carolina this year is only 5 points below the condition a year ago, but in North Carolina this year's condition figure is 22 points below last year's and Virginia's is 34 points below the condition figure on the corresponding date in 1923. Favorable weather during the balance of the season might overcome some of the handicap, but the final outturn for the year appears highly problematical.

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

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

ITEMS	July 9, 1924	June 11, 1924	July 11, 1923
1. Total Loans and Discounts (including all rediscounts) .....	\$ 467,625,000	\$ 467,724,000	\$ 456,347,000
2. Total Investments in Bonds and Securities .....	114,395,000	113,972,000	133,262,000
3. Total Loans and Investments .....	582,020,000	581,696,000	589,609,000
4. Reserve Balance with Federal Reserve Bank .....	35,459,000	34,942,000	33,873,000
5. Cash in Vaults .....	13,712,000	14,205,000	14,697,000
6. Demand Deposits .....	332,100,000	335,805,000	330,290,000
7. Time Deposits .....	172,072,000	167,305,000	152,994,000
8. Borrowed from Federal Reserve Bank .....	16,270,000	16,449,000	37,744,000

The accompanying table shows the principal items of condition reported by seventy-six identical member banks as of three dates, July 9, 1924, June 11, 1924 and July 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 July 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 June 11th and July 9th, both this year, the several items shown in the table changed comparatively little, except in the case of demand and time deposits. Demand deposits declined during the four weeks from \$335,805,000 to \$332,100,000, a decrease of \$3,705,000, but time deposits rose from \$167,305,000 to \$172,072,000, a gain of \$4,767,000. Other increases during the month were shown in total investments in bonds and securities, which rose from \$113,972,000 to \$114,395,000, and in reserve balances carried with the Reserve Bank, which increased from \$34,942,000 to \$35,459,000. Decreases were made in total loans and discounts, which fell from \$467,724,000 to \$467,625,000; in cash in vaults, which dropped from \$14,205,000 to \$13,712,000; and in aggregate borrowing from the Federal Reserve Bank, which declined from \$16,449,000 to \$16,270,000. All of the changes reflect the comparatively easy money conditions now obtaining.

On July 11, 1923, the seventy-six reporting banks were lending \$456,347,000 to their customers, but at the same time they were borrowing \$37,744,000 from the Federal Reserve Bank, while on July 9th this year their outstanding loans to customers amounted to \$467,625,000 and their total borrowing totaled only \$16,270,000, an increase in loans of \$11,278,000 and a decrease in rediscounts of \$21,474,000. During the year the reserve balance with the Federal Reserve Bank rose from \$33,873,000 to \$35,459,000, a gain of \$1,586,000. These changes, all denoting gains in the assets of the reporting banks, were made possible by a reduction of investments in bonds and securities during the year from \$133,262,000 to \$114,395,000; a reduction of cash in vaults from \$14,697,000 to \$13,712,000; an increase in demand deposits from \$330,290,000 to \$332,100,000; and an increase in time deposits from \$152,994,000 to \$172,072,000.

### FEDERAL RESERVE BANK OPERATIONS

Between June 18, 1924 and July 16, 1924, rediscounts for member banks held by the Federal Reserve Bank of Richmond declined from \$49,955,000 to \$45,673,000, and the volume of Federal Reserve notes in actual circulation dropped from \$73,054,000 to \$70,759,000. During the same period, member banks of the Fifth District increased their reserve deposits at the Reserve Bank from \$60,309,000 to \$61,395,000, and the total cash reserves of the Federal Reserve Bank of Richmond rose from \$87,370,000 to \$91,533,000. As a result of the changes noted, the ratio of cash reserves to combined note and deposit liabilities rose from 64.91% on June 18th to 68.50% on July 16th.

On July 18, 1923, the volume of rediscounts for members held by the Federal Reserve Bank of Richmond amounted to \$67,012,000 compared with \$45,673,000 this year, but a year ago cash reserves amounted to only \$74,341,000 in comparison with \$91,533,000 on July 16th this year, and Federal Reserve notes in actual circulation on the 1923 date amounted to \$78,124,000 compared with \$70,759,000 on the 1924 date. Reserve deposits of member banks rose during the year from \$58,124,000 to \$61,395,000. As a result of the variations in the several items, the ratio of cash reserves to combined note and deposit liabilities rose from 54.03% on July 18, 1923 to 68.50% on July 16, 1924.

### SAVINGS BANK DEPOSITS

A month ago, we mentioned a slight recession during May in deposits reported by fifteen mutual savings banks in Baltimore, but the decline was more than made up during June, the total of \$143,760,471 on deposit in the reporting banks on June 30th being the highest figure on record. A year ago, at the

close of business June 30, 1923, deposits in the same institutions totaled \$137,357,514; on June 30, 1922 the total was \$127,174,937; on June 31, 1921 it was \$123,707,759; and on June 30, 1920 it stood at \$120,349,929. Between June 30, 1923 and June 30, 1924 deposits in the reporting banks increased 4.7% and between the 1920 and the 1924 dates the increase was 19.5%.

### DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	July 9, 1924	June 11, 1924	July 11, 1923
Asheville, N. C.	\$ 22,595,000	\$ 22,203,000	\$ 19,822,000
Baltimore, Md.	352,868,000	316,195,000	376,461,000
Charleston, S. C.	24,728,000	25,057,000	29,338,000
Charleston, W. Va.	32,417,000	30,163,000	35,736,000
Charlotte, N. C.	39,315,000	35,924,000	40,945,000
Columbia, S. C.	18,871,000	16,836,000	21,003,000
Cumberland, Md.	9,586,000	8,269,000	8,912,000
Danville, Va.	7,165,000	7,134,000	8,680,000
Durham, N. C.	17,691,000	16,489,000	16,456,000
Greensboro, N. C.	18,355,000	19,175,000	20,062,000
Greenville, S. C.	16,313,000	17,077,000	19,164,000
Hagerstown, Md.	10,042,000	8,296,000	11,127,000
Huntington, W. Va.	23,388,000	22,451,000	24,493,000
Lynchburg, Va.	18,120,000	17,258,000	21,707,000
Newport News, Va.	6,387,000	5,715,000	7,044,000
Norfolk, Va.	56,787,000	60,197,000	62,638,000
Raleigh, N. C.	27,391,000	23,942,000	28,753,000
Richmond, Va.	111,902,000	104,690,000	119,064,000
Roanoke, Va.	23,804,000	22,490,000	22,762,000
Spartanburg, S. C.	12,492,000	12,189,000	10,567,000
Washington, D. C.	203,216,000	182,837,000	194,019,000
Wilmington, N. C.	17,314,000	17,099,000	17,907,000
Winston-Salem, N. C.	30,258,000	27,144,000	32,857,000
Totals for 23 cities	\$ 1,101,005,000	\$ 1,018,830,000	\$ 1,149,517,000

The accompanying table shows total debits to individual, firm and corporation accounts 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 July 9, 1924, June 11, 1924 and July 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.

Total debits in the twenty-three reporting cities during the four weeks ending July 9, 1924, amounted to \$1,101,005,000, compared with \$1,018,830,000 reported for the preceding four weeks, ending June 11, 1924, an increase of \$82,175,000, or 8.1%, during the more recent period. This increase is largely or entirely seasonal, being due to income tax payments on June 15th and heavy quarterly and semi-annual payments on July 1st, and therefore does not indicate any material increase in the volume of business transactions since June 11th.

In comparison with debits amounting to \$1,149,517,000 reported by the twenty-three cities during the four weeks ending July 11, 1923, the \$1,101,005,000 reported for the corresponding four weeks this year shows a decline of \$48,512,000, or 4.2%, but in view of lower prices prevailing this year in comparison with 1923 the amount of debits reported for the 1924 period is indicative of fully as large a volume of business as was transacted during the corresponding period last year. Larger totals this year were reported by Asheville, Cumberland, Durham, Roanoke, Spartanburg and Washington, but the other seventeen cities showed lower figures.

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

Dun's Review for July 5, 1924, commenting on business failures during June and the first half of this year in comparison with failures reported during the corresponding month and half-year in 1923, says: "The best monthly showing of the quarter recently ended is that of June, with 1,607 failures for \$34,099,031. These figures represent decreases of 11.5 per cent in number of defaults and 6.8 per cent in amount of liabilities from the May totals, but disclose increases of 18.3 and 18.9 per cent, respectively, over the 1,358 failures for \$28,678,276 of June last year, when the business mortality was at a relatively low point. For the first half of 1924, defaults numbering 10,785 for \$304,459,959 compare with 9,724

for \$259,424,068 for the similar period of 1923. The record for the current year has been marked by several failures of unusual size, one manufacturing default in the first quarter alone involving \$40,000,000."

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1924	1923		1924	1923	
Boston, First.....	154	104	48.1	\$ 2,724,380	\$ 1,261,171	116.0%
New York, Second.....	334	288	16.0	10,967,752	8,276,970	32.5
Philadelphia, Third.....	81	60	35.0	1,323,953	1,074,915	23.2
Cleveland, Fourth.....	149	105	41.9	3,685,790	2,466,216	49.5
<b>Richmond, Fifth.....</b>	<b>126</b>	<b>91</b>	<b>38.5</b>	<b>2,701,150</b>	<b>3,488,755</b>	<b>— 22.6</b>
Atlanta, Sixth.....	103	91	13.2	1,805,051	1,294,943	39.4
Chicago, Seventh.....	194	159	22.0	5,387,561	2,854,809	88.7
St. Louis, Eighth.....	81	68	19.1	975,155	2,450,239	— 60.2
Minneapolis, Ninth.....	70	76	— 7.9	1,432,514	1,390,396	3.0
Kansas City, Tenth.....	113	63	79.4	1,013,266	1,274,881	— 20.5
Dallas, Eleventh.....	50	97	— 48.5	765,071	1,293,018	— 40.8
San Francisco, Twelfth.....	152	156	— 2.6	1,317,388	1,551,963	— 15.1
<b>Totals.....</b>	<b>1,607</b>	<b>1,358</b>	<b>18.3%</b>	<b>\$ 34,099,031</b>	<b>\$ 28,678,276</b>	<b>18.9%</b>

In the Fifth District, June 1924 witnessed 126 failures for \$2,701,150, compared with 91 failures for \$3,488,755 reported in June last year, an increase of 38.5% in number but a decrease of 22.6% in total liabilities involved. In the number of failures, therefore, the District record for June compares unfavorably with the average for the United States, but in the amount of liabilities the District record is much better than the national average.

Average liabilities per failure during June 1924 amounted to \$21,219 in the nation and \$21,438 in the Fifth District, compared with averages of \$21,118 in the nation and \$38,338 in the Fifth District during June 1923.

**LABOR**—There has been little net change in the labor situation since the middle of June. Better weather has enabled outside work to proceed more regularly than during May and early June, and unskilled and semi-skilled workers have found employment more easily, but factory work in a number of lines has slackened and workers have either been laid off entirely or had their operating time reduced, with consequent reductions in their pay envelopes. Farm labor has been in great demand as a result of the grassy condition of fields, but this class of labor has been very scarce and the farmers have had to get along as best they could with the labor from farm families. The Agricultural Statistician of North Carolina states in an official report that it is quite common to see children as young as eight years hoeing in the fields, and small boys are plowing. In the textile centers curtailment of operating time continues, and lumber mills are reducing their output with the passing of the crest of building operations for this year. The large amount of construction work under way in the District is the salvation of the laboring people at present, and practically all skilled workmen find plenty of work to give them full time employment. There is a surplus of common labor in the cities, both male and female workers being obtainable on short notice.

**COAL**—According to recent reports of the Geological Survey of the Department of the Interior, bituminous coal production has been increasing slightly since the middle of June, but the daily rate of production is still considerably below that of any previous year on record except 1922, when a general strike involving all union mines was under way at this season. In its July 5th report, the Geological Survey says, "The fact that the depression at the coal mines has caused production to drop to a lower level than in 1921 should not, however, be taken as indicating that a similar depression in other industries has reduced the consumption of coal to the extremely low point reached in 1921. There is ample evidence that consumption has declined during the first half of this year, but to what extent cannot be accurately stated. It seems to be obvious, however, that production declined at a more rapid rate than did consumption and that there has been an appreciable draught on the 62,000,000 tons of soft coal held by consumers on January 1, 1924." Mine owners profess to believe that consumers have reduced their surplus coal to a limit below which most of them will not care to go, and therefore a better demand at the mines is expected during the balance of the year.

Anthracite coal production, while at a lower rate than in 1923 when the mines were working to overcome the shortage created by the strike of 1922, compares favorably with normal years.

**TEXTILES**—Curtailment in operating time continues in the textile mills of the Fifth District, and no material improvement has been noticed in the demand for cotton goods. Many of the mills are operating only about 50% of full time, and the demand for textiles is reported as not more than 50% nor-

mal for this season of the year. No one cares to venture a prediction as to the probable length of time curtailment will continue, but the mills are not carrying large stocks of manufactured goods and any improvement in demand that may develop later in the season will probably necessitate an increase in operations. As a result of careful buying all down the line, there is no danger of any one being caught with large stocks bought at high prices, if it should happen that cotton prices next fall should be lower than present prices.

Cotton consumed in the Fifth District during June amounted to 143,263 bales, North Carolina mills having used 73,997 bales, South Carolina mills 62,675 bales, and Virginia mills 6,591 bales. The number of bales used in each state was lower than the number consumed in May, during which month a consumption of 162,487 bales was reported. The Fifth District consumption during June amounted to 40.9% of national consumption compared with 39.3% of national consumption reported for the three Fifth District states in May 1924 and 37.9% in June 1923. These figures appear to indicate that the reduction in consumption during both the past month and the past year was less in the Fifth District than in the nation as a whole.

**COTTON**—In our June 30th *Review* we quoted spot cotton prices in the Carolinas through the week ending June 14th, the average price paid for middling during that week being 28.00 cents per pound. During the week ending June 21st the average price rose to 28.18 cents, but declined the following week, ending June 28th, to 27.59 cents. Another upward movement occurred during the week ending July 5th, the average being 27.91 cents, but the week ending July 12th witnessed a decline to 27.17 cents, the lowest weekly average reported since March 29th. The week ending July 19th, the latest period for which figures are available, experienced a partial recovery, the average price rising to 27.85 cents per pound. All of the above prices were taken from official figures collected by the Cotton Quotation Service of the United States Department of Agriculture and represent actual sales by farmers on various markets in the two Carolinas.

The Department of Agriculture's second cotton report of the season was issued on July 2nd, and estimated the condition of the crop at 71.2% as of June 25th, an increase of 5.6 points over the May 25th condition and an increase of 1.3 points over the June 25, 1923 condition. This report also estimated the 1924 acreage at 40,403,000 acres, an increase of 4.4% over the 1923 acreage, Virginia showing an increase of 25% this year, North Carolina an increase of 8% and South Carolina an increase of 9%. On July 21st the third report on condition was issued, and proved much lower than had been expected, the crop being rated at only 68.5% of a normal in comparison with 71.2% three weeks earlier and 67.2% on July 25, 1923. The past three weeks have been disastrous for cotton in the Fifth District, North Carolina's condition dropping from 73% on June 25th to 56% on July 16th, South Carolina's condition declining from 69% to 59%, and Virginia's condition falling from 61% to 54%. Condition figures in the states named on July 25th last year were North Carolina 82%, South Carolina 64% and Virginia 88%.

Cotton consumed in American mills during June amounted to 350,277 bales, the lowest figure reported for any month since December 1920. Consumption has fallen steadily since January, the high point for the present cotton year, and every month since October has witnessed lower figures than for the corresponding month of the preceding year. Total consumption during the eleven months since August 1st was 5,323,300 bales, compared with 6,203,135 bales used during the corresponding eleven months of the previous cotton year. Cotton on hand in consuming establishments at the end of June amounted to 950,625 bales, in comparison with 1,157,778 bales on May 31, 1924 and 1,345,066 bales on June 30, 1923. Public warehouses and compresses held 882,204 bales on June 30th, compared with 1,126,711 bales on May 31st this year and 1,232,888 bales on June 30th last year. Imports during June totaled 13,640 bales, compared with 16,107 bales in May 1924 and 13,367 bales in June 1923, while exports totaled 230,979 bales in June 1924, 326,357 bales in May 1924 and 214,851 bales in June 1923. Cotton consumed in the cotton growing states during June numbered 247,478 bales, compared with 289,897 bales in May 1924 and 350,967 bales in June 1923. June consumption in the cotton growing states amounted to 70.7% of national consumption, compared with 70.1% of national consumption used in the cotton growing states during May 1924 and 64.8% used in June 1923.

The prospects for this year's cotton crop appear much less favorable than a year ago in the Fifth District. The crop is about two weeks late, and plants are weak and small. The unusually wet weather has made fields grassy, and with a general shortage of farm labor it is probable that abandonment of acreage will be comparatively heavy. Last year North Carolina experienced almost ideal weather for cotton, especially in July, but this year the Agricultural Statistician for the State reports the outlook "anything but favorable." Cotton plants in North Carolina are reported as shedding squares, at the same time putting on very few. In South Carolina plants are reported small and fruiting is not so good as last year. Virginia's crop is very late and grassy.

**TOBACCO**—Tobacco prospects in Virginia are not promising at the middle of July. The acreage is estimated to be 5% larger than last year, but the condition of the crop on July 1st was only 75% in comparison with the ten year average of 82%. The forecast of the 1924 crop is 136,425,000 pounds compared with 151,000,000 pounds grown last year. Weather conditions have been unfavorable for proper growth and generally the plants are small and the leaves are narrow. Prospects are poorest in Bright sections, and best in the Southwestern Burley district.

The tobacco outlook in North Carolina is quite variable. The color is good, but the quality is light. The texture will be affected, as well as the weight, by the unfavorable weather. The plants are uneven in growth rather than in stands. The North Carolina crop for this year is forecast at 315,719,000 pounds, compared with 386,400,000 pounds last year.

South Carolina's tobacco acreage is estimated to be 8% less than last year. The July 1st condition was 69% compared with the ten year average of 76%. Wet weather has hurt the tobacco crop seriously, the fields are very grassy, and labor is hard to secure. The tobacco markets will open in South Carolina during August.

**AGRICULTURAL NOTES**—Virginia's corn crop is very late, so an early frost will cause considerable loss, according to the statement of the Agricultural Statistician in his report released July 18th. The rains have prevented cultivation and most fields are grassy and weedy. Some early planted crops on well drained land look good, but river and creek bottom crops are very poor. Conditions are worst in the eastern part of the state and best in the southwest. The wheat harvest, which is usually completed in June, has been very late and in the northern part of the state many farmers have just finished cutting. There is generally a large crop of straw, but the heads are not as well filled as usual in some sections, and the rains have caused some damage to the grain in the shock. The yield per acre will probably be up to the average for the past ten years, however. The digging of early potatoes progressed rapidly during the past ten days, and the shipments during the second week of July were unusually heavy. Total carlot shipments to July 12th were 10,916 cars compared with 10,719 cars to the same date last year. The yield on the Eastern Shore has been better than expected, while in the Norfolk section the crop turned out poorly except on well drained land. Peanut growers have had great difficulty in keeping their fields clean, and the condition of the crop is poor. Fruit prospects continue to be above the average in most parts of the state. The peach crop is one of the largest ever grown with an estimated production of 1,241,000 bushels in comparison with 504,000 bushels last year, and apple production will be greater than last year by approximately a million barrels. The hay crop is generally ready for harvest, but the wet weather has prevented much progress with this work. The yield will be unusually good if all of the crop can be saved. Pastures have made splendid growth and are unusually fine in all parts of the state.

In North Carolina the corn outlook is reported perhaps the best of any crop. The best fields are found on uplands, bottom land crops being poor because of floods. Bud worms have done considerable damage in some localities, and the crop is generally backward in keeping with other crops. The fruit outlook in North Carolina is good, in spite of adverse winter conditions and spring lateness, followed by a long period of wet weather. The quality of peaches is good in size, but poor in flavor and keeping qualities. A heavy drop of apples during June was reported from the large commercial orchards in western counties. Truck crops are generally good to fair. Cantaloupes are very unsatisfactory, due to lack of sunshine primarily. Wheat may not turn out as good as was expected, due to the bad weather during harvesting. Both wheat and oats are reported as sprouting in the fields, while other reports note that these crops are rotting. An increase in fertilizer used this year is reported, but much of it has been washed out by excessive rainfall.

South Carolina's corn acreage is 4% less than last year but the condition is good, being placed at 80% on July 1st in comparison with 73% a year previously and 81% the ten year average. The indicated production of 31,933,000 bushels is about 500,000 bushels less than last year. Weather conditions have been favorable for cowpeas, and also for soy and velvet beans. Soy beans are steadily gaining in favor in many sections and are replacing to some extent cowpeas and velvet beans. Conditions of tomatoes, watermelons and cantaloupes are fair to good. Cantaloupes are being shipped and watermelons are beginning to appear on the market from southern counties. Peaches, apples and pears are plentiful and of good quality. The commercial acreage of sweet potatoes is 2% less than last year and the condition is 81% of normal. The acreage of hay shows a 2% increase and present prospects point to a fine hay crop this year.

In Maryland, orchard fruit crops, apples excepted, give promise of bountiful yields this year. The wet weather prevented pollination in many apple orchards and the heavy rains also washed off sprays. Much scab is reported. The June drop was heavy. A yield of 2,119,000 bushels of apples is expected, compared with 2,300,000 bushels last year. A commercial yield of 382,000 barrels is indicated. The prospect for peaches is above the ten year average, a crop of 697,000 bushels being indicated in comparison with 631,000 bushels last year. The expected yield of pears is slightly smaller than last year.

## BUILDING OPERATIONS FOR THE MONTHS OF JUNE, 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.....	629	390	1,317	1,193	\$ 3,726,720	\$ 2,019,240	\$1,250,520	\$ 693,900	\$ 2,264,100	83.4%	1
2	Cumberland.....	48	43	20	12	107,935	291,753	40,280	6,785	— 150,323	— 50.4	2
3	Frederick.....	9	8	1	6	19,445	35,400	350	3,750	— 19,355	— 49.4	3
4	Hagerstown*.....	68		24		220,000						4
<b>VIRGINIA</b>												
5	Lynchburg.....	17	18	30	30	37,936	18,759	48,141	27,116	40,202	87.6	5
6	Norfolk.....	120	117	50	83	372,030	786,356	31,753	145,065	— 527,638	— 56.6	6
7	Petersburg.....	5	4	12	10	25,000	9,093	9,450	6,475	18,882	121.3	7
8	Richmond.....	161	139	102	91	681,358	905,976	75,764	118,485	— 267,339	— 26.1	8
9	Roanoke.....	111	80	34	49	162,652	124,080	15,375	39,065	14,882	9.1	9
<b>WEST VIRGINIA</b>												
10	Bluefield.....	36	13	4	3	233,975	30,975	900	1,880	202,020	614.9	10
11	Charleston.....	47	101	21	36	77,569	273,895	53,350	45,517	— 188,493	— 59.0	11
12	Clarksburg.....	35	47	33	39	68,675	111,765	26,630	15,028	— 31,488	— 24.8	12
13	Huntington.....	156	117	44	41	808,735	215,790	559,015	20,725	1,131,235	478.3	13
14	Parkersburg.....	38	20	10	5	103,700	175,000	3,500	75,000	— 142,800	— 57.1	14
<b>NORTH CAROLINA</b>												
15	Asheville.....	37	39	62	59	269,872	614,422	21,700	114,243	— 437,093	— 60.0	15
16	Charlotte.....	64	68	19	12	489,455	311,100	30,660	27,300	181,715	53.7	16
17	Durham.....	14	27	4	6	1,456,500	120,225	6,850	7,850	1,335,275	1,042.6	17
18	Greensboro.....	60	63	39	22	176,610	255,649	31,558	6,270	— 53,751	— 20.5	18
19	High Point.....	40	47	12	14	111,220	89,465	7,625	15,900	13,480	12.8	19
20	Raleigh.....	65	**85	10		371,000	**640,315	16,775		— 252,540	— 39.4	20
21	Salisbury.....	25	13	4	3	53,530	28,550	2,100	750	26,330	89.9	21
22	Wilmington.....	10	13	5	2	265,000	67,000	18,200	5,000	211,200	293.3	22
23	Winston-Salem.....	60	74	87	70	192,340	285,100	27,810	31,607	— 96,557	— 30.5	23
<b>SOUTH CAROLINA</b>												
24	Charleston.....	8	8	8	16	24,980	9,250	3,375	40,274	— 21,169	— 42.7	24
25	Columbia.....	15	45	131	80	82,041	117,770	45,909	13,146	— 2,966	— 2.3	25
26	Greenville.....	14	26	17	21	946,375	85,415	10,795	29,275	842,480	734.6	26
27	Spartanburg.....	22	27	18	24	1,035,540	37,440	5,535	6,772	996,863	2,254.7	27
<b>DIST. OF COLUMBIA</b>												
28	Washington.....	257	358	469	311	3,705,697	3,544,841	372,183	409,829	123,210	3.1	28
Totals.....		2,103	1,990	2,563	2,238	\$15,605,890	\$11,204,624	\$2,716,103	\$1,907,007	\$ 5,210,362	39.7%	

\*Hagerstown figures 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.

Construction work provided for in permits issued in June in twenty-seven cities in the Fifth District showed some falling off from the May figures but the decrease was not greater than is usual at this season. The volume of work provided for in June was greater than that provided for in June 1923 in both number of permits and estimated valuation. Building inspectors reported a total of 2,103 permits for new construction with estimated valuation of \$15,605,890 in June this year, compared with 1,990 permits valued at \$11,204,624 in June 1923. Alteration and repair permits in June totaled 2,563 valued at \$2,716,103, compared with 2,238 permits valued at \$1,907,007 issued for the same class of work in June 1923. Combined valuation of both new and repair work amounted to \$18,321,993 in June 1924, compared with \$13,111,631 in June 1923, an increase this year of \$5,210,362, or 39.7 per cent. Huntington, Durham and Spartanburg reported very large increases.

During the first half of 1924 the reporting cities issued 12,246 permits compared with 13,058 permits issued in the same cities during the first half of 1923, when all previous records were broken. In estimated valuation the 1924 figures exceeded last year's record, however, permits aggregating \$87,856,729 having been issued this year to July 1st in comparison with a total of \$84,592,235 during the corresponding six months of 1923. No accurate figures are available for the entire District on the actual number of buildings provided for by the permits issued, but judging from statistics that are available from a few cities and from comments by building inspectors it appears certain that the 1924 permits include a considerably larger number of structures than were provided for last year. This fact is due to the large number of single permits taken out this year for groups of buildings, sometimes one permit covering an entire block of dwellings.

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

Percentage of increase (or decrease) in net sales during the month named, 1924, over the same month last year:						
	January	February	March	April	May	June
Baltimore .....	2.8	10.6	-14.5	17.4	-1.7	-4.2
Richmond .....	23.6	20.5	-11.1	18.0	10.6	0.4
Washington .....	15.1	12.6	-13.0	18.0	-4.8	-3.2
Other Cities .....	6.4	9.7	-18.5	13.9	-0.8	-10.3
District Average .....	8.8	12.0	-14.2	17.3	-1.6	-4.1
Percentage of increase (or decrease) in net sales from Jan. 1st, through month named, 1924, over net sales during the same period last year:						
	January	February	March	April	May	June
Baltimore .....	2.8	6.5	-2.6	2.8	1.8	0.7
Richmond .....	23.6	22.2	7.8	10.5	10.6	8.6
Washington .....	15.1	13.8	2.8	6.4	4.0	2.6
Other Cities .....	6.4	7.9	-3.6	1.2	0.7	-1.4
District Average .....	8.8	10.4	-0.1	4.5	3.1	1.8
Percentage of increase (or decrease) in net sales during the month named, 1924, over average sales during the corresponding months of 1920, 1921 and 1922:						
	January	February	March	April	May	June
Baltimore .....	-0.7	5.9	-10.9	13.5	-0.9	0.3
Richmond .....	43.0	32.4	9.4	32.5	30.8	20.0
Washington .....	9.1	2.1	-13.3	10.3	2.8	0.7
Other Cities .....	5.3	9.2	-9.5	8.7	2.5	-3.9
District Average .....	7.2	7.9	-9.3	13.9	4.0	2.0
Percentage of increase (or decrease) in stocks at close of month named, 1924, over stocks at same date last year:						
	January	February	March	April	May	June
Baltimore .....	3.4	0.6	3.7	-1.5	-2.7	-4.4
Richmond .....	20.4	15.8	15.5	17.3	21.2	14.4
Washington .....	0.9	1.8	3.7	0.4	1.5	0.7
Other Cities .....	12.8	11.5	11.2	6.2	3.7	3.1
District Average .....	4.9	3.5	5.5	1.5	1.2	-0.4
Percentage of increase (or decrease) in stocks at close of the month named, 1924, over stocks at close of preceding month this year:						
	January	February	March	April	May	June
Baltimore .....	-3.7	6.2	12.6	-1.7	-3.9	-6.4
Richmond .....	-11.4	14.2	7.8	2.6	0.4	-5.8
Washington .....	-7.8	11.8	8.4	-1.0	-3.5	-6.2
Other Cities .....	-0.9	6.8	9.1	0.4	-4.9	-5.8
District Average .....	-5.6	8.9	10.4	-0.8	-3.5	-6.2
Percentage of average stocks at close of each month since Jan. 1st, to average monthly net sales during the same period:						
	January	February	March	April	May	June
Baltimore .....	381.4	418.0	414.2	393.0	389.0	382.5
Richmond .....	346.8	398.8	404.2	395.6	392.7	387.5
Washington .....	400.1	425.6	435.9	420.6	414.0	403.1
Other Cities .....	582.3	624.4	616.8	582.2	558.0	548.3
District Average .....	404.9	440.1	441.0	421.6	415.2	406.9
Percentage of outstanding orders at the end of each month named, 1924, to total purchases of merchandise during 1923:						
	January	February	March	April	May	June
Baltimore .....	6.5	7.5	6.3	4.7	4.5	5.4
Richmond .....	6.4	6.3	6.6	4.6	3.6	4.0
Washington .....	8.7	6.2	4.7	3.5	3.0	3.9
Other Cities .....	7.0	6.4	5.1	4.3	3.8	4.9
District Average .....	7.4	6.8	5.6	4.2	3.8	4.7

—Denotes decrease—

Reviewing the averages for June, the only month not previously reported upon, a decrease in sales under June 1923 is noticed, the decline amounting to 4.1% for the District, Richmond with a gain of four-tenths of one percent being the only city to report an increase. Cumulative sales from January 1st through June 30th this year show an increase of 1.8%, and sales during June 1924 were 2.0% greater than average sales during June of the three years 1920, 1921 and 1922. The reporting stores were carrying stocks four-tenths of one percent less valuable, at selling prices, at the end of June this year than a year ago, but the decrease was due entirely to a reduction of 4.4% in Baltimore, all other cities showing larger 1924 stocks. All cities reported less stock on hand at the end of June than at the end of May, both this year, the average reduction for the District being 6.2%. The percentage of average stocks on hand at the end of each month

since January 1st to average monthly sales during the same period was 406.9%, indicating a rate of turn-over slightly less than three times a year. Outstanding orders for merchandise at the end of June amounted to 4.7% of total purchases of merchandise during the calendar year 1923, each of the cities showing a larger volume of orders than was reported at the end of May, a seasonal increase due to the placement of orders for fall goods.

### WHOLESALE TRADE June 1924.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	45	15	14	18	7	13
Percentage increase (or decrease) in net sales during June 1924, compared with sales during May 1924 .....	- 5.2	- 7.8	-32.3	-14.3	-14.5	- 6.1
Percentage increase (or decrease) in net sales during June 1924, compared with sales during June 1923.....	- 1.5	-31.3	-29.6	-19.8	- 9.6	1.4
Percentage increase (or decrease) in cumulative sales from Jan. 1st through June 30, 1924, compared with sales during the corresponding six months of 1923.....	3.0	-15.3	-19.1	- 6.5	4.8	0.7
Percentage increase (or decrease) in stocks on hand June 30, 1924, compared with May 31, 1924 .....	- 2.0(11)	2.3(8)	6.4(7)	- 2.1(5)	3.8(3)	
Percentage increase (or decrease) in stocks on hand June 30, 1924, compared with June 30, 1923.....	3.3 (8)	- 7.5(7)	-10.4(6)	- 1.9(4)	14.3(3)	

—Denotes decreased percentage.

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

The accompanying table shows percentage increases or decreases in sales made by 112 wholesale firms in six lines during the month of June 1924, compared (1) with sales made in May 1924 and (2) with sales in June 1923. Also, increases or decreases in cumulative sales made by the reporting firms from January 1st through June 30th are compared with total sales during the corresponding six months of 1923, and finally, stocks on hand June 30th are compared with stocks on hand at the end of May this year and at the end of June last year.

The table shows that all lines sold less goods in June than in May, both this year, the declines ranging downward from 32.3% in shoes to 5.2% in groceries. In comparison with June 1923, June this year shows decreased sales in all lines except drugs, which reported an increase of 1.4%. Dry goods experienced the largest decrease, June sales falling 31.3% under June 1923 sales, but shoes with a decline this year of 29.6% was close behind dry goods. Grocery sales declined only 1.5% under sales in June last year, the actual units of merchandise sold being approximately the same since wholesale food prices are slightly lower this year.

Stocks in the warehouses of the reporting firms increased during June in dry goods, shoes and furniture, but declined in groceries and hardware, while in comparison with stocks on hand a year ago those reported at the end of June were greater in grocery and furniture lines, but less in dry goods, shoes and hardware.

Lines	Collections in June Reported as									
	Good		Fair		Slow		Poor		Total	
	1924-1923		1924-1923		1924-1923		1924-1923		1924-1923	
Groceries .....	11	8	24	30	7	4	0	0	42	42
Dry Goods .....	1	3	7	9	7	2	0	1	15	15
Shoes .....	1	0	7	10	2	1	1	0	11	11
Hardware .....	2	3	7	10	6	2	0	0	15	15
Furniture .....	1	1	5	4	0	1	0	0	6	6
Drugs .....	1	5	10	7	2	1	0	0	13	13
June Totals .....	17	20	60	70	24	11	1	1	102	102

(Compiled July 21, 1924)

# BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production of basic commodities and factory employment showed further large declines during June. Trade, both at wholesale and retail, also decreased during the month and was in smaller volume than a year ago.

**PRODUCTION.** The Federal Reserve Board's index of production in basis industries, adjusted to allow for seasonal variations, declined about 9 per cent in June to a point 22 per cent below the level of the first two months of the year. Iron and steel and cotton manufacturing industries continued to show the most marked curtailment of activity, and decreases were general in other industries. Factory employment decreased 3 per cent in June, the metal, automobile, textile, and leather industries reporting the largest reductions in forces. Value of building contracts awarded in June was 8 per cent smaller than in May, though 4 per cent larger than in June of last year.

Condition of the corn crop on July 1, as reported by the Department of Agriculture, was the lowest on record for that date and indicated a probable yield about 500,000,000 bushels less than last year. Condition of the cotton crop was reported less satisfactory than a month earlier, while forecasts for wheat and oats were larger than in June.

**TRADE.** Railroad shipments decreased in June and were about 15 per cent less than a year ago, owing to smaller loadings of all classes of freight except grain and livestock. Wholesale trade showed a further slight decline in June and was 11 per cent smaller than a year ago. Sales of hardware, drugs, shoes, and dry goods decreased, while sales of groceries and meat increased slightly. Sales of department stores and chain stores showed more than the usual seasonal decrease during June and were smaller than last year. Mail order sales in June showed less than the usual seasonal decline and were larger than a year ago. Department stores further reduced their stocks of merchandise and slightly increased their outstanding orders.

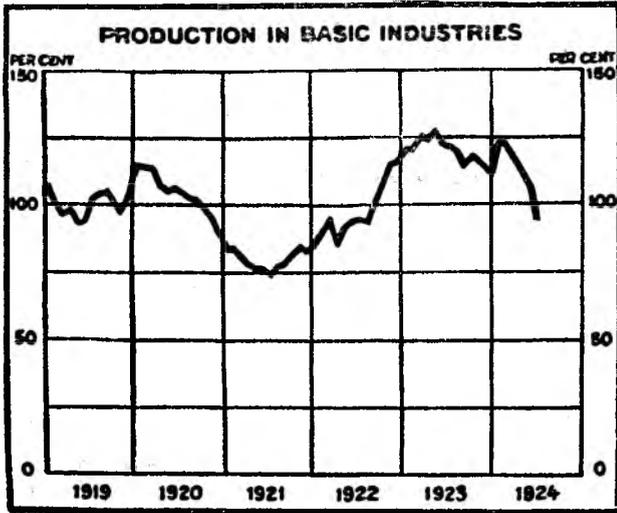
**PRICES.** Wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined more than one per cent in June to a level 5 per cent below the high point for this year. Prices of all groups of commodities, except clothing, showed declines and decreases were particularly large for building materials. During the first three weeks of July quotations on wheat, corn, and hogs advanced sharply, while prices of sugar, cotton goods, and iron and steel products were lower.

**BANK CREDIT.** Commercial loans at member banks in leading cities during June and the first two weeks of July remained at a relatively constant level, considerably below the peak reached in April, while investment holdings and loans secured by stocks and bonds increased rapidly and carried total loans and investments to the high point for the year. Demand deposits, owing partly to the growth of bankers' balances at financial centers, advanced to a record level.

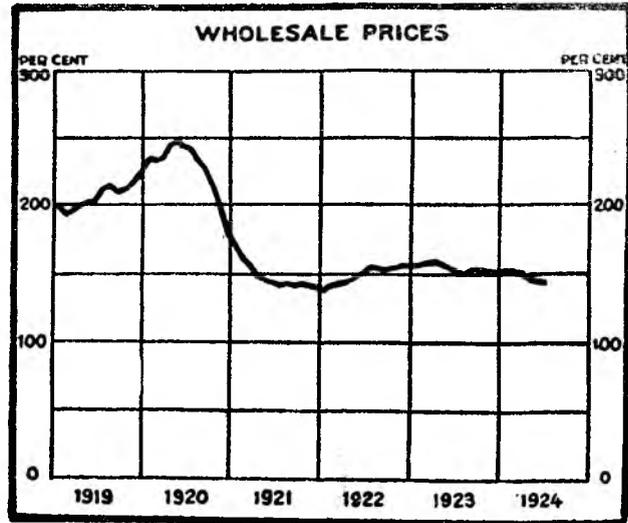
At the Reserve banks there was a continued decline in discounts and an increase in purchases of government securities in the open-market. As a consequence, total earning assets in the middle of July were only slightly less than at the beginning of June. Member bank reserve balances increased rapidly, reflecting a return flow of currency from circulation and further imports of gold; total deposits at the reserve banks on July 16 were larger than at any time since the organization of the system.

Money rates in July were comparatively steady but continued to show a somewhat easier tendency. Discount rates at the Federal Reserve Banks of Kansas City and Dallas were reduced during July from  $4\frac{1}{2}$  to 4 per cent.

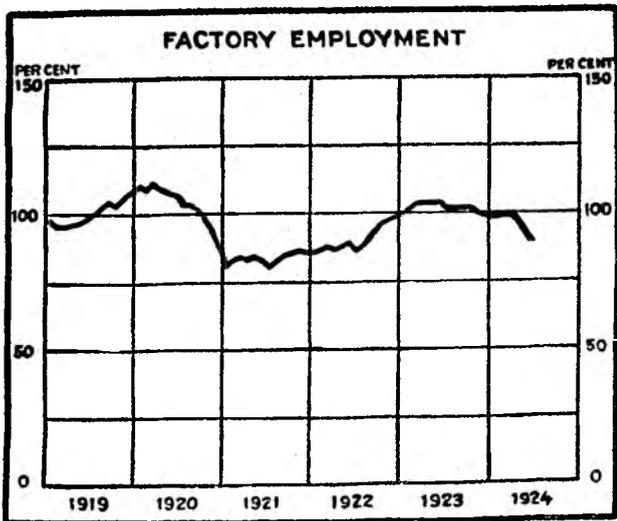
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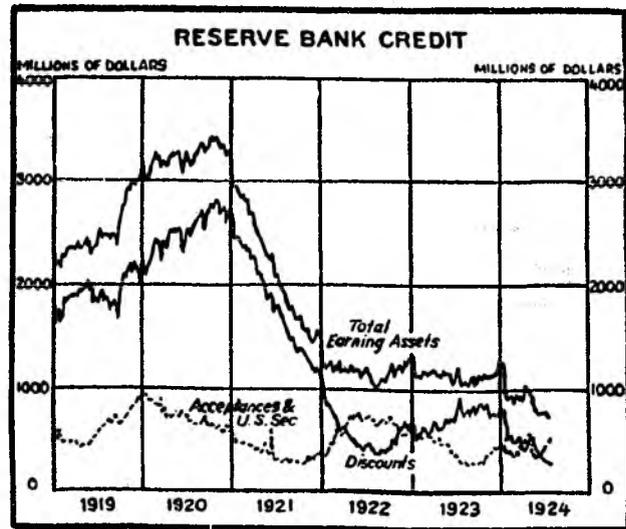
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—June 94.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure —June 145.



Index of 33 manufacturing industries (1919=100). Latest figure—June 90.



Weekly figures for 12 Federal Reserve Banks. Latest figures, July 23rd.

# FIFTH FEDERAL RESERVE DISTRICT

