

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

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Sentiment in the business world became distinctly more optimistic during July and early August, and concrete evidence that this increased confidence as to future prospects is well founded is not lacking. There are weak spots here and there, but favorable factors are much more numerous, and the majority of our correspondents are quite cheerful over the outlook for fall business.

The leading unfavorable element in sight at present is a probable reduction in the yields of the District's three leading crops, cotton, tobacco and corn. Cotton, which takes first rank as a money crop, is much below last year in condition in North Carolina and Virginia, and is somewhat below last year in South Carolina. If favorable weather prevails during the balance of the season, however, there may be considerable improvement in the crop, and at any rate the yield promises now to be remunerative at the prices likely to prevail. The tobacco crop condition is much below last year's in all of the Fifth District states, and present prospects do not appear to indicate a scale of prices that will leave the growers much profit after expenses are paid, but the South Carolina markets are the only ones that have opened and better prices may be secured later when the North Carolina and Virginia crops are sold, a situation which has frequently arisen in the past. The corn crop is smaller than in 1923, but corn is not a money crop to any considerable degree except in Virginia, perhaps, and with a very large hay crop to supplement corn plenty of farm feed appears assured. As a rule the less important crops are showing up better than the leaders. Fruit prospects are the best in years, truck crops were fair to good, small grains did well, and peanuts are steadily improving.

The most striking improvement noted in the Fifth District business world during the past month is the change in the textile outlook. A month ago both jobbers and manufacturers of cotton goods were pessimistic. But early in August the sentiment changed, and since then many mills have in-

creased their operating time. Orders have been placed by jobbers with considerably more freedom than previously, though most of them were for early shipment, and mills have been able in some cases to secure more advantageous prices for their goods than have recently prevailed.

Another improvement developed in the coal mining industry during July and early August, but the change in this case was largely seasonal and was much less marked than the improvement in textiles.

Business failures were more numerous during July than in July 1923, and liabilities were also greater, but both the number and the total of liabilities involved were lower in the Fifth District than in either May or June of this year.

The Fifth District appears to have ample purchasing power this season, and there seems nothing to prevent a splendid fall business if the public develops a buying mood. Bank deposits are near or fully up to a record point, and the banks are in a very strong position and are able to care for any legitimate credit demands that appear likely to develop. The volume of rediscounts at the Reserve Bank is very small, with a consequent high reserve ratio of cash to deposit and note liabilities. Current transactions as reflected in debits to individual accounts at clearing house banks are above the transactions a year ago. Labor is quite well employed at peak or near peak wages, and construction work of all kinds is holding up so well that plenty of work appears assured for all workers either directly or remotely connected with building. Retail trade, as reflected by department store sales, was greater in dollar amount in July than in July 1923, and wholesale trade, while somewhat below last year in value, is showing signs of material improvement in comparison with recent months.

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

CONDITION OF SEVENTY-FIVE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Aug. 13, 1924	July 9, 1924	Aug. 15, 1923
1. Total Loans and Discounts (including all rediscounts)	\$ 459,537,000	\$ 467,625,000	\$ 458,164,000
2. Total Investments in Bonds and Securities	119,248,000	114,395,000	130,803,000
3. Total Loans and Investments	578,785,000	582,020,000	588,967,000
4. Reserve Balance with Federal Reserve Bank	36,616,000	35,459,000	34,033,000
5. Cash in Vaults	13,136,000	13,712,000	13,281,000
6. Demand Deposits	337,015,000	332,100,000	325,401,000
7. Time Deposits	176,832,000	172,072,000	152,009,000
8. Borrowed from Federal Reserve Bank	8,205,000	16,270,000	36,877,000

The accompanying table shows the principal items of condition reported by seventy-five identical member banks as of three dates, August 13, 1924, July 9, 1924 and August 15, 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. The number of reporting banks has been reduced during the past month from seventy-six to seventy-five, but the reduction resulted from a merger of two banks and does not destroy the comparative value of this month's figures with those previously reported.

The items in the table as of July 9th and August 13th, both this year, show a marked decline in the demand for credit at the reporting banks during the period under review. Between July 9th and August 13th, total loans and discounts dropped from \$467,625,000 to \$459,537,000, a decrease of \$8,088,000, and rediscounts at the Reserve Bank were reduced from \$16,270,000 to \$8,205,000, a decline of \$8,065,000. During the same period, the reporting banks increased their investments in bonds and securities from \$114,395,000 to \$119,248,000; their reserve balances at the Reserve Bank rose in the aggregate from \$35,459,000 to \$36,616,000; their demand deposits increased from \$332,100,000 to \$337,015,000; and their time deposits increased from \$172,072,000 to \$176,832,000. Cash in vaults dropped from \$13,712,000 to \$13,136,000.

On August 15, 1923, the seventy-five reporting banks were lending \$458,164,000 to their customers, but at the same time they were borrowing \$36,887,000 from the Federal Reserve Bank, while on August 13th this year their outstanding loans to customers amounted to \$459,537,000 and their Reserve Bank borrowing totaled only \$8,205,000, an increase in loans of \$1,373,000 but a decrease in rediscounts of \$28,682,000. During the year the reserve balances with the Federal Reserve Bank rose from \$34,033,000 to \$36,616,000. 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 \$130,803,000 to \$119,248,000; a reduction of cash in vaults from \$13,281,000 to \$13,136,000; an increase in demand deposits from \$325,401,000 to \$337,015,000; and an increase in time deposits from \$152,009,000 to \$176,832,000. All of the changes reflect the easy money conditions now prevailing in comparison with the same period last year.

FEDERAL RESERVE BANK OPERATIONS

The demand for credit at the Federal Reserve Bank of Richmond continued to decline during the period between July 16th and August 13th, both this year. Between the two dates mentioned, rediscounts for member banks dropped from \$45,673,000 to \$32,895,000, a reduction of \$12,778,000, or approximately 28 percent. At the same time the volume of Federal Reserve notes in actual circulation declined \$2,202,000, falling from \$70,759,000 to \$68,557,000, and reserve deposits of member banks increased by \$445,000, rising from \$61,395,000 to \$61,840,000. As a result of the changes mentioned, the cash reserves of the Federal Reserve Bank of Richmond increased from \$91,533,000 on July 16th to \$104,661,000 on August 13th, and the ratio of cash reserves to combined note and deposit liabilities rose from 68.50% to 79.23% during the four weeks under review.

On August 15, 1923, the volume of rediscounts for members held by the Federal Reserve Bank of Richmond amounted to \$67,397,000 compared with \$32,895,000 on the corresponding date this year, and Federal Reserve notes in actual circulation on the 1923 date amounted to \$79,453,000 compared with \$68,557,000 on the 1924 date. During the year the reserve deposits of member banks at the Reserve Bank rose from \$59,694,000 to \$61,840,000. As a result of the lessened demand for credit this year in comparison with the same period in 1923, the cash reserves of the Federal Reserve Bank of Richmond rose from \$79,215,000 on August 15, 1923 to \$104,661,000 on August 13, 1924, and the ratio of cash to combined note and deposit liabilities increased from 56.23 percent to 79.23 percent.

SAVINGS BANK DEPOSITS

The monthly reports from fifteen Baltimore savings Banks showed a slight decline in deposits during July, but this is a seasonal occurrence. Total deposits at the end of July amounted to \$143,421,389, the highest figure reported at the end of any month except June. On July 31, 1923, total deposits in these banks aggregated \$137,190,684; on July 31, 1922, the total was \$127,391,229; on July 31, 1921, it was \$123,345,754; and on July 31, 1920, it was \$120,142,672. Between July 31, 1923 and July 31, 1924 deposits in the reporting banks increased 4.5% and between the 1920 and the 1924 dates the increase was 19.4%.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FIVE WEEKS ENDING		
	Aug. 13, 1924	July 9, 1924	Aug. 15, 1923
Asheville, N. C.....	\$ 30,452,000	\$ 27,470,000	\$ 27,776,000
Baltimore, Md.....	433,025,000	433,293,000	432,300,000
Charleston, S. C.....	24,624,000	31,996,000	31,666,000
Charleston, W. Va.....	38,998,000	40,194,000	40,057,000
Charlotte, N. C.....	43,576,000	47,355,000	39,063,000
Columbia, S. C.....	20,837,000	23,064,000	24,182,000
Cumberland, Md.....	10,874,000	11,767,000	10,962,000
Danville, Va.....	9,291,000	8,915,000	9,307,000
Durham, N. C.....	21,671,000	21,952,000	20,579,000
Greensboro, N. C.....	23,462,000	23,101,000	24,075,000
Greenville, S. C.....	19,331,000	21,061,000	21,781,000
Hagerstown, Md.....	12,653,000	12,173,000	11,412,000
Huntington, W. Va.....	28,399,000	29,069,000	29,921,000
Lynchburg, Va.....	20,712,000	22,941,000	21,314,000
Newport News, Va.....	8,838,000	8,078,000	8,598,000
Norfolk, Va.....	81,079,000	72,536,000	74,469,000
Raleigh, N. C.....	28,311,000	33,391,000	34,295,000
Richmond, Va.....	134,473,000	140,123,000	129,720,000
Roanoke, Va.....	26,063,000	29,362,000	26,983,000
Spartanburg, S. C.....	13,514,000	15,909,000	10,724,000
Washington, D. C.....	215,500,000	253,686,000	203,109,000
Wilmington, N. C.....	19,371,000	21,633,000	19,100,000
Winston-Salem, N. C.....	38,398,000	37,049,000	35,207,000
Totals for 23 cities.....	\$ 1,303,452,000	\$ 1,366,118,000	\$ 1,286,600,000

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 five weeks each, ending August 13, 1924, July 9, 1924 and August 15, 1923, thus affording an opportunity for comparing the latest five weeks period with (1) the preceding like period this year, and (2) the corresponding period last year. The debits figures include all checks drawn on deposit accounts of individuals, firms and corporations, and the United States Government, including checks against savings accounts, payments from trust funds and certificates of deposit paid, and the figures furnish a very good index of the volume of business transactions carried on during the periods included in the table.

Total debits in the twenty-three reporting cities during the five weeks ending August 13, 1924, amounted to \$1,303,452,000, compared with \$1,366,118,000 reported for the preceding five weeks, ending July 9, 1924, a decrease of \$62,666,000, or 4.6%, during the more recent period. This decrease is very largely a seasonal one, however, and is due to the large volume of end-of-quarter and semi-annual payments made on July 1st, to income tax payments on June 15th, and to the usual midsummer dullness in many lines of trade always encountered in late July and most of August.

The five weeks ending August 13th this year show an increase of \$16,852,000 in debits in the reporting cities over the total of \$1,286,600,000 reported for the five weeks ending August 15th last year, and in view of somewhat higher prices which prevailed last year in most lines it is likely that the increase in the volume of business done during the 1924 period under review was greater than the figures alone indicate. Twelve reporting cities show higher figures this year than last, while eleven cities show declines.

**BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS
JULY, 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.....	131	91	44.0	\$ 1,539,996	\$ 1,644,931	— 6.4%
New York, Second.....	329	298	10.4	12,717,797	7,049,066	80.4
Philadelphia, Third.....	74	40	85.0	3,057,246	3,979,044	— 23.2
Cleveland, Fourth.....	155	91	70.3	5,947,876	5,763,981	3.2
Richmond, Fifth.....	123	76	61.8	2,675,646	1,301,279	105.6
Atlanta, Sixth.....	102	82	24.4	1,299,886	1,743,751	— 25.5
Chicago, Seventh.....	213	136	56.6	3,777,361	5,382,698	— 29.8
St. Louis, Eighth.....	64	47	36.2	579,643	563,872	2.8
Minneapolis, Ninth.....	81	71	14.1	1,427,184	1,163,446	22.7
Kansas City, Tenth.....	106	66	60.6	1,150,169	2,795,103	— 58.9
Dallas, Eleventh.....	40	81	— 50.6	242,424	2,576,000	— 90.6
San Francisco, Twelfth.....	197	152	29.6	2,398,010	1,758,017	36.4
Totals.....	1,615	1,231	31.2%	\$ 36,813,238	\$ 35,721,188	3.1%

The table accompanying this paragraph shows the number of failures and the total liabilities involved in each of the twelve Federal Reserve districts during July 1924 and 1923. In commenting on the month's record, *Dun's Review* for August 9th says, "Only a slight change occurred in the number of business failures in the United States last month, a total of 1,615 being reported. This represents an increase of five-tenths of one percent over the 1,607 defaults of June, though the July liabilities of \$36,813,238 are about eight percent in excess of the \$34,099,031 of the earlier month. The heavier indebtedness is accounted for by the larger amount involved by the failures of unusual size, those for \$100,000 or more in each case numbering 54 and having liabilities of \$19,715,819. Similar defaults in June numbered 46, for about \$14,128,000. All commercial failures considered, the number last month, if slightly above that for June, is below the totals for all other months this year and shows a decrease of 23 percent from the high point reached last January. When comparison is made with the returns for July 1923, a sharp increase is shown, the defaults of that period numbering 1,231. This, however, marked the smallest aggregate for any month since November 1920, the business mortality during the summer of last year, in point of number of failures, having been at an unusually low level. Yet the liabilities for July 1923, despite the relatively small number of defaults, exceeded \$35,700,000, the average of \$29,018 per failure being considerably above the average of \$22,795 for the same month of the present year."

Business failures in the Fifth District numbered 123 in July 1924, with liabilities of \$2,675,646, compared with 76 failures and liabilities amounting to \$1,301,279 reported in July last year, an increase this year of 61.8 percent in number of defaults and 105.6 percent in liabilities involved. The number of failures in July this year was lower than in either May or June, however, and the July liabilities were the lowest reported in the District since November last year.

Average liabilities per failure during July 1924 amounted to \$22,795 in the nation and \$21,753 in the Fifth District, compared with averages of \$29,018 in the nation and \$17,122 in the Fifth District during July 1923.

LABOR—Good weather during the past month enabled contractors, road builders, and other employers of unskilled labor to push their work forward, thus reducing somewhat the surplus of laborers that had begun to appear in the cities. Skilled workers continued fully employed, but there were sufficient men to meet the demand. Farm labor continues scarce and high priced, but the farmers have become somewhat reconciled to this condition and are making the best of the situation, doing their work with the members of their own families. Textile labor is better employed now than a month ago, and there has recently been some seasonal improvement in the coal fields. Female labor in the cities is better employed than a month ago, but much of this work is temporary, being due to substitute work at vacation time and to cleaning work as fall approaches.

COAL—The output of bituminous coal continued to increase slowly during July and the first ten days in August, and reached the daily average attained in 1921, but production is still far behind 1923 and 1920. The United States Geological Survey, in its August 16th report, says that the course of the recovery of production is following with remarkable closeness the line for 1921. Total production during the first 188 days of the calendar year 1924 was 269,684,000 net tons, a lower figure than was attained in 1918, 1919, 1920 or 1923, but a higher figure than was reported in either 1921 or 1922. The great strike in the bituminous fields partially accounted for the low 1922 production. Prices of coal remain unchanged from summer quotations in most markets, and dealers' yards are well stocked. Consumers' stocks are thought to be comparatively low, and dealers expect that the first cold weather will bring an immediate and material improvement

in the demand for fuel. A recently observed tendency toward increased operating time in many manufacturing lines should also prove of advantage to the coal industry.

TEXTILES—Prospects in the textile field of the Fifth District have improved distinctly since our July 31st *Review* was written. The Department of Agriculture's cotton condition reports released during the past month appeared to convince both manufacturers and buyers that this year's crop will not be sufficiently large to cause much change in either cotton or textiles prices, and an appreciably larger volume of orders has been placed with mills during the past two or three weeks. Most of these orders are for prompt delivery, there being as yet no great change in the buyer's reluctance to make future commitments, but the air has been cleared of much doubt and uncertainty, and psychologically the situation has greatly improved. Quite a number of mills have begun expanding operations by increasing the number of weekly running hours or days, and mills that had surplus goods on hand have been able to dispose of a considerable volume of stock. Conditions among the mills vary widely, some mills having all the orders they can fill while others have none, but the prospects now appear to be bright for the coming months. The cotton crop is of course not yet made and gathered, and its development will influence the volume of business the mills secure in the near future, but present prospects as to probable yield would have to improve phenomenally to work much change in the better feeling that now prevails in textile circles.

Cotton consumed in the Fifth District during July amounted to 140,863 bales, North Carolina mills having used 72,833 bales, South Carolina mills 62,823 bales, and Virginia mills 5,207 bales. The number of bales used in North Carolina and Virginia was lower than the number used in June, but South Carolina mills increased their consumption slightly during the more recent month. The Fifth District consumption during July amounted to 40.6% of national consumption compared with 40.9% of national consumption reported for the three Fifth District states in June 1924 and 40.0% in July 1923.

COTTON—Cotton prices have fluctuated widely during the past month as various official and private conditions and weather reports were issued, and cotton interests are waiting anxiously for the Department of Agriculture's report to be released on August 23d. In our July 31st *Review* we quoted spot cotton prices in the Carolinas through the week ending July 19th, the latest quotation shown being 27.85 cents per pound. The week ending July 26th, during which the Department of Agriculture issued a condition report, witnessed an advance to an average of 29.42 cents, but since that time the trend has been downward, dropping to an average of 28.25 cents per pound during the week ending August 2, to 27.95 cents during the period ending August 9th, and to 27.15 cents during the latest period for which figures are available, ending August 16th. All of the prices quoted were taken from official figures collected by the Cotton Quotation Service of the United States Department of Agriculture and represent actual sales of spot cotton on various markets in the two Carolinas.

The Department of Agriculture's fourth cotton condition report for this season was issued on August 8th, and estimated the August 1st condition at 67.4% in comparison with 68.5% on July 16th this year and 67.2% on July 25th last year. The indicated crop was 12,351,000 bales on August 1st, compared with an estimate of 11,934,000 bales on July 16th this year and final figures of 10,128,478 bales grown in 1923. Between July 16th and August 1st the condition of the crop increased from 56% to 58% in North Carolina and from 59% to 60% in South Carolina, but the Virginia condition declined from 54% to 51%. On July 25th last year the condition figure in North Carolina was 82%, South Carolina's was 64%, and Virginia's 88%. Since August 1st the weather on the whole has been favorable, although somewhat too cool for cotton, and it is probable that the crop in the Fifth District is at present better than the latest available figures indicate.

The Census Bureau's first ginning report of the season, giving the amount of cotton ginned up to July 31st, showed only 21,925 bales in comparison with 64,381 bales to July 31st last year. This report shows clearly how late the crop is this year.

Cotton consumed in American mills during July amounted to 346,671 bales, compared with 350,277 bales used in June this year and 461,575 bales in July 1923. Total consumption during the 1923-1924 cotton year, which closed July 31st, was 5,669,971 bales, compared with 6,664,710 bales used in the preceding year. Cotton on hand in consuming establishments at the end of July amounted to 719,827 bales, in comparison with 950,625 bales so held on June 30, 1924 and 1,089,230 bales on July 31, 1923. Public warehouses and compresses held 673,934 bales on July 31st, compared with 882,204 bales on June 30th this year and 938,689 bales on July 31st last year. Imports during July totaled 6,597 bales, compared with 13,640 bales in June 1924 and 6,356 bales in July 1923, while exports totaled 211,533 bales in July 1924, 230,979 bales in June 1924, and 171,469 bales in July 1923. Cotton consumed in the cotton growing states during July numbered 241,069 bales, compared with 247,478 bales in June 1924 and 308,181 bales in July 1923. July consumption in the cotton growing states amounted to 69.5% of national consumption, compared with 70.7% of national consumption used in the cotton growing states during June 1924 and 66.8% used in July 1923.

Virginia's cotton crop has the poorest outlook for many years, but the dry weather that has prevailed during August has permitted more thorough cultivation and if favorable weather continues there is still the possibility of considerable improvement. The estimated crop this year, based on the August 1st condition, is 30,000 bales in comparison with 50,000 bales grown last year. In North Carolina this year's production is estimated at 753,956 bales, in comparison with 1,020,000 bales gathered in 1923 and a ten year average of 792,708 bales. The boll weevil is present throughout North Carolina, but is doing comparatively little damage. Cotton has improved since August 1st, according to the August 15th report of the Agricultural Statistician, the plants showing better color and fruitfulness, but the cotton crop is quite short and many sections report heavy shedding, especially where conditions are dry. The South Carolina crop varies widely in different sections of the state, ranging from a condition of 41% in one district on the coast to 72% in the northwestern counties. The weather during the latter part of July and the first half of August was favorable for cotton in South Carolina, and much progress was made during that period, especially in the Piedmont counties. The weevil is less active than last year, and has done little damage. Throughout the Fifth District as well as the entire cotton belt the controlling influence this year has been the weather.

TOBACCO—Virginia's tobacco crop declined in condition during July, owing to the unfavorable weather. The August 1st condition of 70% indicates a probable production of 128,828,000 pounds in comparison with 150,900,000 pounds produced last year. Many fields of late tobacco may make considerable improvement if favorable weather is encountered during the balance of the growing season.

In North Carolina the condition of tobacco declined from 77% to 68% during July, indicating on August 1st a probable production of 270,000,000 pounds in comparison with 386,000,000 pounds grown in 1923. Much of the crop ripened before the plants fully matured and light yields resulted. The color is generally good, however. Most of the tobacco crop has been harvested. The North Carolina acreage was approximately 10% less than in 1923.

Tobacco condition in South Carolina dropped from 69% on July 1st to 55% on August 1st, indicating a yield of about 47,000,000 pounds in comparison with 74,460,000 pounds in 1923. The tobacco markets in South Carolina opened early in August, and prices are generally considered satisfactory for the grades of tobacco offered. The quality of tobacco appears to be good on the average.

AGRICULTURAL NOTES—Reporting on crops in Virginia on August 11th, the Agricultural Statistician stated that conditions did not improve during July, the first of the month being too wet and the last part too dry. The corn crop is very poor in all sections except the Southwest, and even in that district is not up to the average. In many sections the plants are twisting and yellowing. The August 1st condition of 67% indicates a production of 35,745,000 bushels compared with 53,563,000 bushels last year. The wheat crop turned out better than was expected, but the indicated production of 9,628,000 bushels is less than the 11,145,000 bushels raised last year and the five year average of 10,824,000 bushels. However, the increase in price has added considerably to the value of the 1924 crop, the average farm price on July 15th this year being \$1.20 per bushel in comparison with \$1.12 last year. Fruit crops promise much better than average yields in Virginia, in spite of a heavy drop during July in the commercial apple regions. Owing to dry weather late in July and early August peaches are not as large as had been expected, but the production is greater than usual. Commercial orchards are shipping the early varieties. The production of grapes, pears and blackberries is much above the average, but watermelon and cantaloupe yields will be less. The outlook for peanuts is uncertain. While the August 1st condition is poor, most of the crop was well worked and will make considerable improvement if favorable weather comes. The August 1st condition of 65% indicates a yield of 78,546,000 pounds compared with 122,760,000 pounds last year. A very large crop of hay has been saved, especially in the Shenandoah Valley and the Southwest, but the outlook for the late hay crop, such as cowpeas, soy beans and millet, is not promising as dry weather has retarded growth.

North Carolina's corn crop this year is expected to yield 45,918,000 bushels, in comparison with 58,500,000 bushels gathered in 1923. The reduction is chiefly due to excessive rains early in July. Fields are grassy and plants are earing poorly. Many interior counties have very good corn prospects on stiff lands, however. Wheat and rye yields were much better than expected, many sections reporting the largest wheat yields per acre on record in the state. Peanuts declined in condition during July, dropping from 84% to 70%, the August 1st condition indicating a production of 130,830,000 pounds, a reduction of 22,170,000 pounds under the 1923 production. During the first half of August the crop made considerable improvement, however, and the plants have good color and size. The fruit outlook continues good and peach shipments are quite active in the Sand Hill territory. A good apple production is expected in mountain counties. Record shipments of truck were made from the eastern counties and weather conditions are favorable for the growing truck. North Carolina farmers used fertilizer freely this year, but the heavy rains washed much of it out of thin soils.

The hot, dry weather following the excessive rains during the first two weeks of July caused considerable deterioration in practically all crops in South Carolina, cotton being the only crop that benefited. The condition of corn dropped from 80% on July 1st to 70% on August 1st. The indicated yield is now 28,000,000 bushels in comparison with approximately 33,000,000 bushels produced last year. The indicated yield of peanuts in South Carolina is 27,907,000 pounds this year in comparison with 32,500,000 pounds last year. Cowpeas, velvet beans, soy beans, hay, sweet potatoes and sorghum for syrup showed an average condition on August 1st about ten points below the average condition on July 1st.

BUILDING OPERATIONS FOR THE MONTHS OF JULY, 1924 AND 1923.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1924	1923	1924	1923			
		1924	1923	1924	1923							
MARYLAND												
1	Baltimore.....	448	497	1,459	948	\$ 3,385,920	\$ 3,941,240	\$ 770,640	\$ 855,360	\$— 640,040	— 13.3%	1
2	Cumberland.....	36	24	13	17	65,850	67,781	18,865	9,442	7,492	9.7	2
3	Frederick.....	2	7	2	8	7,350	22,075	1,700	7,460	— 20,485	— 69.4	3
4	Hagerstown*	35		13		66,200						4
VIRGINIA												
5	Lynchburg.....	19	20	30	23	39,877	31,740	86,413	77,510	17,040	15.6	5
6	Norfolk.....	120	102	40	79	591,888	229,365	175,794	37,082	501,235	188.1	6
7	Petersburg.....	15	6	5	9	35,121	19,100	2,944	4,263	14,702	62.9	7
8	Richmond.....	141	117	84	96	603,702	624,767	439,472	210,471	207,936	24.9	8
9	Roanoke.....	79	91	38	53	278,136	172,860	17,560	23,750	99,086	50.4	9
WEST VIRGINIA												
10	Bluefield.....	20	47	14	5	95,850	128,125	48,675	2,150	14,250	10.9	10
11	Charleston.....	50	74	30	25	170,344	325,834	75,510	52,390	— 132,370	— 35.0	11
12	Clarksburg.....	35	43	18	19	93,325	95,215	6,470	17,585	— 13,005	— 11.5	12
13	Huntington.....	115	150	26	26	431,635	400,760	44,625	14,065	61,435	14.8	13
14	Parkersburg.....	28	31	7	10	83,800	75,000	12,200	50,000	— 29,000	— 23.2	14
NORTH CAROLINA												
15	Asheville.....	37	55	82	59	458,723	720,378	17,470	100,000	— 344,185	— 42.0	15
16	Charlotte.....	52	53	12	14	269,585	694,900	18,175	19,100	— 426,240	— 59.7	16
17	Durham.....	14	28	2	10	67,000	109,550	1,800	13,150	— 53,900	— 43.9	17
18	Greensboro.....	66	90	19	27	225,315	217,334	26,675	18,490	16,166	6.9	18
19	High Point.....	46	55	14	11	133,350	109,025	6,365	9,325	21,365	18.1	19
20	Raleigh.....	86	**57	2		685,097	**108,452	1,200		577,845	532.8	20
21	Salisbury.....	22	20	1	0	103,125	32,110	50	0	71,065	221.3	21
22	Wilmington.....	21	15	10	4	130,300	112,000	42,300	4,700	55,900	47.9	22
23	Winston-Salem.....	61	57	87	75	152,865	262,860	58,503	16,960	— 68,452	— 24.5	23
SOUTH CAROLINA												
24	Charleston.....	3	5	13	11	2,900	81,175	9,420	19,045	— 87,900	— 87.7	24
25	Columbia.....	21	19	85	73	77,580	56,350	36,661	34,920	22,971	25.2	25
26	Greenville.....	10	22	13	20	71,775	129,175	23,375	39,090	— 73,115	— 43.5	26
27	Spartanburg.....	48	25	27	43	247,795	11,260	62,870	8,290	291,115	1,489.1	27
DIST. OF COLUMBIA												
28	Washington.....	300	257	797	531	6,123,895	2,187,960	421,515	502,036	3,855,414	143.3	28
Totals.....		1,895	1,967	2,930	2,196	\$14,632,103	\$10,966,391	\$2,427,247	\$2,146,634	\$ 3,946,325	30.1%	

*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.

The number of building permits issued in twenty-seven cities in the Fifth Federal Reserve District showed a seasonal decline in July in comparison with June, and also fell slightly under the number of permits issued for new construction in July 1923. Total valuation figures for new work were slightly lower in July than in June, but were considerably higher than in July last year. The twenty-seven cities for which comparable figures for both 1924 and 1923 are available reported 1,895 permits for new work in July, with estimated valuation of \$14,632,103, compared with 2,103 permits valued at \$15,605,890 issued in June of this year and 1,967 permits valued at \$10,966,391 issued in July last year. Alteration and repair permits issued in July totaled 2,930 and the estimated valuation was \$2,427,247, compared with 2,563 permits and \$2,716,103 reported in June 1924 and 2,196 permits and \$2,146,634 reported in July 1923. Total valuation for both new construction and alterations and repairs amounted to \$17,059,350 in July, \$18,321,993 in June, and \$13,113,025 in July 1923. Sixteen of the twenty-seven cities showed higher valuation figures in July this year than last year, and eleven cities showed a larger number of permits for new work. Strikingly large increases in valuation were reported by Norfolk, Raleigh, Salisbury, Spartanburg and Washington, all increasing more than 100%.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during July 1924, compared with July 1923.....	4.2	— 5.9	6.6	0.3	3.3
Percentage increase in net sales during July 1924, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	— 0.9	33.3	2.9	— 5.7	3.6
Percentage increase in stocks on hand at the end of July 1924, over stocks on hand at the end of July 1923.....	— 6.4	8.6	— 2.7	2.0	— 2.8
Percentage increase in stocks on hand at the end of July 1924, over stocks on hand at the end of June 1924.....	— 8.0	— 4.7	— 7.1	— 4.7	— 7.0
Percentage of average stocks on hand at the end of each month since July 1, 1924, to average net sales each month during the same period, one month.....	470.4	416.5	461.3	586.0	475.1
Percentage of outstanding orders at the end of July 1924, to total purchases of merchandise during the year 1923.....	6.8	8.2	5.5	6.8	6.5

—Denotes Decrease.

Department store sales in the Fifth District showed an average increase of 3.3% during July 1924 in comparison with sales in July last year, Baltimore stores reporting an average gain of 4.2%, Washington stores a gain of 6.6%, and the group of Other Cities a gain of three-tenths of one per cent, while Richmond stores averaged a decline of 5.9%. In comparison with average July sales during the three years 1920-1922, inclusive, sales in July this year were nine-tenths of one per cent less in Baltimore and 5.7% in the Other Cities, but were 33.3% greater in Richmond and 2.9% greater in Washington, the District average showing an increase of 3.6%. Stocks on hand at the end of July were 6.4% less valuable than stocks on hand a year ago in Baltimore and 2.7% less in Washington, but Richmond stocks were 8.6% more valuable and the Other Cities group showed an increase of 2.0%, the District average being a decline of 2.8%. During the past month stocks on hand declined 8.0% in Baltimore, 4.7% in Richmond, 7.1% in Washington, and 4.7% in the Other Cities, averaging a decline of 7.0% for the District. The percentage of average stock on hand at the end of July to average net sales during the same month was 475.1% for the District, Richmond reporting the lowest figure, 416.5%. Outstanding orders for merchandise at the end of July amounted to 6.5% of total 1923 purchases, Richmond showing the highest percentage and Washington the lowest.

WHOLESALE TRADE
July 1924.

The accompanying table shows percentage increases or decreases in sales made by 107 wholesale firms in six lines during the month of July 1924, compared (1) with sales made in June 1924 and (2) with sales in July 1923. Also, increases or decreases in stocks on hand July 31st are compared with stocks on hand at the end of June this year and at the end of July last year. Two grocery firms, two shoe firms and one drug firm have not sent in their July figures at the time of compiling the averages, the delays probably being due to vacation absences in the offices of the missing firms.

The table shows that sales increased in July in comparison with June in dry goods, hardware, furniture and drugs, but declined in grocery lines and in shoes. In comparison with July 1923, sales in July this year were greater in furniture and drug lines, but were less in groceries, dry goods, shoes and hardware.

Stocks on hand increased during July in dry goods, hardware and furniture, but dropped slightly in grocery and shoe houses. In comparison with stocks on hand a year ago, July 31, 1923, stocks carried on July 31st this year were greater in groceries but were less in dry goods, shoes, hardware and furniture, dry goods and shoes showing decreases of 12.5% and 13.1%, respectively.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	43	15	12	18	7	12
Percentage increase (or decrease) in net sales during July 1924, compared with sales during June 1924	- 2.6	25.8	-12.9	6.3	25.1	6.4
Percentage increase (or decrease) in net sales during July 1924, compared with sales during July 1923.....	- 4.2	-17.8	-19.3	- 9.0	13.4	6.1
Percentage increase (or decrease) in stocks on hand July 31, 1924, compared with June 30, 1924.....	- 1.1(11)	3.3(8)	- 1.5(6)	6.3(5)	13.5(3)	
Percentage increase (or decrease) in stocks on hand July 31, 1924, compared with July 31, 1923.....	3.5 (8)	-12.5(7)	-13.1(5)	- 3.4(4)	- 5.1(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.

Collections are distinctly slower than a year ago, when 85.7% of the reporting firms classified collections as either *Good* or *Fair* in comparison with 76.5% so classifying them at the end of July this year. Ninety-eight identical firms reported on collections in both July 1923 and July 1924, the classifications being as follows:

<i>Lines</i>	<i>Good</i>		<i>Fair</i>		<i>Collections in July Reported as</i>				<i>Total</i>	
	1924-1923		1924-1923		1924-1923		1924-1923		1924-1923	
Groceries	8	6	28	29	6	7	0	0	42	42
Dry Goods	1	2	8	9	5	3	0	0	14	14
Shoes	0	0	4	8	5	2	1	0	10	10
Hardware	2	3	7	8	4	2	0	0	13	13
Furniture	1	2	5	5	1	0	0	0	7	7
Drugs	4	4	7	8	1	0	0	0	12	12
July Totals	16	17	59	67	22	14	1	0	98	98

(Compiled August 21, 1924.)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production in basic industries, after a considerable decline in recent months, was maintained in July at the same level as in June. Factory employment continued to decline. Wholesale prices increased for the first time since early in the year, reflecting chiefly the advance in the prices of farm products.

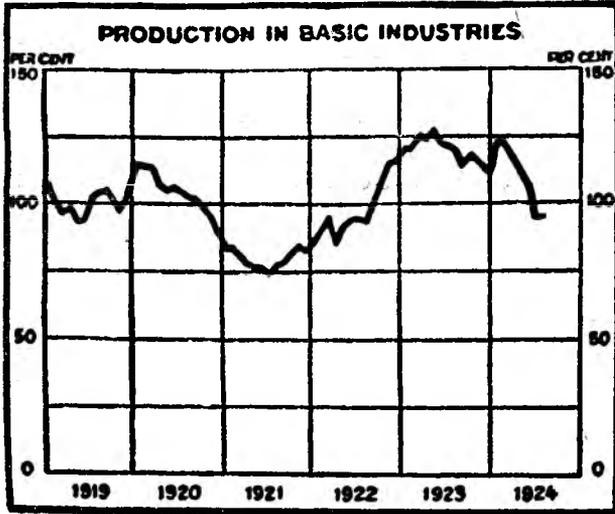
PRODUCTION—The Federal Reserve Board's index of production in basic industries, which had declined 22 percent between February and June, remained practically unchanged during July. Iron and steel and woolen industries showed further curtailment, while production of flour, cement, coal and copper was larger than in June. Factory employment decreased 4 percent in July owing to further reduction of forces in the textile, metal and automobile industries. Building contract awards showed more than the usual seasonal decline in July, but were 10 percent larger than a year ago. Crop conditions, as reported by the Department of Agriculture, were higher on August 1st than a month earlier. Estimated production of nearly all of the principal crops except tobacco was larger than in July and the yields of wheat, oats, rye and cotton are expected to be considerably larger than last year.

TRADE—Railroad shipments increased in July owing to larger loadings of miscellaneous merchandise, grain and coal. Wholesale trade was 3 percent larger than in June, owing to increased sales of meat, dry goods and drugs, but was 3 percent smaller than a year ago. Retail trade showed the usual seasonal decline in July, and department store sales were 1 percent greater and mail order sales 7 percent less than a year ago. Merchandise stocks at department stores continued to decline during July and were only slightly larger at the end of the month than a year earlier.

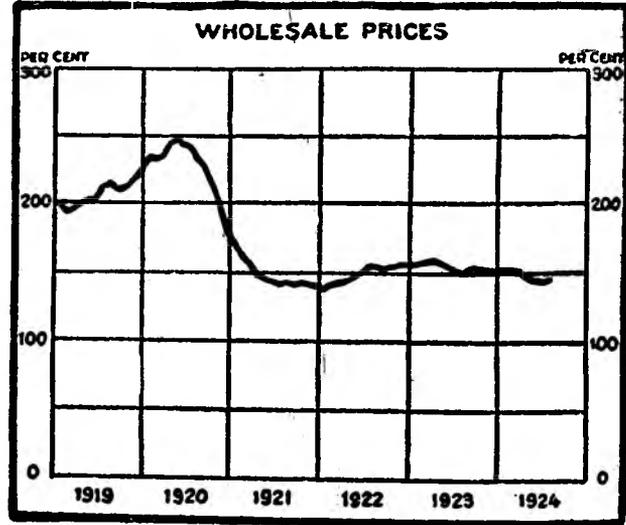
PRICES—Wholesale prices, as measured by the index of the Bureau of Labor Statistics, increased more than 1 percent in July. Prices of farm products, foods and clothing increased, while prices of building materials again declined sharply and prices of metals, fuel and house furnishings also decreased. During the first half of August quotations on corn, beef, sugar, silk, copper, rubber and anthracite advanced, while prices of cotton, flour and bricks declined.

BANK CREDIT—Commercial loans of member banks in leading cities, owing partly to seasonal influences, increased considerably early in August. Loans secured by stocks and bonds and investments continued to increase, so that at the middle of August total loans and investments of those banks were larger than at any previous time. Further growth of demand deposits carried them also to the highest level on record. Between the middle of July and the middle of August, Federal Reserve Bank discounts for member banks declined further and their holdings of Acceptances decreased somewhat. United States security holdings increased, however, and total earning assets of Federal Reserve Banks remained practically unchanged. Continued easing in money rates in the New York market during July and early August is indicated by a decline of one-fourth of one percent in prevailing rates for commercial paper to 3-3¼ percent. After the middle of August there was some advance in open market rates for Bankers Acceptances and short term Government securities. During August the discount rate at the Federal Reserve Bank of New York was reduced from 3½ to 3 percent and at the Federal Reserve Banks of Cleveland and San Francisco from 4 to 3½ percent.

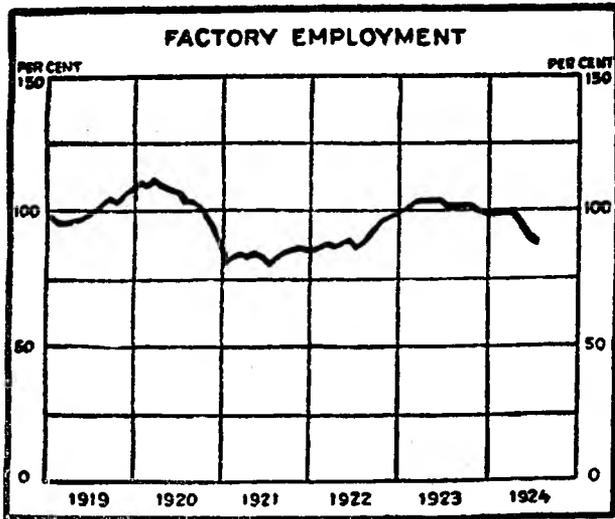
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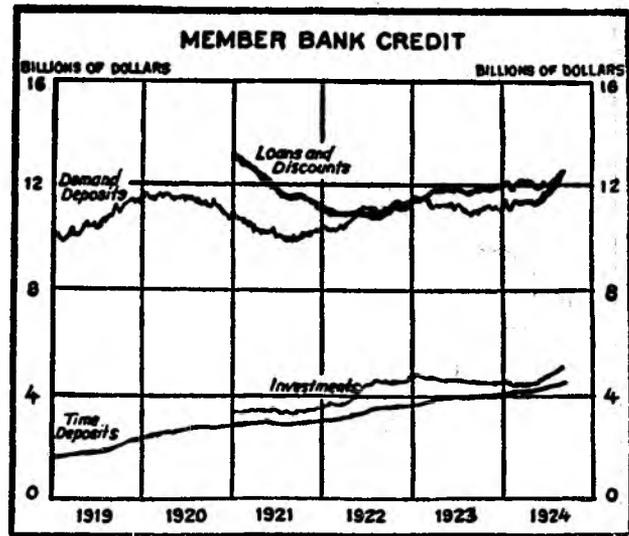
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—July 94.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure—July 147.



Index of 33 manufacturing industries (1919=100). Latest figure—July 87.



Weekly figures for member banks in 101 leading cities. Latest figures—August 14th.

FIFTH FEDERAL RESERVE DISTRICT

