

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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Fall trade usually gets well under way during September, and that month this year was marked by a considerably larger volume of business in nearly all lines than was August, although on the whole the expansion did not fully measure up to seasonal expectations. Business appears to be unusually slow in opening up this year, and there is noticeable hesitancy and uncertainty in making forward commitments. Retailers are almost uniformly carrying smaller stocks in proportion to the volume of business they are doing, and they are keeping their shelves full by placing very frequent orders for immediate delivery rather than by ordering their season's requirements in advance.

Business prospects in the Fifth District, insofar as they depend upon the outcome of the crops, do not appear as bright this year as they appeared a year ago. Present indications point to a 25 per cent reduction in the cotton crop in the Carolinas and Virginia, and cotton prices are also distinctly lower this year. The tobacco crop is much smaller than that of last year, and prices, while slightly higher in North Carolina and Virginia, will not nearly balance the reduced yield. The corn crop is one of the poorest on record, and high prices do not materially assist our farmers, most of the Fifth District corn being fed on the farms where grown. Cattle prices are unsatisfactory, and the short corn and forage crops will probably make winter feeding unprofitable. The outlook in textile manufacturing is problematical, and mills may have to continue part time operations. Reduced purchasing power of the farmers and mill operatives is likely to cut into retail trade seriously, especially in the Carolina towns that depend upon the trade of agricultural or mill workers.

In spite of the relatively unfavorable outlook in agriculture and the textile industry, however, many favorable signs are discernible. Perhaps the leading cause for optimism at present is the large volume of construction work under way or being planned. All year building activity has been the backbone of prosperity, and building permits issued in our leading cities have fallen off very little this fall. Much road and street work is being done, and railroad equipment manufacturers are busy. Tobacco factories are working full time. Retail trade during September exceeded the volume of trade in September last year by 9.8%, and wholesale trade in groceries, hardware, furniture and drugs also exceeded that of September 1923, although dry goods and shoe sales were considerably less this year. Plenty of credit at both the commercial and Reserve banks is available to meet legitimate needs, and record deposits testify to the present prosperity of the general public. The cumulative effect of two good crop years is evidently being felt. Business failures in the Fifth District during September were fewer in number and less in liabilities than in any other month this year. Labor is well employed for this season. Coal production is steadily increasing as fall orders reach the mines, resulting in increases in the pay envelopes of the miners and in general business in the coal mining sections. Cotton consumption is increasing in American mills, and September exports of cotton exceeded exports in both August 1924 and September 1923. Finally, ideal weather prevailed during the first three weeks of October, and farmers were able to do a great deal of harvesting and preparing of land for the next crops. It is probable that the favorable October weather also increased this year's yields of many crops.

The National Summary will be found on pages 11 and 12.

CONDITION OF SEVENTY-FIVE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Oct. 8, 1924	Sept. 10, 1924	Oct. 10, 1923
1. Total Loans and Discounts (including all rediscounts).....	\$ 472,499,000	\$ 470,191,000	\$ 469,756,000
2. Total Investments in Bonds and Securities.....	130,266,000	118,706,000	131,984,000
3. Total Loans and Investments.....	602,765,000	588,897,000	601,740,000
4. Reserve Balance with Federal Reserve Bank.....	37,970,000	38,067,000	36,338,000
5. Cash in Vaults.....	13,808,000	13,483,000	14,517,000
6. Demand Deposits.....	349,501,000	343,853,000	336,900,000
7. Time Deposits.....	180,236,000	181,436,000	152,456,000
8. Borrowed from Federal Reserve Bank.....	9,006,000	8,765,000	43,067,000

The accompanying table shows the principal items of condition reported by seventy-five identical banks as of three dates, October 8, 1924, September 10, 1924, and October 10, 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.

An examination of the figures reported for October 8th and September 10th, both this year, shows the results of crop marketing and the beginning of the usual fall expansion in business. During the four weeks under review total loans to customers rose from \$470,191,000 to \$472,499,000, a somewhat smaller increase than usually occurs at this season. Between the two dates the reporting banks found themselves with surplus funds and therefore increased their investments in bonds and securities from \$118,706,000 to \$130,266,000, an unusually large increase for this season, since normally the expanding needs of the banks' customers use all or most of their available funds. Reserve deposits of the reporting banks at the Reserve bank declined from \$38,067,000 to \$37,970,000 between September 10th and October 8th, but cash in vaults increased from \$13,483,000 to \$13,808,000. Demand deposits rose between the two dates mentioned from \$343,853,000 to \$349,501,000, while time deposits declined from \$181,436,000 to \$180,236,000. The reporting banks increased their borrowing at the Reserve bank slightly, rediscounts rising from \$8,765,000 to \$9,006,000, the rise being little more than a daily fluctuation.

Between September 12th and October 10th last year the seventy-five reporting member banks were called upon more extensively by their customers than was the case during the corresponding period this year, and consequently the banks increased their rediscounts in 1923 considerably more than they did this year. In 1923 loans to customers increased by \$5,243,000 during the period between September 12th and October 10th, while this year the increase in outstanding loans amounted to only \$2,308,000. Last year the reporting banks increased their rediscounts at the Reserve bank by \$3,056,000, while this year the increase during the corresponding four weeks was only \$241,000. The stronger position of the banks this year in comparison with last fall is reflected strikingly in the increase of \$11,560,000 in investments between September 10th and October 8th this year in comparison with an increase of \$489,000 in the same item during the corresponding four weeks in 1923.

Between October 10, 1923 and October 8, 1924, the changes in the items included in the table were unimportant except in deposits and borrowings from the Reserve bank. During the year demand deposits rose from \$336,900,000 to \$349,501,000, and time deposits increased from \$152,456,000 to \$180,236,000, while the volume of rediscounts declined from \$43,067,000 to \$9,006,000.

FEDERAL RESERVE BANK OPERATIONS

Demand for credit at the Federal Reserve Bank of Richmond decreased slightly between September 15th and October 15th, and the volume of rediscounts held for member banks dropped from \$38,372,000 to \$35,050,000. Calls for cash increased, however, as is usual at this season, and the circulation of Federal Reserve notes increased from \$72,254,000 to \$75,851,000. The total of reserve deposits held by the Federal Reserve Bank of Richmond declined from \$63,670,000 on September 15th to \$62,510,000 on October 15th. Cash reserves increased during the month from \$104,022,000 to \$111,402,000, and the ratio of cash to combined note and deposit liabilities rose from 76.33% to 77.60%.

In comparison with the figures reported for October 17, 1923, those reported for October 15th this year show marked changes except in the totals of reserve deposits, which declined during the year from \$63,605,000 to \$62,510,000. The total of rediscounts for member banks dropped from \$73,563,000 on October 17th last year to \$35,050,000 on October 15th this year, and between the same two dates the volume of Federal Reserve notes in actual circulation declined from \$96,787,000 to \$75,851,000. As a result of the lessened demand for Reserve Bank credit this year in comparison with the same period in 1923, the cash reserves of the Federal Reserve Bank of Richmond rose from \$93,976,000 on October 17, 1923 to \$111,402,000 on October 15, 1924, and the ratio of cash to combined note and deposit liabilities increased from 57.51% to 77.60%.

SAVINGS BANK DEPOSITS

Reports received this month from fourteen mutual savings banks in Baltimore showed a gain in deposits of approximately half a million dollars during September, total deposits having risen from \$143,030,792 on August 31st to \$143,508,202 on September 30th. In previous years for which comparative figures are available aggregate deposits amounted to \$137,611,164 on September, 30, 1923; to \$128,932,937 on September 30, 1922; to \$123,358,681 on September 30, 1921; and to \$120,404,508 on September 30, 1920. Between September 30, 1923 and September 30, 1924, deposits in the reporting institutions increased 4.3% and between the corresponding dates in 1920 and 1924 the gain amounted to 19.2%.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	Oct. 8, 1924	Sept. 10, 1924	Oct. 10, 1923
Asheville, N. C.....	\$ 22,523,000	\$ 22,380,000	\$ 21,609,000
Baltimore, Md.....	360,414,000	341,870,000	364,000,000
Charleston, S. C.....	22,119,000	18,528,000	19,414,000
Charleston, W. Va.....	33,166,000	28,285,000	36,106,000
Charlotte, N. C.....	40,359,000	35,681,000	40,817,000
Columbia, S. C.....	17,473,000	13,256,000	23,150,000
Cumberland, Md.....	8,259,000	7,861,000	9,177,000
Danville, Va.....	9,225,000	7,225,000	8,705,000
Durham, N. C.....	18,535,000	19,472,000	20,337,000
Greensboro, N. C.....	19,581,000	19,051,000	21,676,000
Greenville, S. C.....	20,017,000	18,231,000	25,213,000
Hagerstown, Md.....	9,741,000	8,050,000	10,658,000
Huntington, W. Va.....	24,352,000	21,795,000	23,942,000
Lynchburg, Va.....	17,463,000	17,598,000	19,658,000
Newport News, Va.....	6,766,000	5,634,000	6,868,000
Norfolk, Va.....	54,630,000	50,882,000	71,636,000
Raleigh, N. C.....	21,056,000	25,350,000	25,849,000
Richmond, Va.....	118,106,000	114,639,000	127,768,000
Roanoke, Va.....	24,737,000	21,828,000	22,679,000
Spartanburg, S. C.....	13,370,000	11,423,000	12,482,000
Washington, D. C.....	176,990,000	157,400,000	179,260,000
Wilmington, N. C.....	16,034,000	14,171,000	21,297,000
Winston-Salem, N. C.....	31,546,000	28,447,000	30,454,000
Totals for 23 cities.....	\$ 1,086,462,000	\$ 1,009,057,000	\$ 1,142,755,000

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 October 8, 1924, September 10, 1924, and October 10, 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 amounted to \$1,086,462,000 during the four weeks ending October 8, 1924, compared with a total of \$1,009,057,000 during the preceding four weeks, ending September 10, 1924, an increase during the more recent period of \$77,405,000, or 7.7%. An increase at this season is a normal development, and usually the gain is somewhat greater than the 7.7% reported this year, indicating probably that the seasonal activity is slower in getting under way this year than in average years. Twenty of the twenty-three reporting cities showed larger totals for the four weeks ending October 8th than for the four preceding weeks.

In comparison with the volume of debits reported for the four weeks ending October 10, 1923, when a total of \$1,142,755,000 was reported by the twenty-three cities, the total of \$1,086,462,000 reported for the corresponding period this year, ending October 8th, shows a decline of \$56,293,000, or 4.9%, sixteen of the twenty-three cities showing lower figures this year. Part of the decline is accounted for by lower prices for cotton this season in comparison with last fall, some of the most marked decreases in debits occurring in cotton marketing cities.

**BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS
SEPTEMBER, 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.....	94	113	— 16.8	\$ 1,119,242	\$ 1,476,871	— 24.2%
New York, Second.....	238	228	4.4	9,374,964	6,283,981	49.2
Philadelphia, Third.....	73	44	65.9	1,315,533	2,695,645	— 51.2
Cleveland, Fourth.....	102	95	7.4	3,259,688	2,741,378	18.9
Richmond, Fifth.....	84	66	27.3	1,212,869	964,349	25.8
Atlanta, Sixth.....	85	91	— 6.6	1,375,317	2,840,497	— 51.6
Chicago, Seventh.....	213	172	23.8	8,945,494	6,219,732	43.8
St. Louis, Eighth.....	71	71	0.0	3,586,174	536,652	568.2
Minneapolis, Ninth.....	54	63	— 14.3	453,528	637,652	— 28.9
Kansas City, Tenth.....	78	64	21.9	1,339,489	1,622,295	— 17.4
Dallas, Eleventh.....	34	79	— 57.0	580,455	1,757,766	— 67.0
San Francisco, Twelfth.....	180	140	28.6	1,733,523	921,831	88.1
Totals.....	1,306	1,226	6.5%	\$ 34,296,276	\$ 28,698,649	19.5%

The figures in the accompanying table show the number of business failures in the United States during September 1924 and September 1923, the classification being by Federal Reserve districts. In commenting on business mortalities during the past month, *Dun's Review* for October 11th says, "A new low level for this year in number of commercial failures in the United States was reached during September, with 1,306 defaults. The decrease from the August total, which had marked the previous minimum, is about 14 per cent, and the decline from the high point of last January, when there were 2,108 failures, is 38 per cent. With fewer business days, a smaller number of defaults in September was to be expected; yet the reduction from the August figures is relatively the largest that has been recorded since 1917, and in two years since that time—in 1919 and 1920—slight increases were shown in September. The comparison as to liabilities likewise reveals improvement during September, when an aggregate of \$34,296,276 was reported. This is about 38 per cent below the August amount, is also considerably less than that for July, and, though materially in excess of the total for September last year, shows declines from the figures for September of both 1922 and 1921. In September more defaults occurred this year than last, the increase being 6.5 per cent, and September liabilities also exceeded those of September 1923 by 19.5 per cent."

Failures in the Fifth District in September numbered 84 compared with 66 in September last year, an increase of 27.3 per cent, and liabilities increased 25.8 per cent, rising from \$964,349 in September 1923 to \$1,212,869 in September 1924. However, both the number of failures and the total of liabilities involved in the District were lower in September than in any other month since September last year.

LABOR—There have been no changes of importance in the labor situation since our September 30th *Review* was written. There are more idle laborers than there were a month ago, and some skilled workmen such as carpenters, painters, etc., are beginning to find steady employment hard to secure, but these are seasonal developments and do not indicate any unusual volume of unemployment. The number of applicants seeking work at the employment agencies in the District has recently been swelled by a large number of floaters, men who work their way South each winter, stopping along the way wherever a job for a few days can be picked up. In the college towns many boys are seeking part time work, but there is little demand for labor of this type. There is still a demand for experienced farm laborers, but applicants for agricultural jobs are very scarce.

COAL—The production of bituminous coal has been steadily increasing each week since early August, and during the week ending October 4th daily output exceeded that of the corresponding weeks in 1921 and 1922. The rate of production is still considerably below the rate in 1920 and 1923, years of industrial activity when the demand for coal was heavy. Production during the first 236 days of the present calendar year totaled 342,341,000 net tons, compared with 421,712,000 tons during the corresponding period in 1923, 289,070,000 tons in 1922, 309,547,000 tons in 1921, 417,609,000 tons in 1920, 361,505,000 tons in 1919, and 452,848,000 tons in 1918. The West Virginia fields on the whole are operating at a higher percentage of capacity than most other fields. During the week ending September 27th the lowest percentage of operation in West Virginia was 50.4% in the Kanawha district, while the highest percentage was 75.5% in the Pocahontas field. Output in several fields was recently handicapped by high water in the streams, washed out bridges and undermined tracks making it impossible for the railroads to place cars promptly.

The retail coal business has picked up sharply during the past six weeks, but consumers have not shown a very strong disposition to fill their bins for the winter. It is generally felt that coal is plentiful this year, and with no signs of anything more serious than sporadic labor disturbances in prospect, consumers feel that there is a buyers' market and therefore no need for anticipating their requirements. A few isolated

examples of price raising during the past week or two have been reported, but generally speaking the usual fall and winter advances have not yet been made. The Geological Survey reports that on September 1, 1924, retail dealers had 21% greater stocks on hand than they had on September 1st last year, but nearly all industrial consumers had considerably smaller stocks than a year ago.

BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER, 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.....	693	504	1,429	1,019	\$ 2,769,960	\$ 2,205,800	\$ 514,440	\$ 484,440	\$ 594,160	22.1%	1
2	Cumberland.....	38	29	12	18	54,735	109,260	12,550	23,230	— 65,205	— 49.2	2
3	Frederick.....	7	4	3	1	42,275	5,300	2,350	550	38,775	662.8	3
4	Hagerstown*.....	47	.....	17	.....	100,355	.....	55,745	.....	.....	.....	4
VIRGINIA												
5	Lynchburg.....	22	12	27	26	174,691	15,650	10,224	11,125	158,140	590.6	5
6	Norfolk.....	75	121	34	62	96,515	415,600	48,470	38,885	— 309,500	— 68.1	6
7	Petersburg.....	6	5	10	4	14,550	35,250	4,385	825	— 17,140	— 47.5	7
8	Richmond.....	145	150	98	107	403,446	697,627	73,090	101,366	— 322,457	— 40.4	8
9	Roanoke.....	92	110	37	45	173,825	360,080	11,395	21,775	— 196,635	— 51.5	9
WEST VIRGINIA												
10	Bluefield.....	41	18	2	7	313,375	46,000	275	1,500	266,150	560.3	10
11	Charleston.....	46	73	16	27	103,356	255,368	28,950	13,550	— 136,612	— 50.8	11
12	Clarksburg.....	23	25	7	22	47,240	60,900	3,500	16,710	— 26,870	— 34.6	12
13	Huntington.....	166	112	26	34	456,480	267,642	14,390	24,109	179,119	61.4	13
14	Parkersburg.....	29	56	17	11	39,950	75,000	8,440	40,000	— 66,610	— 57.9	14
NORTH CAROLINA												
15	Asheville.....	35	34	62	59	264,811	112,104	8,660	75,203	86,164	46.0	15
16	Charlotte.....	71	48	17	13	322,815	356,055	17,920	14,350	— 29,670	— 8.0	16
17	Durham.....	11	36	8	2	171,225	102,300	12,200	550	80,575	78.3	17
18	Greensboro.....	39	89	34	36	209,957	260,365	40,224	20,980	— 31,164	— 11.1	18
19	High Point.....	41	51	9	12	125,525	162,245	4,625	5,545	— 37,640	— 22.4	19
20	Raleigh.....	56	**53	1	.....	165,835	**185,705	350	.....	— 19,520	— 10.5	20
21	Salisbury.....	38	30	0	2	240,135	115,370	0	350	124,415	107.5	21
22	Wilmington.....	8	14	7	6	178,000	48,700	7,600	2,850	134,050	260.0	22
23	Winston-Salem.....	86	74	132	101	288,040	138,060	49,610	29,345	170,245	101.7	23
SOUTH CAROLINA												
24	Charleston.....	12	7	19	15	2,340	516,630	11,561	7,085	— 509,814	— 97.3	24
25	Columbia.....	11	32	57	64	57,700	109,035	8,577	13,325	— 56,083	— 45.8	25
26	Greenville.....	27	20	16	34	95,625	65,290	9,625	43,155	— 3,195	— 2.9	26
27	Spartanburg.....	36	25	26	30	336,611	58,122	16,620	11,660	283,449	406.2	27
DIST. OF COLUMBIA												
28	Washington.....	669	216	274	409	4,028,141	2,288,610	350,921	204,058	1,886,394	75.7	28
Totals.....		2,523	1,948	2,380	2,166	\$11,177,158	\$ 9,068,068	\$1,270,952	\$1,206,521	\$ 2,173,521	21.2%	

*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.

Contrary to seasonal expectations, the number of building permits for new construction issued in twenty-eight cities in the Fifth District during September was higher than for any other month this year except April, a total of 2,523 permits having been reported by building inspectors in the several cities. On the other hand, total valuation of the proposed work, which amounted to \$11,177,158, was lower than in any other month since February. Both number of permits and total valuation in September this year exceeded the number and valuation of September 1923, during which month 1,948 permits for new work were issued, with estimated valuation amounting to \$9,068,068. In the number and valuation of repair and alteration permits September also exceeded September of last year, 2,380 permits with a valuation of \$1,270,952 comparing with 2,166 permits and a valuation of \$1,206,521 issued in September 1923. In total valuation for all classes of work, September 1924 showed a gain of \$2,173,521, or 21.2%, over September 1923. Large increases in the number of permits issued in September in comparison with September 1923 were reported by Baltimore, Lynchburg, Bluefield, Huntington, Charlotte, Spartanburg and Washington, while increases in valuation of more than 100% were reported by Frederick, Lynchburg, Bluefield, Salisbury, Wilmington, Winston-Salem and Spartanburg.

TEXTILES—Activity among the textile mills in the Fifth District was considerably greater during September than in August, and October began well, but since the Department of Agriculture's cotton con-

dition report was released on October 8th another period of hesitation and caution appears to have developed. The report estimated this year's probable yield somewhat higher than the trade had expected, and prices dropped sharply. In the face of the fluctuating prices that have followed the issuance of the report, buyers of textiles have bought for immediate needs only, and mills have consequently received very few forward orders. With jobbers and retailers waiting for the market to settle before making their commitments, the mills are compelled to follow the same course. Manufacturers quite generally claim that there is little profit in making up cotton bought at present prices to sell for current quotations asked for cloth, and numerous efforts have been made to raise cloth prices to a higher level, but these efforts have met with little success.

Cotton consumed in the Fifth District during September amounted to 177,088 bales, of which North Carolina mills used 92,645 bales, South Carolina mills 77,073 bales, and Virginia mills 7,370 bales. All of the three states increased their consumption during September in comparison with August, the entire gain being 36,378 bales, or an increase of 25.9% during the month. Consumption during September in the Fifth District amounted to 58.4% of consumption in all of the cotton growing states and to 40.7% of national consumption.

COTTON—Between the middle of September and the middle of October, cotton prices swung back and forth through a range of approximately four cents, and since the week ending July 26th the fluctuations have amounted to as much as eight and a quarter cents, or slightly more than \$40 a bale. Extremely wet and cool weather during the planting season, followed by prolonged drought in midsummer, led cotton interests to expect a shorter crop than late estimates indicate is probable, and consequently prices held reasonably firm until August. From the last week in July through the week ending September 20th the prices paid growers in the Carolinas steadily declined, dropping from an average of 29.42 cents per pound during the week ending July 26th to 21.16 cents during the week ending September 20th. During the week ending September 27th the average price rose to 22.96 cents and continued upward to an average of 24.96 cents during the week ending October 4th, the increase being due chiefly to the Department of Agriculture's crop report released on September 23rd, estimating the condition of the crop on September 16th at 55.4%. The report was somewhat lower than had been expected, and after it came out a number of private reports indicated that the next official report might reduce the probable yield figures considerably more. However, the Agricultural Department's report on the October 1st condition, issued on October 8th, was distinctly above expectations, and an immediate reaction in prices began, the average paid in the Carolinas dropping to 24.02 cents per pound during the week ending October 11th and continuing downward to 22.07 cents during the week ending October 18th, the latest period for which figures are available. All of the average prices quoted were computed 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 latest cotton report estimated the October 1st condition of the crop at 53.5% and the probable yield at 12,497,000 bales, compared with the September 16th condition of 55.4% and an expected yield of 12,596,000 bales. Between September 16th and October 1st cotton deteriorated in all of the cotton growing states in the Fifth District, the condition figure dropping in North Carolina from 52% to 47%, in South Carolina from 47% to 42%, and in Virginia from 60% to 53%. Estimates of probable yield, based upon the October 1st condition, are 723,000 bales in North Carolina, 671,000 bales in South Carolina, and 35,000 bales in Virginia, a total of 1,429,000 bales for the three states compared with a 1923 production of 1,899,000 bales, a decrease this year of 470,000 bales, or approximately 25 per cent.

The Census Bureau's ginning report to October 1st showed 4,525,520 bales compared with 2,662,636 bales ginned to September 16th this year and approximately 3,700,000 bales ginned to October 1st last year.

Cotton consumption in American mills continued upward during September. The Census Bureau's report placed September consumption at 435,216 bales, compared with 357,455 bales consumed in August 1924 and 483,852 bales used in September 1923. Cotton on hand in consuming establishments at the end of September amounted to 514,537 bales, compared with 552,669 bales so held on August 31, 1924 and 773,173 bales on September 30, 1923. Public warehouses and compresses held 2,072,956 bales on September 30th, compared with holdings of 810,913 bales on August 31st this year and 2,147,830 bales on September 30, 1923. Imports during September totaled 9,654 bales, compared with 4,136 bales in August 1924 and 6,608 bales in September 1923, while exports totaled 737,016 bales in September, 277,641 bales in August, and 689,935 bales in September 1923. Active spindles numbered 30,122,384 in September, 28,945,603 in August, and 33,929,885 in September 1923. Cotton consumed in the cotton growing states amounted to 303,478 bales in September, compared with 247,766 bales in August and 327,441 bales in September last year. September consumption in the cotton growing states amounted to 69.7% of national consumption, compared with 69.3% of national consumption used in the cotton growing states during August and 67.7% used in September 1923.

The North Carolina Agricultural Statistician, in his report covering the period from October first to fifteenth, says of cotton prospects in his state, "The North Carolina farmers are at quite a loss concerning their cotton crop. On October 1st they thought their crop was about ruined. Now they think they have one-half a crop, but are complaining of much boll weevil damage, resulting in injury to from one to three locks in each boll. The appearance of the fields is better than the yields obtained. Farmers are complaining of

the distressingly poor returns. The quality of the lint is generally considered poor, with some discoloration, and prospects of faulty cotton being picked and included with good cotton are serious. Damaged seed for milling and planting is expected." In South Carolina cotton deteriorated sharply during September, due to excessive rainfall which caused partially open bolls to rot and damaged the open cotton in the fields. More than eleven inches of rain fell in South Carolina during the latter part of September. The Virginia crop suffered also from excessive moisture during September and bolls show signs of rot. In all of the three cotton growing states in the Fifth District, however, it is possible that the crop may turn out somewhat better than the October 1st condition indicates. The data for the report as of that date was gathered at a time when the farmers had suffered from rain for two or three weeks, and the outlook was exceedingly dismal. But since October 1st the weather has been almost ideal for gathering the crop, and the sunshine has probably brought the crop out considerably.

TOBACCO—The September rains improved the late tobacco in Virginia, but most of the Bright tobacco had been harvested and the benefits were chiefly confined to the Dark crop, which is expected to make a relatively better yield than the Bright. The October 1st condition of 70% indicates a total crop of all Virginia tobacco amounting to 137,816,000 pounds compared with 150,960,000 pounds last year and 142,702,000 pounds the average for the five years 1918-22. Very few sales were made during September and no sales report was issued for that month, but since October 1st all of the Bright markets have opened. The weather during the first half of October was favorable for gathering and curing, and the tobacco farmers spent most of their time in this manner, postponing their marketing until their more pressing work is out of the way.

All of the North Carolina tobacco has been harvested, and the crop is generally considered inferior in quality and yield. The leaves are thin, chaffy or papery and, although having good color, were frequently marketed in a high order condition during the latter part of September. An unusually small percent of the crop has been marketed to date in North Carolina. The condition of the crop is 68%, with prospects for a yield of 277,000,000 pounds compared with an estimate of 294,000,000 pounds on September 1st this year and 386,400,000 pounds produced in 1923. North Carolina auction warehouses sold 54,789,383 pounds of producers' tobacco during September for an average of \$19.66 per hundred pounds in comparison with 50,244,645 pounds sold in September 1923 at an average price of \$18.95 per hundred. Wilson led in the volume of sales, handling 14,255,590 pounds, with Greenville and Kinston selling 8,351,213 pounds and 8,123,429 pounds, respectively. Wilson's average of \$21.47 per hundred was the top price paid by the large markets, although Fuquay Springs sold 189,342 pounds for an average of \$22.30 and Enfield sold 275,316 pounds at \$21.91 per hundred.

South Carolina auction markets sold only 13,128,401 pounds of tobacco during September compared with 23,630,637 pounds sold in September 1923, and the reduction in price was wide. The tobacco sold in September brought an average of only \$15.09 per hundred pounds, almost \$3.50 per hundred less than was realized in 1923. The South Carolina tobacco this year was of inferior quality and brought much lower prices than those obtained for the 1923 crop.

Maryland's probable yield of tobacco was estimated at 17,540,000 pounds on October 1st, but since that time frosts in the southern part of the state have damaged the late tobacco and have probably further reduced the yield. The 1923 production was 19,008,000 pounds.

West Virginia's tobacco prospects improved slightly during September, and on October 1st probable production was estimated at 6,707,000 pounds in comparison with 7,740,000 pounds grown in 1923.

AGRICULTURAL NOTES—The combined condition of all growing crops in Maryland on October 1st was 2.2 per cent better than on September 1st, according to the Federal Crop Statistician at Baltimore, but most of the leading crops are considerably behind 1923 in yield. Corn is running nearly ten million bushels behind last year's production, the indication being for a crop of 15,690,000 bushels this year in comparison with 25,231,000 bushels last year. Wheat prospects are for a crop of 7,505,000 bushels compared with 10,426,000 bushels in 1923; canning tomatoes, this year 116,400 tons, last year 243,300 tons; canning corn, this year 43,100 tons, last year 58,100 tons; sweet potatoes, this year 1,130,000 bushels, last year 1,170,000 bushels; tobacco, this year 17,540,000 pounds, last year 19,008,000 pounds; commercial apples, this year 249,000 barrels, last year 466,000 barrels; pears, this year 333,000 bushels, last year 374,000 bushels; and grapes, this year 729 tons, last year 880 tons. On the other hand, a record hay crop has been harvested, with 710,000 tons in comparison with 420,000 tons last year and a five year average of 590,000 tons. The oat crop this year is 1,904,000 bushels, compared with 1,758,000 bushels in 1923. Irish potato production amounts to 3,999,000 bushels compared with 3,920,000 bushels last year. Peaches total 681,000 bushels compared with a 1923 yield of 631,000 bushels. The weather in October has been favorable for harvesting, and the color and quality of the late apple crop is excellent. The fruit is small, however. Wheat seeding is from two to three weeks late, but the soil is in fine condition and is ready for planting as soon as all of the corn crop can be cut. Maryland farmers are planning to reduce the number of steers on the farms this winter, chiefly because

of the short corn and corn fodder crops. There is increasing interest in sheep and poultry, and recent advances in the egg market have been beneficial.

In West Virginia the corn crop is expected to yield only 13,914,000 bushels, in comparison with 20,128,000 bushels gathered last year. The Irish potato crop is also much smaller, 4,915,000 bushels this year comparing unfavorably with 5,880,000 bushels grown in 1923. This year's apple yield is estimated at 6,778,000 bushels in comparison with 8,320,000 bushels in 1923. The oat crop, with 4,784,000 bushels in comparison with 4,704,000 bushels last year, is the only major crop in West Virginia that promises a better yield this year than last.

The first two weeks in October were exceedingly busy ones with the Virginia farmers. The ground was in fine condition to be prepared for fall grains, and the weather was favorable for harvesting and curing tobacco, cutting corn, and gathering apples. Most of the corn crop has been cut and shocked, but some late fields have not matured and are still standing. In many sections fodder has been damaged by frost, and high water in late September ruined much bottom land corn. The crop this year is one of the poorest ever reported. Late hay crops have not turned out as heavy as usual, due to drought in August, but young clover and grass were greatly benefited by the September rains. Pastures are still good in the blue grass sections, but summer and fall grasses have suffered from frosts in many sections. Sweet potatoes improved very much during the first half of October, and prospects on the Eastern Shore are much better than earlier in the season. Late white potatoes are turning out fairly well. The apple crop is turning out fully as large as had been expected in most districts. The fruit is of unusual size, and the quality in the Piedmont orchards is very good. The peanut crop is very late, so only a small percentage of the crop has been dug. The yield this year is not expected to exceed 65 per cent of normal. Live stock is in good condition, but farmers are complaining bitterly about the prices offered for cattle. In some sections farmers are showing quite a lively interest in sheep.

The Agricultural Statistician for North Carolina states that almost ideal weather prevailed in his state from October first to fifteenth. Farmers are busy housing their crops, preparing land for fall grains, etc. The corn crop is quite variable in different localities, but there is general complaint on account of poor yield. September rains damaged corn considerably, but the fodder suffered more than the ears. The small grain crop planted this fall is expected to be very small, due to inability to prepare land at the proper time. A fair to good crop of potatoes is expected in all but the southern and central eastern counties, where a poorer crop is anticipated on account of wet conditions during almost all of the season. Irish potatoes in the mountain counties are expected to be quite good. The North Carolina hay crop will be short, due to inability to put in the usual summer hay crops and to adverse weather conditions during the curing season. The fruit crop, especially apples, is one of the best in many years. The September rains resulted in pastures becoming green, especially in live stock areas, and this will start the live stock into winter, thus saving much of the hay crop which was expected to be fed at this season.

All of the leading crops in South Carolina are considerably below last year in yields. Based on the October 1st condition, the estimates of yield of the leading crops for 1924 compare as follows with the yields in 1923; corn, 21,900,000 bushels this year, 32,670,000 bushels last year; tobacco, 43,066,000 pounds and 74,460,000 pounds; sweet potatoes, 6,800,000 bushels and 9,118,000 bushels; peanuts, 27,216,000 pounds and 32,300,000 pounds; oats, 8,128,000 bushels and 10,728,000 bushels; and tame hay, 264,000 tons and 408,000 tons. Cotton figures are shown under *Cotton* in this *Review*.

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

Retail trade in the Fifth District during September, as reflected by the dollar amount of sales in twenty-nine department stores, was 9.8% greater than in September 1923, the reporting stores in Richmond leading with an increase of 16.2%. Cumulative sales from July 1st through September 30th were 3.0% greater than total sales during the corresponding three months last year, Washington leading with a 6.6% gain. September 1924 sales exceeded by 9.7% average sales during September 1920, 1921 and 1922.

Stocks on hand in the reporting stores averaged 4.1% lower on September 30th than on the same date last year, all reporting cities showing a decrease except Richmond. In comparison with stocks on hand a month ago, stocks on September 30th were 11.8% larger in selling value, Washington with an increase of 14.8% making the greatest gain. The percentage of stock on hand at the end of each of the three months since July 1st to average monthly sales during the same period was 470.5%, Richmond reporting the lowest average, 425.3%. The percentage of average stocks to average sales during the corresponding three months last year was 504.8% compared with 470.5% this year, indicating that the annual rate of turnover this fall has been approximately 2.6 times compared with 2.4 times last fall.

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Sept. 1924, compared with Sept. 1923	6.1	16.2	15.9	2.8	9.8
Percentage increase in net sales from July 1 through Sept. 30, compared with sales during the same three months of 1923	1.4	3.1	6.6	— 0.5	3.0
Percentage increase in net sales during Sept. 1924, compared with average sales during the corresponding month of 1920, 1921 and 1922	0.3	32.1	18.0	2.9	9.7
Percentage increase in stocks on hand at the end of Sept. 1924, over stocks on hand at the end of Sept. 1923	— 5.7	5.8	— 4.1	— 5.0	— 4.1
Percentage increase in stocks on hand at the end of Sept. 1924, over stocks on hand at the end of Aug. 1924	10.5	9.6	14.8	10.9	11.8
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, three month	467.7	425.3	452.0	575.0	470.5
Percentage of outstanding orders at the end of Sept. 1924, to total purchases of merchandise during the year 1923	8.3	10.4	7.1	7.4	8.0

—Denotes Decrease.

Outstanding orders for merchandise at the end of September amounted to 8.0% of total purchases last year, a somewhat lower figure than is usual at this season. Probably it reflects the close buying of which wholesalers and manufacturers so frequently speak.

WHOLESALE TRADE September 1924.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line	44	15	14	17	6	13
Percentage increase (or decrease) in net sales during Sept. 1924, compared with sales during Aug. 1924	12.6	21.4	5.6	15.7	7.1	6.8
Percentage increase (or decrease) in net sales during Sept. 1924, compared with sales during Sept. 1923	2.5	— 2.5	—13.3	3.5	53.6	5.0
Percentage increase (or decrease) in cumulative sales from July 1st through Sept. 30, 1924, compared with sales during the corresponding three months of 1923	— 0.4	—10.8	—14.1	— 7.3	30.9	3.2
Percentage increase (or decrease) in stocks on hand Sept. 30, 1924, compared with Aug. 31, 1924	5.3(10)	— 8.6(8)	—15.0(7)	— 0.8(4)	—12.8(2)	
Percentage increase (or decrease) in stocks on hand Sept. 30, 1924, compared with Sept. 30, 1923	3.3 (7)	—13.7(7)	—25.5(6)	— 4.4(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. Only one furniture firm reported 1923 stock this month, so no average is shown.

Wholesale trade reports covering September business were received from 109 firms. All of the six lines included in the returns showed gains in sales during September in comparison with August, and groceries, hardware, furniture and drugs showed larger sales than in September 1923, but declines in comparison with last year were reported for dry goods and shoes. The percentage statistics in the accompany

ing table show that cumulative sales during July, August and September were less this year than last in groceries, dry goods, shoes and hardware, but were greater in furniture and drugs.

Stocks on hand increased during September in groceries, but decreased in the other four lines for which stock figures are available. In comparison with stocks on hand September 30th last year, stocks on hand at the end of September this year were greater in groceries, but were less in dry goods, shoes and hardware.

Collections tended to become slower during September in comparison with August, and were distinctly slower than in September last year, when 92.1% of the reporting firms classified collections as either *Good* or *Fair* in comparison with 72.3% so classifying them in September this year. The classifications made by 101 identical firms for September 1923 and September 1924 were as follows:

<i>Lines</i>	<i>Good</i>		<i>Fair</i>		<i>September Collections Reported As</i>				<i>Total</i>	
	1924-1923		1924-1923		1924-1923		1924-1923		1924-1923	
Groceries	7	11	22	25	12	2	0	3	41	41
Dry Goods	1	3	9	10	4	1	0	0	14	14
Shoes	0	1	9	10	2	1	1	0	12	12
Hardware	2	3	8	12	5	0	0	0	15	15
Furniture	1	1	3	4	2	1	0	0	6	6
Drugs	3	5	8	8	2	0	0	0	13	13
September Totals	14	24	59	69	27	5	1	3	101	101

(Compiled October 20, 1924)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production of basic commodities, factory employment and distribution of merchandise increased in September. During September and early October there was a considerable increase in the volume of borrowing for commercial purposes.

PRODUCTION—The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, rose 9 per cent in September, the first advance since last January. Increased activity was reported in many lines of industry including textiles, iron and steel, and coal. Factory employment increased 2 per cent during September, reflecting larger working forces in nearly all reporting industries. Average weekly earnings of industrial workers increased slightly, owing to a decrease in the extent of part time employment. Building contracts awarded showed a small seasonal decline in September, but were considerably larger than a year ago. Crop conditions, as reported by the Department of Agriculture, showed a further slight improvement during September, and the estimates of production for spring wheat, oats, barley, and white potatoes on October 1st were larger than the month before. Estimates of the yields of corn, tobacco and cotton, however, were reduced. Marketing of wheat was exceptionally heavy in September and exports of wheat and cotton were larger than for the same month of any recent year.

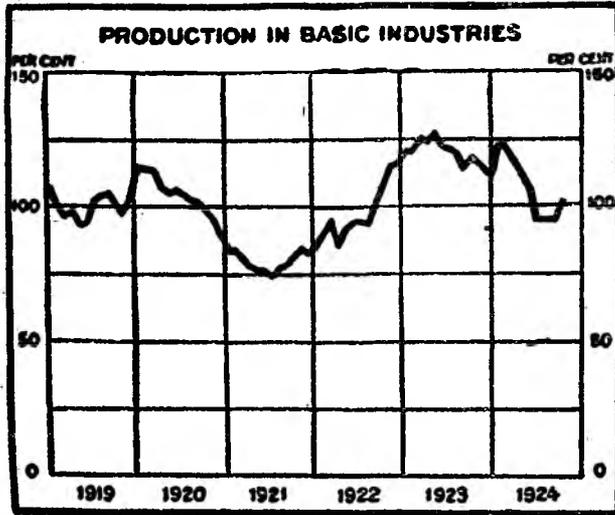
TRADE—Distribution of commodities, as reflected in railroad shipments, increased during September and was greater than last year, owing to larger loadings of miscellaneous merchandise, grain, and coal. Wholesale trade was 11 per cent larger than in August, as a result of increased business in almost all reporting lines. Sales of groceries and drugs were larger than a year ago, while sales of meat and shoes were smaller. Retail trade showed more than the usual seasonal increase in September, and sales of department stores and mail order houses were considerably larger than last year. Merchandise stocks at department stores increased more than usual during September, but continued to be slightly smaller than a year ago.

PRICES—Wholesale prices of farm products, clothing, fuel and metals declined somewhat in September, while prices of food products, building materials and chemicals advanced. The general level of prices, as measured by the Bureau of Labor Statistics index, was slightly lower in September than in August. During the first half of October quotations on wheat, flour, cattle, hogs, wool and rubber increased, while prices of cotton, lumber and gasoline declined.

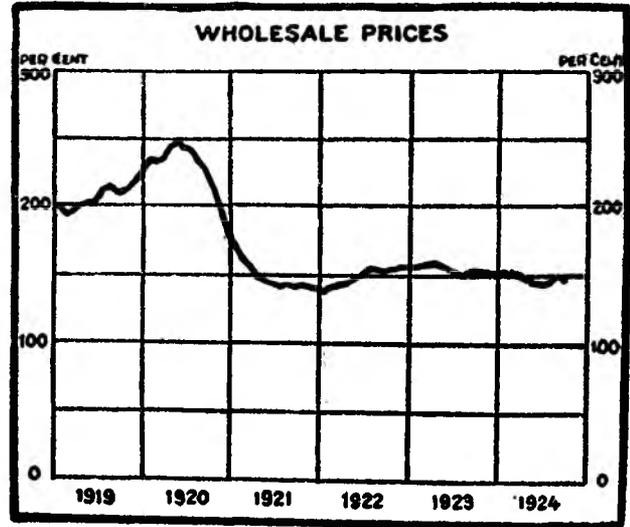
BANK CREDIT—During the five weeks ending October 15th loans and investments of reporting member banks in leading cities increased by more than \$600,000,000. Credit demand for financing the marketing of crops and the fall activity of trade were reflected in increased commercial loans throughout the country and the total volume of these loans rose to a level considerably above the peak of October 1923. Member bank investments in securities continued to increase and loans on stocks and bonds also advanced. A further growth of demand deposits carried their total to the highest figure on record. At the Federal Reserve banks, discounts changed but little in September and declined in the first three weeks of October, while holdings of acceptances increased considerably and there was also some increase in United States securities. As a consequence, total earning assets were larger than at any time since early in the year. Larger currency requirement partly seasonal in character were reflected between August 1st and October 1st in an increase of \$140,000,000 in the total volume of money in circulation. Money rates in the New York market remained relatively constant in the latter part of September and the early part of October. On October 15th the discount rate of the Federal Reserve Bank of Minneapolis was reduced from 4½ to 4 per cent.

See Supplementary Chart On Page 12.

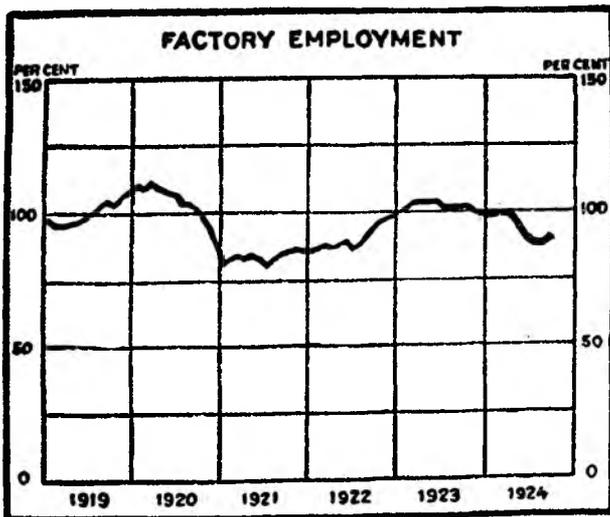
CHARTS SUPPLEMENTING TEXT ON PAGE 11



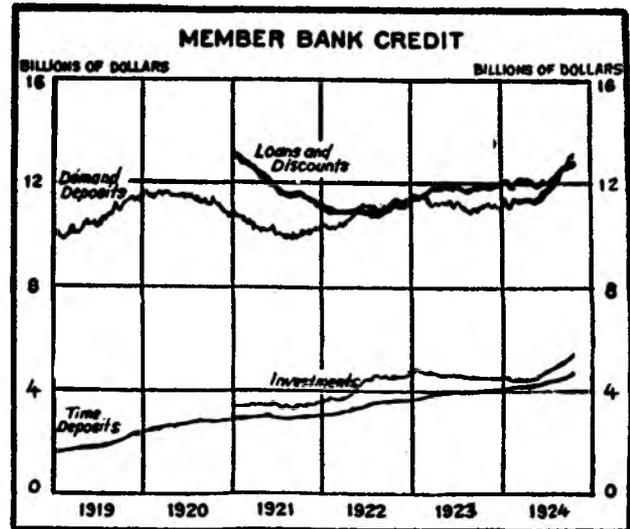
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest Figure—September 102.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau) Latest figure—September 149.



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



Weekly figures for member banks in 101 leading cities. Latest figures—October 15th.