

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

MAY 31, 1923

DISTRICT SUMMARY

Business slowed up somewhat during April in comparison with March. Part of the decrease was seasonal, a dull period naturally following the pre-Easter weeks, but there are signs that the slowing up was partly based upon a hesitancy and uncertainty about business prospects. Many thoughtful observers believe that the expansion in industry and trade, and in construction lines, has been too rapid, and lately advancing prices of labor and many commodities have not only caused concern but have resulted in holding up some construction plans. The experiences of 1919 and 1920 have not been forgotten by either sellers or buyers. The first determined resistance against mounting costs appears to have been made in the building industry, in which advances have been perhaps greater than in other lines. This resistance has taken the form of indefinite postponement of the erection of a number of buildings that doubtless would have been built if prices for labor and material had not advanced so rapidly and to such high levels. How far this resistance will spread cannot be anticipated, nor to what extent if any it will flow over into other fields in addition to the building industry.

Reviewing business statistics for April, reports from regularly reporting member banks show seasonal increases in outstanding loans to customers, decreased deposits, and increased rediscounts in order to provide the needed accommodations for their customers. Savings in commercial banks show a slight decline for the first time in many months, but savings reported by savings banks show a continuation of the steady increase that has been in evidence since 1920. The Federal Reserve Bank's rediscounts for members rose during April, while the note circulation declined, resulting in lowering the reserve ratio to 57.03% on May 16th. Debits to individual accounts in clearing house banks in

twenty-three of the District's leading cities showed substantial increases during the four weeks ending May 9th of this year in comparison with the preceding four weeks and with the corresponding four weeks of 1922. Business failures in the Fifth District in April were 41.9% fewer in number than during April 1922, and 20.9% less in the aggregate of liabilities involved. The April 1923 number of failures was the lowest in the District since September 1921. Labor is scarce in all lines except clerical help, farmers and contractors finding it especially hard to secure the help they need. Coal is being produced in sufficient volume to meet all needs, but there have been no recent changes in prices to consumers. Textile mills are receiving very few forward orders, but they are busy filling orders previously received, and the managers believe the present lull is temporary. Cotton prices have declined sharply during the past month, but it is to be noted that very little cotton remained in the hands of the growers. Cotton consumption in April was less than in March, but was 30% above consumption in April 1922. Tobacco markets closed during April, only a little low grade tobacco having remained to be sold that month. The new crop is being planted, but cold weather has damaged plant beds to a considerable extent. Nearly all crops are getting a late start this year because of unseasonably cool weather, and it is yet too early to form any opinion as to the crop prospects. New construction work for which permits were secured in April broke all previous records for both number of permits and estimated valuation, but many projects have recently been postponed because of high costs, and the outlook for the building industry has become uncertain. Retail trade was good in April, considering the date on which Easter fell, and wholesale trade was considerably ahead of the April 1922 business.

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

CONDITION OF SEVENTY-SEVEN REPORTING MEMBER BANKS IN SELECTED CITIES.

ITEMS	May 9, 1923	April 4, 1923	May 10, 1922
1. Total Loans and Discounts (including all rediscounts)	\$ 461,666,000	\$ 458,545,000	\$ 415,308,000*
2. Total Investments in Bonds and Securities	130,508,000	131,469,000	113,843,000
3. Total Loans and Investments	592,174,000	590,014,000	529,151,000
4. Reserve Balance with Federal Reserve Bank	35,073,000	35,336,000	32,683,000
5. Cash in Vaults	13,509,000	13,527,000	14,016,000
6. Demand Deposits	328,516,000	332,561,000	310,691,000
7. Time Deposits	153,238,000	154,318,000	135,355,000
8. Borrowed from Federal Reserve Bank	37,081,000	32,242,000	19,999,000

*Does not include Rediscounts.

The above table gives a comparative statement of the principal items of condition in seventy-seven regularly reporting member banks, located in thirteen cities of the Fifth District, as of the close of business May 9 and April 4, 1923, and May 10, 1922. All items except number 1 are comparable for the three dates, but the 1922 total of Loans and Discounts does not include rediscounts and is therefore not comparable with the two 1923 amounts under that heading.

The seasonal expansion of credit mentioned in our Review last month is further reflected in the figures shown in the table herewith for May 9th in comparison with the figures as of April 4th, both this year. Item 1, Total Loans and Discounts (including all rediscounts) shows an increase from \$458,545,000 on April 4th to \$461,666,000 on May 9th, and during the same five weeks Item 8, Borrowed from Federal Reserve Bank, increased from \$32,242,000 to \$37,081,000. Between April 4th and May 9th all other items show declines, Item 2, Total Investments in Bonds and Securities, decreasing from \$131,469,000 to \$130,508,000; Item 4, Reserve Balance with Federal Reserve Bank, decreasing from \$35,336,000 to \$35,073,000; Item 5, Cash in Vaults, decreasing from \$13,527,000 to \$13,509,000; Item 6, Demand Deposits, decreasing from \$332,561,000 to \$328,516,000; and Item 7, Time Deposits, decreasing from \$154,318,000 to \$153,238,000. The decline in Time Deposits is the first downward movement reported under that head for many months, but the decrease is partly, if not wholly, accounted for by the transfer of Vacation Club funds from Time to Demand deposits as the date of maturity of the Clubs approaches. The other changes noted in the comparison between the April 4th and May 9th totals all indicate an increased demand for credit and funds for crop planting and for the expansion in mercantile and industrial activity in nearly all fields.

During April 1922 the seasonal expansion of credit was practically absent, and during that month borrowing by reporting member banks from the Federal Reserve Bank of Richmond actually decreased, reaching the low total of \$19,999,000 on May 10, 1922. A year ago many member banks were still carrying an excessive volume of frozen loans and the further borrowing power of many of their customers was limited. The good prices realized for farm products during the fall of 1922 greatly improved the situation, however, and enabled a large number of the member banks to reduce their slow loans, thus getting themselves in position to care for this spring's demands. The payment of old accounts also restored the credit of the bank's customers and placed them in position to ask and secure new accommodation from their banks as the needs arose. These improvements in the positions of both the banks and their customers have naturally resulted in greater use of credit facilities this spring than was the case a year ago, a comparison of the items in the above statement for May 9, 1923 with the items reported on May 10, 1922 showing the expansion clearly, and also the greater ability of the banks to meet the new demands. The amounts given for Item 1, Total Loans and Investments, are not comparable because the May 10, 1922 figure does not include any rediscounts, but it is safe to say that outstanding loans to the reporting banks' customers are now considerably greater than they were a year ago. Item 2, Total Investments in Bonds and Securities, shows an increase during the year from \$113,843,000 to \$130,508,000; Item 4, Reserve Balance with Federal Reserve Bank, increased from \$32,683,000 to \$35,073,000; Item 6, Demand Deposits, rose from \$310,691,000 to \$328,516,000; Item 7, Time Deposits, increased from \$135,355,000 to \$153,238,000; and Item 8, Borrowed from Federal Reserve Bank, increased from \$19,999,000 to \$37,081,000. The only decrease shown is in Item 5, Cash in Vaults, which declined from \$14,016,000 on May 10, 1922 to \$13,509,000 on May 9, 1923.

SAVINGS BANK DEPOSITS

Reports from fifteen mutual savings banks in Baltimore giving total deposits at the end of April show an increase over both the March 31, 1923 and the April 30, 1922 deposits. At the close of business April 30, 1923, the fifteen reporting banks had on deposit an aggregate of \$135,948,482, compared with \$127,295,173 on deposit April 30, 1922, \$125,132,192 on deposit April 30, 1921, and \$121,710,304 on deposit April 30, 1920. Fourteen of the fifteen reporting institutions showed larger deposits on April 30 this year than

on the corresponding date a year ago. The deposits on April 30, 1923 represent a gain of 11.7% over the total deposits on April 30, 1920.

FEDERAL RESERVE BANK OPERATIONS

Between April 18, 1923 and May 16, 1923, Cash Reserves held by the Federal Reserve Bank of Richmond declined from \$90,849,246.04 to \$80,121,595.03; Member Bank Reserve Deposits declined from \$61,641,734.77 to \$60,478,396.95; and the volume of Federal Reserve Notes in Actual Circulation declined from \$82,195,405 to \$78,884,045. Total Bills on Hand, however, rose from \$58,705,980.95 to \$65,921,870.81. The changes mentioned reflect clearly the increased use of credit facilities, but this increased use is incident to this season of the year. The decrease in Federal Reserve Note Circulation while Bills on Hand were increasing shows that the present demands are for deposit credits rather than for currency. The ratio of Total Reserves to Deposit and Federal Reserve Note Liabilities combined declined from 62.93% on April 18th to 57.03% on May 16th.

On May 17, 1922, the Cash Reserves of the Federal Reserve Bank of Richmond amounted to \$95,368,285.22; Total Bills on Hand amounted to \$55,711,250.99; Federal Reserve Notes in Actual Circulation totaled \$87,189,720; and Member Bank Reserve Deposits amounted to \$54,486,844.05. The reserve ratio was 66.4%.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	May 9, 1923	April 11, 1923	May 10, 1922
Asheville, N. C.....	\$ 18,666,000	\$ 18,373,000	\$ 16,516,000
Baltimore, Md.....	360,235,000	348,221,000	336,895,000
Charleston, S. C.....	24,064,000	27,116,000	25,309,000
Charleston, W. Va.....	41,357,000	34,881,000	25,882,000
Charlotte, N. C.....	39,196,000	37,790,000	28,936,000
Columbia, S. C.....	24,398,000	23,365,000	19,597,000
Cumberland, Md.....	9,580,000	9,344,000	8,581,000
Danville, Va.....	7,854,000	8,325,000	6,995,000
Durham, N. C.....	16,657,000*	16,338,000*	.....
Greensboro, N. C.....	19,954,000	19,337,000	13,326,000
Greenville, S. C.....	19,323,000	20,086,000	11,328,000
Hagerstown, Md.....	10,311,000	10,824,000	7,916,000
Huntington, W. Va.....	25,501,000	24,217,000	16,776,000
Lynchburg, Va.....	18,370,000	18,503,000	15,820,000
Newport News, Va.....	7,422,000	7,961,000	6,277,000
Norfolk, Va.....	64,815,000	68,291,000	61,981,000
Raleigh, N. C.....	27,700,000	26,450,000	16,600,000
Richmond, Va.....	116,591,000	111,150,000	100,970,000
Roanoke, Va.....	22,975,000	21,773,000	19,381,000
Spartanburg, S. C.....	9,251,000	12,040,000	7,197,000
Washington, D. C.....	187,420,000	181,665,000	177,830,000
Wilmington, N. C.....	17,764,000	20,458,000	17,690,000
Winston-Salem, N. C.....	30,233,000	30,684,000	28,269,000
Totals for 22 cities.....	\$ 1,102,980,000	\$ 1,080,854,000	\$ 970,072,000

*Not included in totals.

In the accompanying table, shown above, we give in tabular form figures showing the total of all debits to individual, firm and corporation accounts in the banks of twenty-three of the chief trade centers of the Fifth District, totals for the four weeks ending May 9, 1923 and April 11, 1923 being included. In addition to the 1923 statistics, we present figures from twenty-two of the cities for the four weeks ending May 10, 1922 for comparison with this year's totals.

Debits in the twenty-two cities for which both 1923 and 1922 figures are available aggregated \$1,102,980,000 during the four weeks ending May 9, 1923, compared with a total of \$1,080,854,000 during the four weeks ending April 11, 1923, this increase of slightly more than \$22,000,000 showing how generally business continued to broaden out during April. The increase is even more striking when it is remembered that the period ending April 11th contained the first income tax payment, the seasonal volume of quarterly payments on April 1st, and also settlement of many Easter bills, while the period ending May 9th did not include any periodical settlements which tend to swell the regular monthly debits figures.

The totals reported by twenty-one of the twenty-two cities for the four weeks ending May 9, 1923 are larger than the totals reported for the corresponding period a year ago, ending May 10, 1922, Charleston, S. C. being the only city in which debits were smaller during the 1923 period. The total of all debits during the

period ending May 9th this year was \$1,102,980,000, compared with \$970,072,000 reported by the same cities for the corresponding four weeks last year, an increase this year of \$132,908,000, or 13.7%. The greatest percentage increases in debits were reported from coal centers in West Virginia and textile centers in North and South Carolina.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS APRIL, 1923 AND 1922.

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1923	1922		1923	1922	
Boston, First.....	151	165	— 8.5	\$ 2,139,720	\$ 2,403,840	— 11.0
New York, Second.....	342	420	—18.6	16,070,562	33,677,526	— 52.3
Philadelphia, Third.....	63	78	—19.2	1,775,463	1,468,343	20.9
Cleveland, Fourth.....	116	156	—25.6	3,914,384	2,840,844	37.8
Richmond, Fifth.....	86	148	—41.9	2,593,827	3,277,906	— 20.9
Atlanta, Sixth.....	97	264	—63.3	1,260,290	6,557,398	— 80.8
Chicago, Seventh.....	197	284	—30.6	8,750,459	10,909,837	— 19.8
St. Louis, Eighth.....	80	120	—33.3	2,168,109	2,244,444	— 3.4
Minneapolis, Ninth.....	76	116	—34.5	840,890	2,268,658	— 62.9
Kansas City, Tenth.....	84	66	27.3	1,220,260	1,937,395	— 37.0
Dallas, Eleventh.....	93	167	—44.3	8,874,897	3,865,301	129.6
San Francisco, Twelfth.....	135	183	—26.2	1,883,080	1,607,145	17.2
Totals.....	1,520	2,167	—29.9%	\$ 51,491,941	\$ 73,058,637	— 29.5%

The figures on business failures given in the table herewith were furnished by Dun's Review, and show both the number of insolvencies and the total of liabilities involved for April 1923 in comparison with April 1922, statistics for all twelve Federal Reserve Districts being included. The table shows that April 1923 witnessed 1,520 bankruptcies, with total liabilities aggregating \$51,491,941, in comparison with 2,167 bankruptcies reported in April 1922 with liabilities of \$73,058,637. April of this year shows a decrease of 29.9% in the number of failures and a decline of 29.5% in the aggregate of liabilities involved. The Kansas City District is the only one reporting a larger number of failures in April 1923 than in April 1922, but increased liabilities were reported for the current month by the Philadelphia, Cleveland, Dallas and San Francisco Districts.

In the Fifth District, the April 1923 decrease in the number of failures is 41.9% in comparison with the United States average decrease of 29.9%, but liabilities in the Fifth District declined only 20.9% in comparison with the national decline of 29.5%. April 1923 witnessed 86 failures with liabilities of \$2,593,827 in the Fifth District, in comparison with 148 failure reported in April last year, with liabilities of \$3,277,906. The number of insolvencies in April was the lowest reported in this District since September 1921, during which month there were 85 bankruptcies.

The average liability per failure in April 1923 was \$30,161 in the Fifth District and \$33,876 in the nation as a whole, compared with average liabilities in April 1922 of \$22,148 in the Fifth District and \$33,714 in the nation.

LABOR—Since our April 30th Review was written the scarcity of efficient labor in the Fifth District has broadened out somewhat, and has become increasingly marked in a few fields. The migration of negroes to Northern and Eastern industrial centers has continued, and farmers who depend upon day labor are finding it difficult, and in a few instances impossible, to secure sufficient help to plant normal crops. Next to farm laborers, the greatest scarcity appears to be in the building industry and in allied fields, such as lumbering and brick making. The chief demand in construction work is for skilled workmen, among these being brick-masons, plasterers, carpenters and metal workers, but the lumbering plants need many able-bodied unskilled negro laborers for the cutting and moving of timber in the woods and the handling of lumber on the yards. The textile mills have sufficient labor for present needs, and the same appears to be true of other manufacturing lines such as tobacco factories, fertilizer plants, and furniture factories. Box and shook manufacturers report some shortage of satisfactory workmen. Practically all industries in the District are operating as fully as the available labor permits, and as mentioned last month, there has been a tendency to raise wages in some industries, but on the whole there has been but little competitive bidding for satisfactory labor. Manufacturers appear willing to curtail operations somewhat rather than advance manufacturing costs too greatly by increase in operating expenses. The experiences of 1920 are still fresh in the minds of the manufacturers, and they realize that unless costs to consumers are kept within bounds consumption is likely to be affected, and they are now watching very closely the consumer's reaction to every change in the costs of manufacture which may increase the ultimate selling price. In this District the workers themselves appear to have some appreciation of the situation, and while there appear sporadic strikes from time to time, labor is on the whole reasonable and no serious disputes have arisen during recent months.

COAL—The United States Geological Survey, in its weekly report dated April 21st, gave out final estimates of the production of soft coal during the coal year ending March 31, 1923. The total production was estimated at 418,734,000 net tons, which was less than production during any of the preceding nine coal years except 1914-1915. The cause of the past year's low total was the long strike of last summer, during which only a fraction of normal tonnage was raised by non-union mines. From the settlement of the strike in the fall to the end of the coal year production was at a higher rate than in previous years, but was insufficient to overcome losses during the summer of 1922. In its report dated May 12th, the Survey gives figures on total production during the first 107 working days of each calendar year from 1917 to 1923, inclusive, the figures being as follows:

1917	187,738,000 tons	1920	184,936,000 tons
1918	189,153,000 "	1921	137,614,000 "
1919	148,879,000 "	1922	148,693,000 "
	1923		189,506,000 tons

It will be seen that production during the first 107 working days of the current year was greater than during the corresponding period of any of the preceding six years. In commenting on the above figures, the Geological Survey says, "The present year closely resembles 1920. In that year, however, consumers' stocks on March 1st were at a very low point and demands for coal were insistent. While stocks on March 1, 1923 were not extremely high yet they exceeded those in 1920 by 50 per cent and demand for coal has steadily fallen off." With railroads gradually adding to their car supply, and decreased demand during the summer at hand, it appears likely that low reserves will be rebuilt before next winter. Reports of "No Market" are becoming almost as important as reports of "Transportation disability," but thus far the majority of the "No Market" reports have come from the Western mines. There are some strikes under way here and there, but they are not nationally important.

Anthracite production during the first four months of 1923 is far ahead of production during the first four months of 1922, partly due to the anthracite strike of 1922 which began on April 1st. This year's production, through April 28th, totaled 33,718,000 tons, compared with 21,803,000 tons to April 28, 1922, and down to April 1st this year production was 25,868,000 tons compared with 21,777,000 tons during the first three months of 1922.

Speaking of future prospects, coal dealers contend that high wages paid at the mines and high freight rates will prevent any lowering of costs of coal to ultimate consumers until the items of expense mentioned can be adjusted. We mentioned last month that some reduction in prices to consumers had been made on April 1st, and these reductions still stand, but no further reductions have been made, and dealers are unanimous in stating that the fall season will witness some increases.

TEXTILES—As a result of unsettled conditions in the cotton market, the textile industry in the Fifth District is at the moment marking time. Up to about the middle of March a sellers' market appeared to exist, and mills were receiving all the orders they cared to accept in the face of rising prices of raw cotton, but during the latter part of March the situation reversed itself. Cotton prices began declining, and mills became willing to commit themselves farther into the future, but the buyers were also watching cotton prices, and with the decline orders to the mills slackened and in many cases ceased altogether. Since that situation came about there have been no further developments, and there the matter stands as we write. The mills are continuing full time operating on orders previously placed with them, and they are going on with additions to present plants and the construction of new ones, thus showing that the owners believe the present slump to be more or less temporary. Many authorities believe that the textile industry in the South, and especially in the Fifth District, is just beginning to come into its own. The present conditions in the industry call for skillful management but the mill authorities appear to believe that basically the industry is sound, and very few of them are much disturbed over the outlook. There have been comparatively few cancellations of orders, and mill stocks have declined only a few points since the flow of new business ebbed two months ago. With labor fully and profitably employed large consumption of cotton goods seems assured, and the mill managers appear to think that orders they are not receiving now are merely being temporarily withheld until prices settle, a condition which in the end may work out to the advantage of the mills as well as to the buyers. Not much change is looked for in the industry until this year's cotton crop advances far enough to give a reasonably safe basis for estimates of this season's production.

During April cotton consumption totaled 104,904 bales in North Carolina, 89,237 bales in South Carolina, and 9,539 bales in Virginia, a total consumption of 203,680 bales for the three cotton manufacturing states in the Fifth District. This amount is 35.3% of total American consumption for April, which amounted to 577,396 bales, and is 56% of the consumption in cotton growing states, which amounted to 363,865 bales. The consumption in the cotton growing states was 63% of the national consumption, which indicates clearly how important the Southern textile industry is becoming.

COTTON—Cotton prices have been falling continuously since the week ending March 17th, during which week the average price paid for middling short staple spots on the Carolina markets was 29.90 cents per pound. In our April 30th Review we quoted prices through April 14th, the average for the week ending on that date being 28.21 cents per pound, but since that time the decline has been more marked than during the preceding month. During the week ending April 21st there was a drop of over a cent a pound, the average declining to 27.06 cents. The week ending April 28th witnessed a slight recovery, the average price rising to 27.33 cents, but the recovery was only temporary, and was followed by a decline of over a cent and a half during the week ending May 5th, when the average went down to 25.64 cents. The latest week for which figures are available as we write, ending May 12th, witnessed a further decline to an average of 24.22 cents, the lowest average reported since the week ending October 28, 1922. A year ago, during the week ending May 13, 1922, the average price paid in the Carolinas was 18.32 cents, and during the week ending May 14, 1921 the average was 10.93 cents. The average for the corresponding week in 1920 was 40.50 cents. The Cotton Quotation Service, Bureau of Agricultural Economics, U. S. Department of Agriculture, which releases reports from its Charlotte, N. C. office, gives in its May 7th report the following table, which we include here for reference.

SPOT QUOTATIONS FOR MIDDLING UPLAND COTTON AT NEW YORK ON APRIL 20TH FOR EACH OF THE PAST 32 YEARS

Year	Cents	Year	Cents	Year	Cents	Year	Cents
1892	7.25	1908	9.90	1900	9.81	1916	10.45
1893	7.94	1901	8.38	1909	10.85	1917	19.85
1894	7.56	1902	9.44	1910	15.15	1918	30.75
1895	7.00	1903	10.35	1911	14.95	1919	28.60
1896	7.94	1904	14.15	1912	11.95	1920	42.75
1897	7.31	1905	7.80	1913	12.15	1921	12.15
1898	6.44	1906	11.75	1914	13.10	1922	17.95
1899	6.25	1907	11.20	1915	10.45	1923	27.60

On May 15th, the Census Bureau released its report on cotton consumed in the United States during April, the total used during that month being given as 577,396 bales. This was a decrease in consumption under March of this year, but was far above the April 1922 consumption, during which month only 443,509 bales were required. Cotton on hand in consuming establishments on April 30th aggregated 1,889,218 bales of lint compared with 1,461,340 bales so held on April 30, 1922, but cotton in public storage and at compresses April 30th totaled only 1,966,441 bales in comparison with 3,213,483 bales stored on April 30th last year. Cotton spindles active during April numbered 35,515,791, compared with 31,389,695 spindles active in April 1922.

In the cotton growing states of the Fifth District, the cotton crop this year is backward, due to unseasonably cool weather down to the present time. Some cotton has had to be replanted, the plants having been killed by the cold spell of May 8-10, and plants that were not killed were hindered in development by the absence of hot weather. Cotton grows exceedingly slowly if the nights are cool, and all of the nights this spring and early summer have been cool. No reliable information is available as yet as to the acreage planted in the several states, but acreage figures are not so important as they would be in the absence of the boll weevil. The weevil has covered practically all of the cotton producing territory in the United States, and the extent of its depredations will probably affect this year's cotton production far more than will the acreage planted. In fact, it is possible that a large acreage might tend to reduce the total production rather than increase it by giving the farmers more land to cultivate than they could properly care for. It seems to be established that there is insufficient poison available to care for a large acreage. Under boll weevil conditions the farmer who intensively cultivates a small acreage is apparently more likely to succeed than the farmer who plants more land than he can attend to properly.

TOBACCO—Very little leaf tobacco was sold by growers during April, most of the crop having been marketed previous to that month. Production figures for the 1922-1923 season are now available, and show that Virginia growers sold 161,245,166 pounds of all types of tobacco previous to May 1st, compared with 95,218,000 pounds in 1921-1922. The average price for the 1922-1923 season was \$29.31 per hundred pounds for bright tobacco, compared with \$20.14 in 1921-1922, and \$18.81 per hundred for dark, against \$18.66 the previous year. The figures given above are somewhat below this year's total production, the receipts by the Tobacco Growers Co-operative Association during April not being included. In the number of pounds of tobacco sold for producers in auction warehouses, the five leading cities were: Danville, 22,305,647 pounds at an average price of \$31.89 per hundred; Lynchburg, 9,017,606 pounds at an average of \$20.87 per hundred, this being dark tobacco; South Boston, 7,351,723 pounds at an average of \$30.56 per hundred; South Hill, 5,433,645 pounds at an average of \$25.76 per hundred; and Richmond, 4,717,910 pounds of dark, at an average of \$14.27 per hundred. This year's tobacco crop is estimated to have brought the Virginia farmers approximately \$42,000,000, compared with \$19,000,000 received for the 1921-1922 crop. The Virginia fig-

ures are taken from the final report on tobacco for the season, issued May 12, 1923 by Henry M. Taylor, Agricultural Statistician for the U. S. Department of Agriculture, Division of Crop Estimates, co-operating with the Division of Agricultural Statistics of the Virginia Department of Agriculture.

The U. S. and N. C. Departments of Agriculture have compiled the year's tobacco summary for North Carolina, the report showing a larger yield than was grown in 1921-1922, but the increase was not nearly as great as in Virginia. Producers sales for this season totaled 276,812,897 pounds, of which 266,812,897 pounds were sold in the state and 10,000,000 pounds were sold on border markets in other states. For this tobacco growers received an average of \$27.41 per hundred pounds. Sales for growers totaled 251,682,496 pounds in 1921-1922, at an average of approximately \$25.00 per hundred. The 1922-1923 crop therefore brought the farmers \$76,000,000 in round numbers, compared with about \$63,000,000 received the previous year. The five leading markets in North Carolina in the number of pounds sold for producers in auction warehouses were: Wilson, 35,602,161 pounds at \$29.61 per hundred; Winston-Salem, 27,536,108 pounds at \$26.67 per hundred; Greenville, 19,146,450 pounds at \$28.27 per hundred; Rocky Mount, 14,824,048 pounds at \$28.25 per hundred; and Kinston, 13,687,439 pounds at \$23.88 per hundred.

AGRICULTURAL NOTES—Nearly all crops in the Fifth District are getting a late start this year, due chiefly to the unseasonably cold spring. Where planting has been done the absence of hot days and warm nights has retarded germination of seed and growth of plants, and late cold spells have killed some of the young vegetation.

In Virginia, the Crop Reporting Service of the state estimates that this year's wheat harvest will total 9,945,000 bushels, in comparison with 10,375,000 bushels grown in 1922. The acreage this year is 838,000, which is 1% greater than last year. The fields are beginning to head, and those sown early last fall are looking well, but late sown crops made a poor stand and growth is backward. Tobacco planting has begun in southern counties, but this work is quite delayed, due to cold weather and poor plants. Plants in tobacco beds have been injured by cold and by insects. Planting of corn is under way, but is progressing slowly except in southern counties. The commercial crop of potatoes is late and shipments are expected to begin later than usual. Some sweet potatoes have been planted. Reports indicate that there has been a heavy drop in some sections of the apple growing region, but it is yet too early to estimate the final yields of the trees. The crop of peaches, plums and cherries is generally light, but some sections report fair prospects in spite of late frosts. Strawberries are ripening in Virginia, and shipments have begun around Norfolk and on the Eastern Shore. Hay crops and pastures are late, and spring lambs will not be ready for market as early as usual. Cotton planting has commenced, and the acreage is expected to be larger this year.

Wheat in North Carolina is making good growth. Corn and cotton are being planted as rapidly as possible, and tobacco is being transplanted on an increased acreage over last year.

According to the May 10th report of the Agricultural Statistician in South Carolina, farming conditions on May 1st compared closely with the average for that date in that state, although planting of both cotton and corn had been delayed several days by unfavorable weather conditions. The acreage of wheat to be harvested in South Carolina is estimated at 175,000 acres, with a condition of 83%. The condition forecasts a production of 1,874,000 bushels, an increase of 550,000 bushels over last year. Cotton has been planted, but is up to a poor stand in many sections, and late cold spells may necessitate some replanting. Truck crops on the coast are good, on the whole, and are bringing fair prices to the growers. South Carolina's oat crop is reported to be particularly good.

Throughout the entire Fifth District farmers are preparing their land better than usual, and are largely increasing the use of fertilizer, for most of which cash has been paid. Labor is hard to secure for farm work at wages farmers can afford to pay, and around the cities dairymen and truckers find it almost impossible to secure sufficient help.

BUILDING OPERATIONS FOR THE MONTHS OF APRIL, 1923 AND 1922.

Reports received from building inspectors in twenty-four of the leading cities of the Fifth District show that the total of building permits issued in April 1923 for new construction broke all previous records for any month in the year. The twenty-four cities report a total of 3,012 permits for new buildings, estimated to cost \$23,549,759, compared with 1,937 permits for new work issued in April 1922, with estimated valuation of \$11,689,255, an increase in the number of permits this year of 55.5% and in the estimated valuation of 101.5%. Alteration and repair permits totaled 2,338 in the reporting cities during April, compared with 2,810 permits issued for this class of work during April 1922. Combined valuation of both new work and repairs or alterations amounted to \$26,562,334 in April 1923, compared with \$13,297,743 in April last year, an increase this year of \$13,264,591, or 99.8%. The increases in the number of permits for new work were particularly noticeable in Baltimore, Norfolk, Charleston, W. Va., Huntington, High Point, N. C. and Washington, D. C., and notable increases in valuation were reported from Baltimore, Lynchburg, Roanoke, Charleston, W. Va., Huntington, Charleston, S. C. and Washington, D. C.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1923	1922	1923	1922			
		1923	1922	1923	1922							
MARYLAND												
1	Baltimore.....	898	368	1,307	1,422	\$ 4,190,520	\$ 2,298,600	\$ 781,740	\$ 695,040	\$ 1,978,620	66.1%	1
2	Cumberland.....	51	38	18	27	121,885	94,008	18,910	14,525	32,262	29.7	2
3	Frederick.....	9	9	6	4	39,750	61,500	12,275	3,120	— 12,595	— 19.5	3
VIRGINIA												
4	Lynchburg.....	30	28	28	13	102,316	56,915	32,685	3,950	74,136	121.8	4
5	Norfolk.....	148	36	83	77	570,715	596,190	61,151	51,115	— 15,439	— 2.4	5
6	Richmond.....	157	215	95	95	1,947,949	1,677,913	110,041	96,638	283,439	16.0	6
7	Roanoke.....	147	129	81	79	848,272	325,775	24,995	18,907	528,585	153.4	7
WEST VIRGINIA												
8	Bluefield.....	44	35	8	17	138,200	94,582	3,950	7,882	39,686	38.7	8
9	Charleston.....	120	51	20	31	1,115,044	287,231	1,148,749	14,695	1,961,867	649.8	9
10	Clarksburg.....	37	38	18	51	73,785	107,610	6,185	21,170	— 48,810	— 37.9	10
11	Huntington.....	228	*153	62	.....	1,023,320	*305,530	93,503	.....	811,293	265.5	11
12	Parkersburg.....	.....	.....	.....	.....	175,000	100,000	.....	50,000	100,000	66.7	12
NORTH CAROLINA												
13	Asheville.....	67	66	19	46	529,091	304,111	6,129	12,684	218,425	68.9	13
14	Charlotte.....	66	62	7	13	867,085	472,000	4,700	117,000	282,785	48.0	14
15	Durham.....	27	23	8	12	106,980	87,800	12,525	52,950	— 21,245	— 15.1	15
16	Greensboro.....	49	46	34	23	170,270	160,525	30,812	11,345	29,212	17.0	16
17	High Point.....	70	31	23	7	320,530	473,210	49,550	2,750	— 105,880	— 22.2	17
18	Wilmington.....	16	16	3	1	142,500	79,300	4,200	15,000	52,400	55.6	18
19	Winston-Salem.....	74	44	93	91	400,790	228,520	39,705	34,410	177,565	67.5	19
SOUTH CAROLINA												
20	Charleston.....	7	24	13	21	477,300	230,520	8,690	7,960	247,510	103.8	20
21	Columbia.....	24	25	83	95	59,765	199,700	19,989	27,566	— 147,512	— 64.9	21
22	Greenville.....	46	35	18	31	81,710	82,480	12,145	10,170	1,205	1.3	22
23	Spartanburg.....	28	33	33	48	85,382	57,595	13,700	7,083	34,404	53.2	23
DIST. OF COLUMBIA												
24	Washington.....	669	432	278	606	9,961,600	3,307,640	441,246	332,528	6,762,678	185.8	24
Totals.....		3,012	1,937	2,338	2,810	\$23,549,759	\$11,689,255	\$3,012,575	\$1,608,488	\$ 13,264,591	99.8%	

*Includes both new work and repairs. — Denotes decrease this year.

Although the volume of work under way and being planned is unprecedented, the mounting cost of construction is holding back a considerable further number of important projects that would have been started had wages and materials not advanced so materially during the past few months, and many people connected with phases of the building industry think that the crest of the wave has been reached. Skilled labor is scarce and costly, and materials of practically all kinds have shown rising tendencies during the spring and early summer, the results being that owners contemplating the erection of large buildings and plants are finding the contractors' estimates considerably above the amounts the owners desire to spend on their projects. Unless the need for space is pressing, many of these jobs are being postponed until costs adjust themselves to a more satisfactory level.

Building supply dealers are still enjoying a large volume of business at profitable figures, but some of the more observant of them appear to feel that the present boom has reached its maximum. They do not expect any serious depression, but they think that the demands for new construction, with consequent calls for all kinds of materials, will settle down to a steady, slower movement, below the volume during the recent feverish activity.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Twenty-seven Representative Department Stores for the Month of April, 1923.

Confidential reports received from twenty-seven department and general stores in the leading cities of the District show a slightly smaller volume of retail sales during April this year than during the corresponding month of 1922, the decrease in the dollar value of sales amounting to an average of 2.1% for the District. This small decrease is more than accounted for by the fact that in 1922 Easter Sunday was April 16th, thus throwing much of the special Easter trade into April, but this year Easter Sunday came on April 1st, and March received all of the Easter business. Richmond shows a gain of 12.5% during April over April last year, and the group of Miscellaneous Cities gained 2.9%, but the Baltimore stores averaged a

decrease of 4.6% and the Washington trade declined 4.2%. From January 1st through April 30th, however, all cities and practically all individual stores show greater cumulative sales than during the same four months of 1922, the average for the District being an increase this year of 9.7%. Stocks on hand at the end of April 1923 were 10.1% more valuable than at the end of April 1922, figured at selling prices, but most of this increase is perhaps due to higher prices and does not represent very much larger stocks on the shelves. The percentage of average stocks on hand at the end of each month since January 1st to average net sales during the same four months was 427.0%, Richmond showing the most rapid turnover with a percentage of 373.3% and the Miscellaneous Cities the slowest stock movement with a percentage of 517.9%. Outstanding orders for merchandise at the end of April amounted to 6.4% of total purchases during the year 1922.

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during April, 1923, compared with April, 1922.....	— 4.6	12.5	— 4.2	2.9	— 2.1
Percentage increase in net sales from January 1, through April 30, compared with sales during the same four months of 1922.....	10.9	22.6	3.5	16.9	9.7
Percentage increase in net sales during Apr. 1923, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	— 5.2	12.3	— 8.0	— 4.3	— 4.1
Percentage increase in stocks on hand at the end of April, 1923, over stocks on hand at the end of April, 1922.....	11.4	17.0	10.1	11.4	10.1
Percentage increase in stocks on hand at the end of April, 1923, over stocks on hand at the end of March, 1923.....	— 0.4	1.1	2.1	5.5	1.5
Percentage of average stocks on hand at the end of each month since Jan. 1, to average net sales each month during the same period, four months.....	404.6	373.3	438.3	517.9	427.0
Percentage of outstanding orders at the end of April, 1923, to total purchases of merchandise during the year 1922.....	6.6	8.1	5.3	9.7	6.4

—Denotes Decrease.

Attention is again called to the third item in the table herewith, which shows the percentage of increase or decrease in net sales during April 1923 compared with the average sales in April during the three years 1920, 1921 and 1922. The figures show the April sales as 4.1% less than the average sales during the corresponding month of the three years taken as a base period, but when it is remembered that in April 1920 the depression had not set in and that Easter came in the middle of April 1922, the comparative showing made by April of this year is more favorable.

WHOLESALE TRADE

Percentage Increase (or Decrease) in Net Sales During Apr., 1923, as Compared With Mar., 1923 and April, 1922.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	46	15	20	17	7	14
Net sales (selling price) during Apr., 1923, compared with March, 1923.....	— 5.6	—28.4	—22.0	— 4.5	—22.3	—10.9
Net sales (selling price) during Apr., 1923, compared with April, 1922.....	16.9	13.6	4.0	23.1	59.1	13.0

—Denotes decrease.

The accompanying table shows in percentage form the increase in the dollar amount of sales made in April 1923 by one hundred and nineteen representative firms dealing in groceries, dry goods, shoes, hard-

ware, furniture and drugs, in comparison with (1) sales made in March 1923, and (2) sales made in April 1922.

The figures show decreased sales in every reporting line in April in comparison with March, but these decreases are largely seasonal, following the brisk pre-Easter trade. All lines show increased sales in April of this year over April 1922, some of the increase being due to price advances, but most of it representing a real gain in the volume of trade.

The percentage of wholesalers reporting collections either *Good* or *Fair* for April was 92.4%, compared with 90.0% so reporting in March, 90.6% in February, and 92.5% in January. We give below the classifications of collections made by 119 firms for April, and for comparative purposes we have added the totals reported for January, February and March 1923, and April 1922:

<i>Lines</i>	<i>Collections Reported As</i>				<i>Total</i>
	<i>Good</i>	<i>Fair</i>	<i>Slow</i>	<i>Poor</i>	
Groceries	11	31	3	1	46
Dry Goods	5	7	3	0	15
Shoes	1	18	1	0	20
Hardware	4	12	1	0	17
Furniture	0	7	0	0	7
Drugs	7	7	0	0	14
April 1923 totals.....	28	82	8	1	119
March 1923 totals.....	25	83	12	0	120
February 1923 totals.....	25	81	9	2	117
January 1923 totals.....	29	81	9	0	119
April 1922 totals.....	7	70	26	3	106

(Compiled May 19, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production and trade continued in large volume during April. There was some slackening of business activity in the latter part of the month and during the early weeks of May, partly on account of seasonal influences.

PRODUCTION. The Federal Reserve Board's index of production in basis industries declined about one percent in April. Production of lumber, anthracite coal, and mill consumption of cotton decreased, while there were increases in the output of pig iron and petroleum. There was a further increase in the value of building contracts awarded in April, but the value of building permits issued in 168 cities was 16% less than the record figures of March. The decrease was due chiefly to a curtailment of new projects in New York, as the aggregate value of permits at other reporting cities showed an increase of 20%. Car loadings continued to be much larger than in the corresponding weeks of previous years, owing chiefly to heavy shipments of manufactured goods. In spite of present heavy traffic, the shortage of freight cars has largely disappeared. Employment at industrial establishments continued to increase during April, although plants in eastern states reported some reductions in their forces, and there was an increase in those states in the number of concerns working part time. Increases in wage rates were announced by many concerns, and average weekly earnings of factory workers increased about one percent.

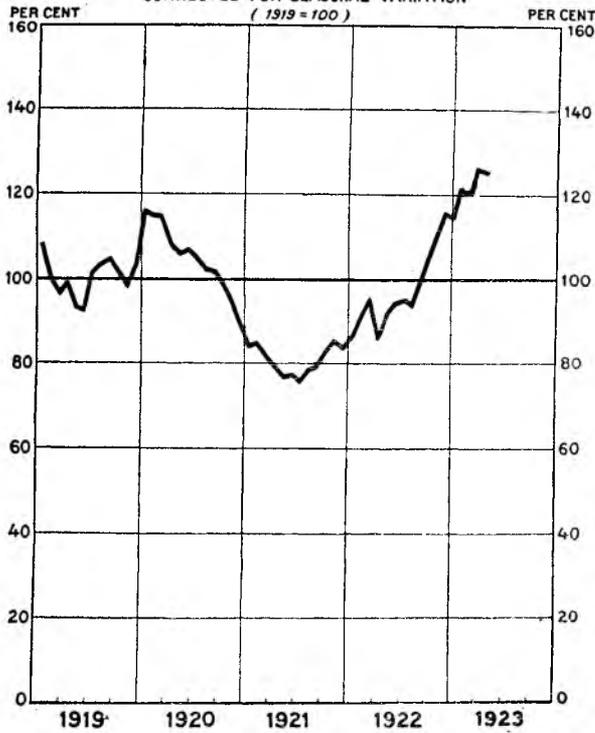
TRADE. Wholesale and retail trade were somewhat smaller in April than in March which is the customary trend at this season of the year. Both were well above the level of a year ago. Decreased sales by department stores in April as compared with March were in part due to the fact that Easter purchases were made in March and to unseasonable cold weather in many localities. Mail order sales during April were 10% less than in March, but 32% larger than a year ago.

WHOLESALE PRICES. Prices of certain basis commodities declined during April and the early part of May. The general index of wholesale prices of the Bureau of Labor Statistics, it is to be noted, showed no change between March and April. Prices of building materials, metals, cloths and clothing were higher in April than in March, these advances being offset by declines in prices of fuel and of farm products, especially live stock and dairy products.

BANK CREDIT. Since the middle of April the volume of bank credit in use has remained relatively constant. Between April 11th and May 9th, loans of member banks in leading cities showed an increase of nearly \$100,000,000, a large part of which occurred in the Chicago District. These increases in loans were accompanied by somewhat larger liquidation of investments, which was general throughout the country. Partly through the sale of these investments reporting members banks have met the demand for additional loans without obtaining increased accommodations at the Reserve Banks. The volume of Federal Reserve Bank credit has, consequently, continued to remain fairly steady at the level which has prevailed since the middle of January and the volume of Federal Reserve Notes in circulation has remained practically unchanged. Somewhat easier money conditions are indicated by slightly lower rates on commercial paper and lower yields on outstanding treasury certificates. The treasury offering of approximately \$400,000,000 of 4% percent notes, maturing March 1927, was heavily oversubscribed, and the issue was subsequently quoted at a slight premium in the open market.

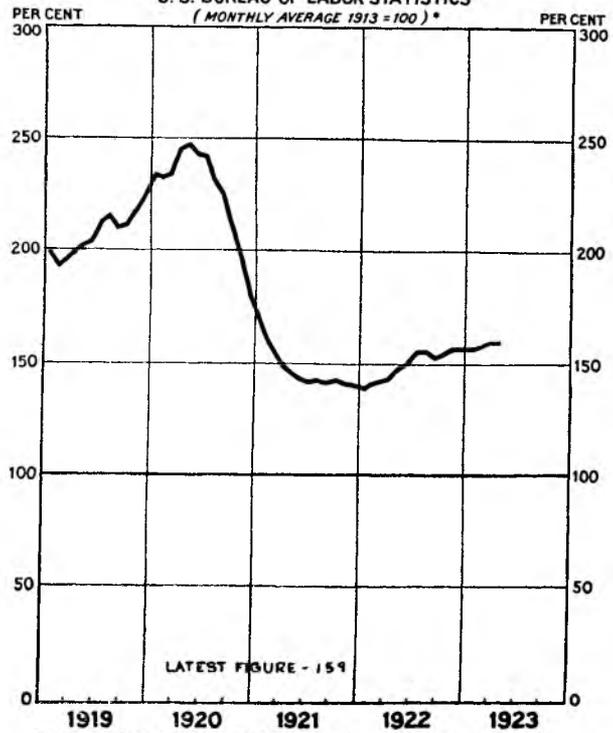
INDEX OF PRODUCTION IN BASIC INDUSTRIES

COMBINATION OF 22 INDIVIDUAL SERIES
CORRECTED FOR SEASONAL VARIATION
(1919 = 100)



PRICES

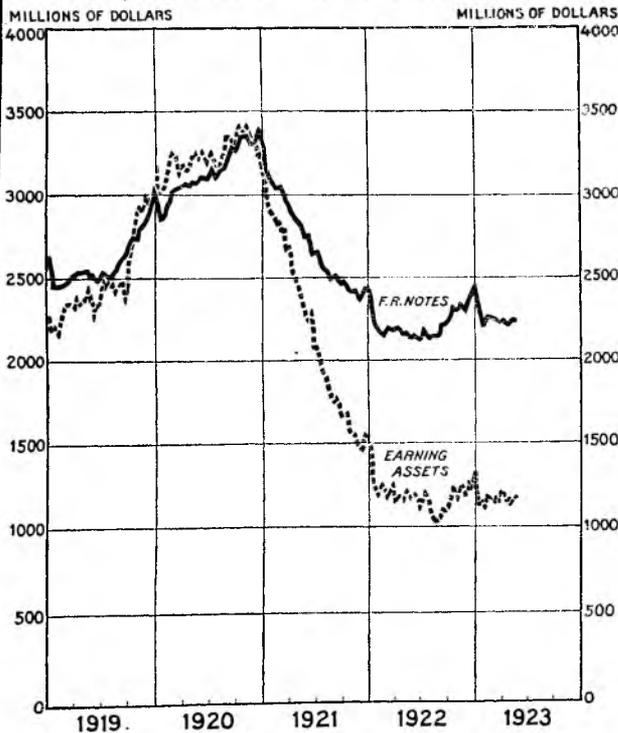
INDEX NUMBERS OF WHOLESALE PRICES
U. S. BUREAU OF LABOR STATISTICS
(MONTHLY AVERAGE 1913 = 100)*



* Base adopted by the United States Bureau of Labor Statistics.

BANK CREDIT

ALL FEDERAL RESERVE BANKS



BANK CREDIT

800 MEMBER BANKS IN LEADING CITIES

