

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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Business failed to develop in September to the degree expected, chiefly as a result of three important influences, the first of these being wide-spread uncertainty in regard to the size of this year's cotton crop, with a consequent hesitancy in placing orders for textiles. The second factor that retarded September business was the unseasonably mild weather, which seriously interfered with the development of retail trade along seasonal lines. The third factor was the unusually brisk trade that developed in August in both retail and wholesale lines, much of which trade normally falls in September. Minor influences that assisted in slowing up business activity in September were the dullness in the bituminous coal market, which seriously retarded trade in West Virginia, and local labor shortages in some seasonal activities such as oyster packing.

In spite of the deterrent factors mentioned, the volume of business done in September was reported as not unsatisfactory. Member banks moderately increased their loans to customers to meet seasonal demands, but their deposits rose sharply and their investments in securities also increased. Borrowing at the Federal Reserve Bank of Richmond remained practically stationary, and the Bank's reserve ratio rose several points. Debits to individual accounts in the banks of the District's chief cities were 17.7% greater than in August and 10.1% greater than in September 1922, the increase over August being largely seasonal but the increase over September 1922 representing for the most part a genuine expansion in trade during the year. Business failures in the District were less numerous than in August

and fell 48.4% under the number of insolvencies reported in September 1922. Labor continued fully employed at high wages, and although there were local shortages of workers here and there, no serious scarcity developed. Coal production kept up at a high rate in the bituminous field, and the anthracite strike which began on September 1st was settled before the end of the month, thus removing any probability of a fuel shortage during the coming winter. Textile mills experienced a period of slack orders during September and early October, but confidence is reappearing in the dry goods market. Prospects at the end of September point to the probability of larger yields of cotton in the cotton growing states of the Fifth District than had been expected from earlier indications, and with high prices for the staple the Carolinas will doubtless find this year's crop the most profitable one since 1919. Tobacco crops in North Carolina and Virginia are turning out fairly large yields, and at present prices tobacco farmers are in good shape. Truck crops are turning out profitably on the average, and Virginia's apple crop, though short in quantity, is of excellent quality. Building operations have declined from the peak of the year, but are holding up well for this season, especially in the field of residences and apartments. Retail trade has been handicapped by unseasonably warm weather, but cumulative sales since July 1st exceeded sales during the corresponding three months of 1922. Wholesale trade in most lines is distinctly better than it was a year ago, retailers being more willing to back their judgment of future prospects with orders than they were at this time last year. Finally, collections are better than they were in August, or in September last year.

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

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

ITEMS	Oct. 10, 1923	Sept. 12, 1923	Oct. 11, 1922
1. Total Loans and Discounts (including all rediscounts)	\$ 469,756,000	\$ 464,513,000	\$ 428,846,000*
2. Total Investments in Bonds and Securities	131,984,000	131,495,000	124,408,000
3. Total Loans and Investments	601,740,000	596,008,000	553,254,000
4. Reserve Balance with Federal Reserve Bank	36,338,000	33,999,000	35,610,000
5. Cash in Vaults	14,517,000	13,507,000	13,837,000
6. Demand Deposits	336,900,000	330,205,000	334,343,000
7. Time Deposits	152,456,000	151,053,000	144,840,000
8. Borrowed from Federal Reserve Bank	43,067,000	40,011,000	16,419,000

*Does not include Rediscounts.

Seventy-seven member banks, located in thirteen of the Fifth District's leading cities, send weekly condition reports to the Federal Reserve Bank of Richmond, the purpose of the reports being to give the Reserve Bank and the Reserve Board an indicator of credit and financial conditions and trends throughout the District. For the information of our readers, we publish in the table herewith figures showing the principal items on the reports from the seventy-seven institutions, figures being shown as of the close of business October 10th and September 12, 1923, and October 11, 1922, thus affording an opportunity for comparisons between the figures for the latest available date with those reported a month and a year ago.

The table shows some expansion of credit during the period between September 12th and October 10th this year, total loans and discounts having increased from \$464,513,000 to \$469,756,000, reflecting a continuation of the increased demands for accommodation that are usually in evidence at this season of the year. During the early fall buyers of agricultural products need funds to get their seasonal activity under way, and merchants require credit at the banks to discount bills for fall and winter merchandise. As a corollary to the increased demands from the reporting banks' customers, borrowing at the Federal Reserve Bank increased from \$40,011,000 on September 12th to \$43,067,000 on October 10th. Notwithstanding the increases in outstanding loans and in rediscounts during the month, however, other figures in the table show that the banks' customers have put in more than they have drawn out, demand deposits having increased between September 12th and October 10th from \$330,205,000 to \$336,900,000, and time deposits from \$151,053,000 to \$152,456,000, a combined increase of \$8,098,000 for the month. Between the same two dates, the reporting banks increased their reserve deposits at the Reserve Bank from \$33,999,000 to \$36,338,000; their cash in vaults rose from \$13,507,000 to \$14,517,000; and their investments in stocks and bonds increased from \$131,495,000 to \$131,984,000.

It is difficult to compare the condition of the reporting banks on October 10, 1923, with the condition on October 11, 1922, because the figure showing outstanding loans last year did not include rediscounts with either the Reserve Bank or other commercial banks, but a comparison of borrowings at the Reserve Bank last year and now clearly shows the existence of a much greater demand for credit this year. Borrowings from the Reserve Bank by the seventy-seven reporting members totaled only \$16,419,000 on October 11, 1922, compared with a total of \$43,067,000 borrowed on October 10, 1923, and during the year there has been no change in the Reserve Bank's discount rate that would have tended to shift any greater portion of rediscounts to the Reserve Bank. The reporting banks increased their investments in securities from \$124,408,000 on October 11, 1922, to \$131,984,000 on October 10, 1923; their reserve balances rose from \$35,610,000 to \$36,338,000; cash in vault increased from \$13,837,000 to \$14,517,000; demand deposits rose from \$334,343,000 to \$336,900,000, and time deposits increased from \$144,840,000 to \$152,456,000.

FEDERAL RESERVE BANK OPERATIONS

Between September 15, 1923 and October 15, 1923, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$74,412,086.64 to \$91,334,461.84, a regular seasonal expansion at cotton and tobacco marketing time. During the same period an active demand for currency for use in buying farm products caused an increase in Federal Reserve Notes in actual circulation from \$85,338,435 to \$97,162,535, and Member Bank Reserve Deposits declined from \$63,089,293.45 to \$61,314,607.55. In spite of the active demand for cash, however, there was no further increase in borrowing by members from the Reserve Bank in the Fifth District, Total Bills on hand actually declining from \$79,522,868.77 on September 15th to \$78,179,400.82 on October 15th. As a result of the changes in the items mentioned, the ratio of cash reserves to note liabilities and deposits combined rose during the month from 49.08% to 55.45%.

A year ago, on October 14, 1922, the Cash Reserves of the Federal Reserve Bank of Richmond amounted to \$115,561,415.82; Federal Reserve Notes in actual circulation totaled \$95,428,040; Member Bank Reserve Deposits aggregated \$61,087,162.39; and Total Bills on hand amounted to \$44,388,824.73. The ratio of cash reserves to combined note and deposit liabilities was 73.30%.

SAVINGS BANK DEPOSITS

The total deposits in fifteen regularly reporting mutual savings banks, located in Baltimore, reached the highest amount on record at the end of September 1923, having increased during that month more than enough to make up for the withdrawals during July and August, the vacation season. At the close of business September 29, 1923, aggregate deposits in the fifteen banks amounted to \$137,611,164 compared with totals of \$128,932,937 at the end of September 1922, \$123,358,681 on September 30, 1921, and \$120,404,508 on September 30, 1920. The previous high point in deposits was reached in June 1923, a total of \$137,357,514 having been reported for that month. The September 1923 total shows an increase of 6.7% over deposits a year ago and a gain of 14.3% over deposits in September 1920.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	Oct. 10, 1923	Sept. 12, 1923	Oct. 11, 1922
Asheville, N. C.....	\$ 21,609,000	\$ 21,235,000	\$ 18,763,000
Baltimore, Md.....	364,000,000	305,700,000	334,472,000
Charleston, S. C.....	19,414,000	21,549,000	17,395,000
Charleston, W. Va.....	36,106,000	31,128,000	33,659,000
Charlotte, N. C.....	40,817,000	31,482,000	33,244,000
Columbia, S. C.....	23,150,000	17,431,000	23,257,000
Cumberland, Md.....	9,177,000	7,211,000	7,900,000
Danville, Va.....	8,705,000	7,195,000	8,496,000
Durham, N. C.....	20,337,000	16,179,000	17,423,000
Greensboro, N. C.....	21,676,000	16,226,000	18,079,000
Greenville, S. C.....	25,213,000	21,728,000	16,500,000
Hagerstown, Md.....	10,658,000	8,271,000	9,438,000
Huntington, W. Va.....	23,942,000	22,503,000	20,551,000
Lynchburg, Va.....	19,658,000	16,851,000	18,236,000
Newport News, Va.....	6,868,000	6,247,000	6,206,000
Norfolk, Va.....	71,636,000	57,205,000	60,945,000
Raleigh, N. C.....	25,849,000	27,400,000	22,200,000
Richmond, Va.....	127,768,000	116,742,000	117,854,000
Roanoke, Va.....	22,679,000	20,918,000	20,829,000
Spartanburg, S. C.....	12,482,000	8,136,000	10,226,000
Washington, D. C.....	179,260,000	151,896,000	173,287,000
Wilmington, N. C.....	21,297,000	14,108,000	21,265,000
Winston-Salem, N. C.....	30,454,000	23,812,000	27,861,000
Totals for 23 cities.....	\$ 1,142,755,000	\$ 971,153,000	\$ 1,038,086,000

The accompanying table shows 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 being included for the four weeks ending October 10, 1923, September 12, 1923 and October 11, 1922, thus affording an opportunity for comparing the latest four weeks period with (1) the preceding period this year and (2) the corresponding period last year.

During the four weeks ending October 10, 1923, aggregate debits in the twenty-three reporting cities amounted to \$1,142,755,000, compared with \$971,153,000 reported for the period ending September 12, 1923, an increase of \$171,602,000, or 17.7%, during the month, twenty-one of the twenty-three cities showing gains. The increases are seasonal, and are due chiefly to two factors, namely, the occurrence of October 1st in the latter period, with its large volume of quarterly payments, and to the debits resulting from the marketing of farm products, especially cotton and tobacco.

The four weeks ending October 10, 1923, with total debits amounting to \$1,142,755,000, show a substantial increase over the corresponding four weeks last year, ending October 11, 1922, during which period the reporting cities had aggregate debits amounting to \$1,038,086,000, the gain being \$104,669,000, or 10.1%. Part of this increase is due to higher prices prevailing this year, particularly for leading farm products, but a considerable part is due to the greater volume of business being done this year in comparison with 1922. All of the reporting cities except one show gains this year, and in that one the decrease was less than one-half of one percent.

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

Business failures in the United States during September 1923 were fewer in number than during any other month since November 1920, according to figures furnished by Dun's Review, and the total of liabilities involved was lower than in any other month except one since August 1920. September 1923 failures numbered 1,226, with liabilities amounting to \$28,698,649, compared with a total of 1,566 bankruptcies reported in

September 1922, with liabilities aggregating \$36,908,126, showing decreases this year of 21.7% in the number of failures and of 22.2% in the total of liabilities involved. The Minneapolis, Dallas and San Francisco districts were the only ones that failed to show a decreased number of insolvencies in September in comparison with the corresponding month last year. Failures during the first nine months of this year numbered 13,500, compared with 18,417 reported during the first three quarters of 1922, a decrease this year of 4,917, or 26.7%.

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1923	1922		1923	1922	
Boston, First.....	113	118	— 4.2	\$ 1,476,871	\$ 1,479,198	— 0.2
New York, Second.....	228	376	—39.4	6,283,981	12,209,811	— 48.5
Philadelphia Third.....	44	61	—27.9	2,695,645	1,107,680	143.4
Cleveland, Fourth.....	95	128	—25.8	2,741,378	3,848,535	— 28.8
Richmond, Fifth.....	66	128	—48.4	964,349	4,269,453	— 77.4
Atlanta, Sixth.....	91	120	—24.2	2,840,497	2,765,041	2.7
Chicago, Seventh.....	172	212	—18.9	6,219,732	3,863,884	61.0
St. Louis, Eighth.....	71	100	—29.0	536,652	2,417,725	— 77.8
Minneapolis, Ninth.....	63	50	26.0	637,652	575,947	10.7
Kansas City, Tenth.....	64	66	— 3.0	1,622,295	738,243	119.8
Dallas, Eleventh.....	79	70	12.9	1,757,766	1,480,222	18.8
San Francisco, Twelfth.....	140	137	2.2	921,831	2,152,387	— 57.2
Totals.....	1,226	1,566	—21.7%	\$ 28,698,649	\$ 36,908,126	— 22.2%

In the Fifth District the September improvement over the corresponding month last year was more marked than the national improvement, the current month having witnessed only 66 failures with liabilities amounting to \$964,349, compared with 128 failures reported in September 1922, with liabilities of \$4,269,453. These figures show a September 1923 decrease of 48.4% in number of insolvencies and a decline of 77.4% in liabilities involved for the District, compared with the respective decreases of 21.7% and 22.2% mentioned for the nation in the preceding paragraph. The September figures are the lowest in number of failures reported since November 1920 and the liabilities are lower than for any other month since August 1920.

The average liability per failure in September 1923 was \$14,611 in the Fifth District and \$23,408 in the nation as a whole, compared with average liabilities in September 1922 of \$33,355 in the Fifth District and \$23,568 in the nation.

LABOR—Changes in the labor situation in the Fifth District during September and early October were unimportant. There appears to be no unemployment in the District, but employers on the whole are able to secure sufficient workers to meet their needs. Farm labor is scarce, and oyster packers and tobacco factories are finding some difficulty in securing all the help they need, but these cases are scattered and are confined chiefly to unskilled lines. Perhaps the best indication of satisfactory labor conditions in the District is the absence of comments on the subject in the letters we received this month from many business sources. As a rule, if there is any serious shortage of labor all of our correspondents who are employers comment upon the scarcity, and if there is any surplus of workers, with consequent unemployment, our correspondents in retail circles feel the effect and promptly complain of the situation. Since neither class of correspondents have any serious complaints at present, it appears that in labor circles the supply and demand are practically balanced.

FOOD PRICES—On October 8th, the Bureau of Labor released figures on retail food costs in twenty leading cities of the United States. These figures showed changes between August 15th and September 15th ranging from increase of 4% in Los Angeles and St. Louis to a decrease of less than one-half of one percent in Portland, Maine. No change was reported for Butte, Montana, but all other cities showed increases. Baltimore prices increased 3% during the month, Norfolk and Richmond showed increases of 2%, and Washington prices rose 1%.

For the year ending September 15th, increases in the twenty reporting cities ranged from 10% for Indianapolis to 4% for Butte, Houston and New Orleans. All cities show increases for the year.

COAL—The settlement of the anthracite coal strike late in September tended to diminish the great demand for bituminous coal that had grown up, and consequently the weekly output of soft coal dropped sharply during the past month. Stocks on hand are very large, however, and full supplies of fuel are assured unless severe weather ties up rail shipments. Coal producers claim that the demand for coal is low, and that present mine prices are not profitable.

As previously stated, the labor trouble in anthracite fields was settled during the third week of September, and before the end of the month all miners had returned to work. Since that time the output of hard coal has been comparatively large, and dealers are reported to have sufficient stock to meet the demand.

Prices of coal have not changed much during the past month, bituminous coal usually selling for the prices fixed early last summer, but anthracite has shown some rising tendency because of smaller stocks and also as a result of the wage increases granted the strikers last month.

TEXTILES—The increased interest in textiles that developed during August and the first half of September was not fully sustained, a distinct decrease in the volume of new orders having been experienced around October 1st. The September 25th condition report on this year's cotton crop was higher than had been expected, and caused a slump in prices that made jobbers and retailers hesitate in placing forward orders. Cotton prices and forward orders have regained most of the ground lost since the middle of September, however. Our correspondents among textile mill executives are practically unanimous in claiming that prices of finished goods are not in line with raw material costs, but most of them state that some profit can be made even at present price levels. Nearly all of the Fifth District mills are running full time, and some mills are working at night. Cotton consumed by the North Carolina mills during September totaled 104,724 bales, South Carolina mills used 82,239 bales, and Virginia mills used 9,641 bales, a total for the textile manufacturing states of the Fifth District of 196,604 bales in comparison with 193,402 bales used in August. Consumption during September in the Fifth District amounted to 60% of consumption in all the cotton growing states and to 40.6% of national consumption.

COTTON—In our *Review* last month we quoted prices paid for middling upland cotton in the Carolinas through the week ending September 15th, the average for that week having been 27.13 cents per pound, and during the week ending September 22nd the average price rose to 28.55 cents per pound. The week ending September 29th witnessed a recession to 27.92 cents, however, and during the weeks ending October 6th and October 13th average prices declined to 27.40 cents and 27.12 cents, respectively. The downward movement was due to dullness in the dry goods field late in September and to the condition report issued on October 2nd, which report estimated the condition as of September 25th at 49.5 percent and the probable production for the year as 11,015,000 bales. The condition report of September 1st had estimated production at 10,788,000 bales. It is worthy of note, however, that the weather has not been favorable since the report was issued, and there is a growing disposition to believe that the estimate of an eleven million bale crop may be too high. Under the influence of this feeling, prices of futures have been working upward during the second and third weeks of October, and have regained most of the ground lost earlier in the month.

The condition report as of September 25th, mentioned in the preceding paragraph, placed Virginia's condition at 83 percent and estimated the state's probable yield at 48,000 bales. North Carolina's crop condition and yield was placed at 64 percent and 877,000 bales, and South Carolina was credited with 53 percent and 783,000 bales. South Carolina's expected yield is nearly fifty percent greater than her 1922 production, which speaks well for the efforts made to control the ravages of the boll weevil.

The cotton consumption report covering September 1923, issued on October 13th by the Census Bureau, showed a slight loss in comparison with the August figures for the nation, but consumption in the Fifth District in September exceeded August consumption. Total consumption during September was 483,852 bales, compared with 491,604 bales consumed in August 1923 and 495,344 bales used in September 1922. Statistics for the cotton growing states show a September consumption of 327,441 bales, compared with 329,162 bales used in August and 326,591 bales used in September last year. Consumption in the three cotton manufacturing states of the Fifth District—the two Carolinas and Virginia—amounted to 196,604 bales in September, compared with 193,402 bales used in August 1923 and 193,307 bales consumed in September 1922. Cotton on hand in consuming establishments on September 30th aggregated 773,173 bales, compared with 1,065,816 bales on the same date last year, and cotton in public storage and at compresses September 30th totaled 2,147,830 bales compared with 3,217,939 bales a year previously. Imports of cotton during September totaled 6,608 bales, and 689,935 bales were exported.

The Ginners' report issued on October 2nd, showing ginnings to September 25th, was considerably lower than was expected in view of the record ginnings previous to September 1st, the total reported for September 25th being only 3,215,344 bales in comparison with 3,864,000 bales ginned to the corresponding date in 1922, but reports indicate that labor scarcity throughout the cotton section delayed picking sufficiently to account for a large part of the comparatively low ginning total.

TOBACCO—The Virginia tobacco markets in the bright belt opened October 1st, and a steady stream of tobacco has been flowing into the auction and co-operative warehouses since that time. As is customary during the first two or three weeks the markets are open, the tobacco brought in has been of comparatively poor grade, and prices have been correspondingly low. On the whole the crop is expected to grade from fair to good, and the yield appears to exceed the estimates made before harvest time. Prices are fairly satisfactory considering the quality of tobacco being offered. The Virginia dark markets will not open until next month.

North Carolina auction warehouses sold 50,244,645 pounds of tobacco for growers during September, at an average price of \$18.95 per hundred pounds, compared with 45,246,946 pounds sold in September 1922, at an average of \$25.15 per hundred. According to the monthly report of the N. C.-U. S. Crop Reporting Service in Raleigh, warehousemen were unanimous in remarking that the tobacco offered during the past month was very poor. Sales consisted mostly of a common quality of lugs and tips, very little good tobacco reaching the auction floors. The crop is not as good as had been expected and many report that the quality is below last year, which seems to be proved by a comparison of the average prices above mentioned. The crop is expected to total 347,000,000 pounds. Wilson led all markets in sales, the month's total reaching 12,-864,668 pounds, but Chadbourn led in price with an average of \$22.40 per hundred pounds.

South Carolina's crop of tobacco has been nearly all marketed, and most of the warehouses have closed. The season is said to have been very successful, the yield being large, prices good, and the quality satisfactory. No exact figures on the amount of tobacco marketed during September are available from either the auction or the Co-operative Association warehouses.

The October 1st forecast of tobacco yield in West Virginia reduced the estimate made on September 1st, the October figure being 7,371,000 pounds in comparison with an estimate of 7,529,000 pounds made on September 1st and 7,425,000 pounds produced last year.

The Co-operative Tobacco Association is operating its second year, and the Association officials claim that it is receiving a larger proportion of the tobacco this year than it handled in 1922, and is constantly adding to its membership. The Association has not yet made monthly figures on its receipts available, however, and it is difficult to determine the percent of the crop being turned over to it.

AGRICULTURAL NOTES—"Farm work made very good progress during the period of October 1-15 and weather conditions have generally been quite favorable for the harvesting of crops, which is now practically completed," according to the Virginia Crop Reporting Service. Preparation for the seeding of fall grain has made fair progress, though handicapped to some extent by lack of labor. Rain is quite generally needed before actual seeding can be done, however. The harvesting and shocking of corn is practically complete and some of the crop has been husked. The late crop is maturing well and in general the yield is reported to be very good. The yield of late hay was considerably better than that of the early crop, and weather conditions have been ideal for hay curing. Crimson clover and summer sown grass made very good starts, but rain is now needed to enable them to make sufficient growth to stand the winter. Pastures are reported in fair condition. Sweet potatoes are yielding well, and car lot shipments from the Eastern Shore have been practically the same as last year. The late white potato crop is good, and shipments in carloads have begun. Peanut digging is under way, and some very fine nuts are reported. The acreage is somewhat smaller than last year, but a larger yield is expected. Apple picking is now under way and large shipments are being made daily. The quality of the fruit is reported to be very good. Live-stock is generally in excellent condition, cattle have fattened well, and heavy cattle are being marketed rapidly.

In the Carolinas harvesting is going forward steadily, with tobacco and cotton receiving special attention in North Carolina and cotton the chief concern in South Carolina. Much attention is being paid in South Carolina to means of destroying the weevil's winter quarters, and many farmers are destroying all cotton stalks and cleaning up brush around the cotton fields.

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

Reports received from building inspectors in twenty-four of the leading cities in the Fifth Federal Reserve District show a very satisfactory volume of construction work for which permits were issued in September. The number of permits for new work reported for the month by twenty-three of the cities for which 1922 comparative figures are available totaled 1,804, compared with 1,786 issued in August this year and 1,952 issued in September last year. In comparison with the September 1922 figures, September 1923 witnessed a decrease of 148 permits, but an examination of the accompanying table shows that a majority of the reporting cities gained in the number of permits issued, the decline in the total being due chiefly to large decreases in Baltimore and Washington. A few business and industrial buildings are included in the current figures, but most of the new work is residence or apartment construction, present rent levels encouraging this class of work even at today's costs of labor and material.

In the estimated valuation of new work, September 1923 shows a total of \$8,731,743 compared with \$11,974,156 in September 1922, twenty-four cities being included. Total valuation of both new work and repairs amounted to \$9,937,089 in September 1923 compared with \$13,719,820 in September 1922, a decline this year of 27.6%.

Manufacturers and jobbers of building material send us conflicting reports on their business. Lumber dealers write that there has been a considerable falling off in orders in comparison with the spring months of this year, and as a result lumber prices have declined materially, some of our correspondents estimating the decline at as much as 25% or above. Mill work, such as doors, sash, stairs, etc., is said to have declined

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.....	504	682	1,019	1,183	\$ 2,205,800	\$ 3,025,980	\$ 484,440	\$ 622,560	\$— 958,300	— 26.3%	1
2	Cumberland.....	29	25	18	13	109,260	63,585	23,230	6,520	62,385	89.0	2
3	Frederick.....	4	2	1	0	5,300	900	550	0	4,950	550.0	3
VIRGINIA												
4	Lynchburg.....	12	19	26	33	15,650	86,530	11,125	9,428	— 69,183	— 72.1	4
5	Norfolk.....	121	64	62	64	415,600	645,225	38,885	108,599	— 299,339	— 39.7	5
6	Richmond.....	150	153	107	120	697,627	1,261,465	101,366	99,682	— 562,154	— 41.3	6
7	Roanoke.....	110	107	45	55	360,080	200,845	21,775	22,710	158,300	70.8	7
WEST VIRGINIA												
8	Bluefield.....	18	20	7	5	46,000	68,070	1,500	7,875	— 28,445	— 37.5	8
9	Charleston.....	73	77	27	20	255,368	257,326	13,550	12,415	— 823	— 0.3	9
10	Clarksburg.....	25	24	22	17	60,900	52,340	16,710	4,765	20,505	35.9	10
11	Huntington.....	112	84	34	18	267,642	194,330	24,109	9,090	88,331	43.4	11
12	Parkersburg.....	**56		**11		75,000	75,000	40,000	50,000	— 10,000	— 8.0	12
NORTH CAROLINA												
13	Asheville.....	34	49	59	38	112,104	205,520	75,203	12,000	— 30,213	— 13.9	13
14	Charlotte.....	48	*60	13		356,055	*413,000	14,350		— 42,595	— 10.3	14
15	Durham.....	36	25	2	8	102,300	102,650	550	14,160	— 13,960	— 12.0	15
16	Greensboro.....	89	36	36	18	260,365	157,500	20,980	23,800	95,045	51.0	16
17	High Point.....	51	45	12	11	162,245	117,050	5,545	4,535	46,205	38.0	17
18	Wilmington.....	14	15	6	3	48,700	81,000	2,850	5,600	— 35,050	— 40.5	18
19	Winston-Salem.....	74	69	101	71	138,060	372,325	29,345	22,440	— 227,360	— 57.6	19
SOUTH CAROLINA												
20	Charleston.....	7	9	15	15	516,630	194,952	7,085	14,430	314,333	150.1	20
21	Columbia.....	32	23	64	112	109,035	70,250	13,325	23,365	28,745	30.7	21
22	Greenville.....	20	23	34	18	65,290	39,745	43,155	4,520	64,180	145.0	22
23	Spartanburg.....	25	38	30	31	58,122	55,988	11,660	5,283	8,511	13.9	23
DIST. OF COLUMBIA												
24	Washington.....	216	303	409	457	2,288,610	4,232,580	204,058	656,887	— 2,396,799	— 49.0	24
Totals.....		1,804	1,952	2,149	2,310	\$ 8,731,743	\$11,974,156	\$1,205,346	\$1,745,664	\$— 3,782,731	— 27.6%	

*Includes both new work and repairs.

**Not included in totals.

more than raw materials. The Japanese disaster has recently caused a stiffening in the lumber market, however, it being expected that a great deal of lumber will be exported from the Pacific Coast for use in rebuilding the devastated areas in Japan. The chief complaint voiced by manufacturers of building materials is in reference to the labor situation. Because wages are high in all lines of construction work, our correspondents do not expect any material decrease in building costs for some time to come, but neither do they appear to look for much lessened volume in building work.

WHOLESALE TRADE

Percentage Increase (or Decrease) in Net Sales During Sept., 1923, as Compared With Aug, 1923 and Sept., 1922.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	46	15	15	17	7	13
Net sales (selling price) during Sept., 1923, compared with Aug, 1923.....	7.7	6.4	9.8	— 4.5	— 20.5	0.1
Net sales (selling price) during Sept., 1923, compared with Sept, 1922.....	13.1	15.3	— 2.5	7.2	16.4	6.1

—Denotes decrease.

Reports received from one hundred and thirteen wholesale firms handling groceries, dry goods, shoes, hardware, furniture and drugs show a considerably larger volume of business during September compared with both August of this year and September of last year. In comparison with August 1923, the preceding month, September sales in hardware and furniture show losses of 4.5% and 20.5%, respectively, but these decreases are more than compensated for by an increase of 7.7% in grocery sales during September, a gain

of 6.4% in dry goods sales, an increase of 9.8% in shoe sales, and a gain of 0.1% in drug sales. In comparison with September 1922, the current month this year shows gains of 13.1% in groceries, 15.3% in dry goods, 7.2% in hardware, 16.4% in furniture, and 6.1% in drugs, the only decline being 2.5% in shoe sales. Part of the September 1923 increase over the September 1922 sales is due to price advances during the year, but most of the increase represents a genuine increase in the number of units of merchandise sold, price changes upward in no case averaging as much as the percentage gains shown. Prices, with the possible exception of dry goods, are thought by the wholesalers to be fairly stable for the next few months, and they report that retailers are making purchases to meet their needs somewhat farther in advance than they did earlier in the year.

Collections improved distinctly during September, according to classifications made by one hundred and thirteen reporting firms. Each month the same firms classify their collections under the heads *Good*, *Fair*, *Slow* or *Poor*, and this month 90.3% of the reporting firms classified them as either *Good* or *Fair* in comparison with 86.0% so classified for August. We show herewith the classifications made this month, together with the totals reported in July and August of this year and in September last year for comparison:

Lines	Collections Reported As				Total
	Good	Fair	Slow	Poor	
Groceries	12	29	2	3	46
Dry Goods	3	11	1	0	15
Shoes	2	11	2	0	15
Hardware	3	12	2	0	17
Furniture	1	5	1	0	7
Drugs	6	7	0	0	13
September 1923 Totals.....	27	75	8	3	113
August 1923 Totals.....	28	70	15	1	114
July 1923 Totals.....	20	76	16	1	113
September 1922 Totals.....	19	87	14	1	121

FIGURES ON RETAIL TRADE

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Sept., 1923, compared with Sept., 1922.....	— 1.7	3.7	— 1.1	6.9	0.1
Percentage increase in net sales from July 1, through Sept. 30, compared with sales during the same three months of 1922.....	1.8	18.4	3.0	9.8	4.9
Percentage increase in net sales during Sept. 1923, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	— 3.2	13.7	0.6	— 0.02	0.3
Percentage increase in stocks on hand at the end of Sept., 1923, over stocks on hand at the end of Sept., 1922.....	8.3	32.6	2.8	16.8	9.2
Percentage increase in stocks on hand at the end of Sept., 1923, over stocks on hand at the end of Aug., 1923.....	15.3	11.2	11.9	12.1	13.1
Percentage of average stocks on hand at the end of each month since July 1, to average net sales each month during the same period, three months.....	506.4	410.8	504.4	586.3	504.8
Percentage of outstanding orders at the end of Sept., 1923, to total purchases of merchandise during the year 1922.....	9.6	12.3	8.5	10.9	9.5

—Denotes Decrease.

Retail trade in September, as reflected in the dollar value of sales in twenty-seven leading department stores in the Fifth District, was practically the same as in September last year, the reporting stores showing

an average increase this year of one-tenth of one percent. Last year August business was less than August business this year, however, and therefore September 1922 received a larger amount of the early fall trade than was the case this season. Cumulative sales from July 1st through September 30th reported by the twenty-seven stores was 4.9% greater this year than in the corresponding three months of 1922. Sales in September were three-tenths of one percent greater than average sales during September of the three years 1920, 1921 and 1922. Baltimore and Washington show decreased sales in September in comparison with September 1922, but Richmond and the group of Other Cities show substantial increases.

All groups of stores are carrying larger stocks at present than at the end of September 1922, measured in terms of selling prices, the increase being greater in Richmond than elsewhere. Stocks at the end of September also show increases over stocks on hand at the end of the preceding month this year, August, Baltimore reporting the largest gain during the month. September stocks averaged 9.2% greater for the District in comparison with stocks on hand September 30, 1922, and 13.1% greater than stocks on August 31, 1923. The increase during September over August figures is seasonal, but the increase over September 1922 figures represents some actual accumulation of merchandise, and doubtless serves as an indicator of the greater expectations the merchants have this year in future business. Outstanding orders for merchandise at the end of September amounted to 9.5% of total purchases of goods during the calendar year 1922. The ratio of average stocks on hand at the end of each month since July 1st to average monthly sales during the same period stood at 504.8% at the end of September, Richmond showing the most rapid turn-over with a percentage of 410.8.

(Compiled October 19, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production of basic commodities declined during September. Wholesale trade continued large, while retail trade, though larger than a year ago, increased less than is usual at this season of the year. Wholesale prices, particularly those of agricultural products, advanced during the month.

PRODUCTION. Production in basic industries, according to the Federal Reserve Board's index, declined five per cent during September and was ten per cent below the peak output of May. The principal factors in this decline were the suspension of anthracite coal mining for over two weeks and a substantial reduction in the production of iron and steel. Cement production and sugar meltings were larger than in August. The decline in the production index, which is corrected for seasonal variations and reflects chiefly changes in the output of raw and semi-finished products, was not accompanied by a reduction of employment at industrial establishments. New building construction showed about the usual seasonal decline in September, due to a curtailment in contracts for residences. Contract awards for business and industrial buildings, however, were larger than in August. Estimates by the Department of Agriculture on October 1st showed some reduction from the September forecasts in the yields of corn, wheat, oats and tobacco, but increased estimates of cotton, potatoes and hay yields.

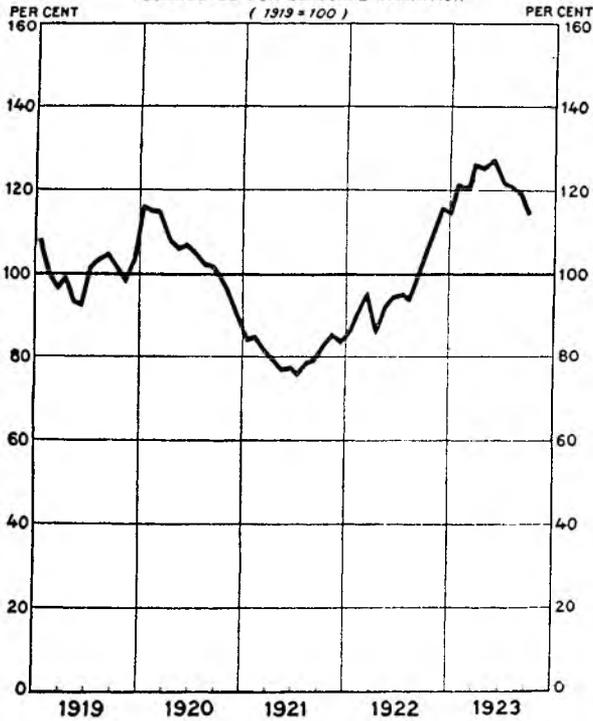
TRADE. Distribution of all classes of commodities by railroads continued at a high rate throughout September. Wholesale trade, according to the Federal Reserve Board's index, in September reached the largest total in three years and was nine per cent larger than a year ago. Sales of meat, hardware and drugs were considerably larger than in last September, while shoe sales were smaller. Retail trade was slightly larger in September, but the increase was much less than is usual at this season of the year. Department store sales were six per cent more than in September 1922, and stocks at the end of the month were thirteen per cent larger than a year ago.

PRICES. Wholesale prices increased over two per cent during September, according to the index of the Bureau of Labor Statistics, particularly large increases occurring in the prices of clothing, farm products and foods. Fuel prices, on the other hand, declined in September for the eighth successive month, and prices of building materials and metals were also lower. During the first three weeks of October prices of certain farm products continued to advance, wheat and cotton reaching the highest point of the current year, while prices of hogs, coal and metals declined.

BANK CREDIT. Demand for bank credit showed a seasonal increase in September and the early part of October, loans to member banks in leading cities increasing by \$116,000,000 between September 12th and October 10th. This increase reflected chiefly the demand for commercial loans, which on the latter date stood at a new high point for the year, almost \$100,000,000 above the total on September 12th. Increases in the holdings of Government securities by these banks were partly offset by reductions in corporate security holdings. The demand for accommodation at the Federal Reserve Banks in some of the agricultural districts increased, while at the Reserve Banks in the East the volume of discounts for member banks declined. Federal Reserve note circulation continued to increase and in the middle of October was about \$100,000,000 above the July level. In October money rates showed an easier tendency and after the fifteenth of the month rates for commercial paper in the New York market declined from a range of $5\frac{1}{4}$ - $5\frac{1}{2}$ to 5 - $5\frac{1}{4}$ per cent.

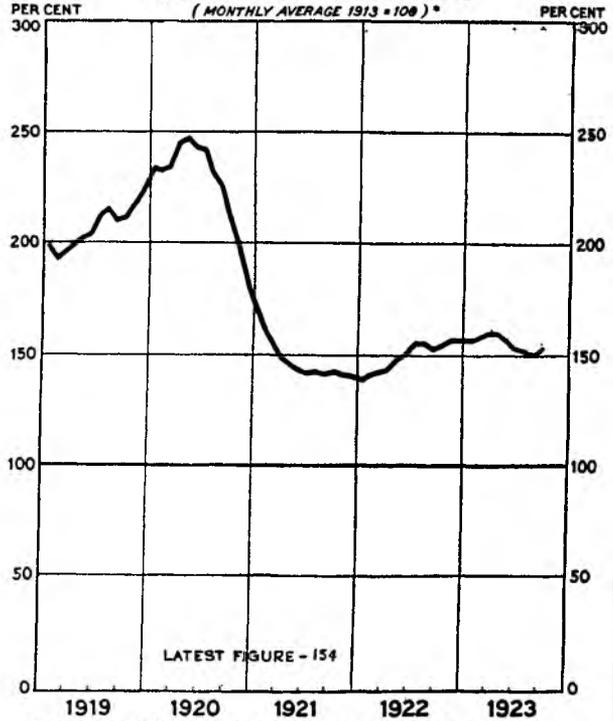
INDEX OF PRODUCTION IN BASIC INDUSTRIES

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



PRICES

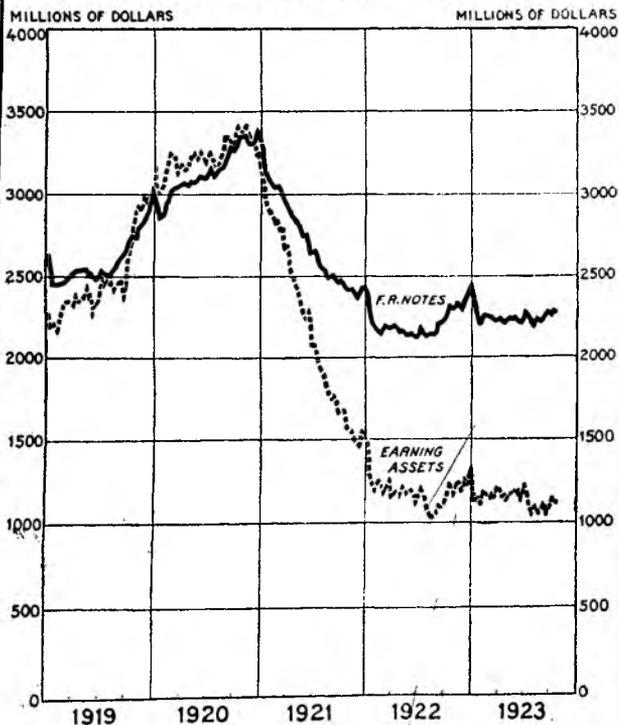
INDEX NUMBERS OF WHOLESALE PRICES
U. S. BUREAU OF LABOR STATISTICS
(MONTHLY AVERAGE 1913 = 100)*



LATEST FIGURE - 154

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

BANK CREDIT ALL FEDERAL RESERVE BANKS



BANK CREDIT 800 MEMBER BANKS IN LEADING CITIES

