

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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RICHMOND, VIRGINIA, APRIL 29, 1922.

NATIONAL SUMMARY.*

Pronounced increase of activity has been characteristic of many basic lines of industry during the past month. It has been particularly noticeable in the metal working industries, while metal mining operations have also reflected the tendency to an upward movement. In steel and iron manufacture it is now estimated that, taking the industry as a whole, about seventy per cent of plant capacity is being utilized. The automobile trade has shown a very decided gain. Active demand for building materials has had a favorable effect not only upon the metals but also upon other lines of industry. The total value of building permits for March was almost twice as great as that for February and more than twice as great as that for March, 1921. The lumber industry has notably expanded operations. In cotton textiles the month has been much less encouraging. There has been a reduction in mill activity, largely due to the widespread strikes in the New England Districts. On the other hand, demand for cotton goods has been fairly well sustained. Boots and shoes have shown great irregularity as between different producing districts. Very much the same is true of the woolen manufacture. A conspicuous development has been the shifting of demand from worsteds to woolens. Leaving out voluntary unemployment, the result of strikes, added increase in the number of employees at work is noted. There has been a 2.5% increase during the month in the number of workers employed by firms reporting to the United States Employment Service. The improvement noted will, however, be offset to some extent by the widespread unemployment in the coal mining industry as well as in the New England textile centers. Wholesale and retail trade have reflected to some extent the improvement in industrial conditions. Such improvement is in part seasonal, but it also contains an element of growth due to better business conditions. Agriculturally the month has not been altogether promising. Spring planting has been retarded by the cold weather and continued rains. Prices continued relatively stable. The Federal Reserve Board's wholesale price index for March advanced one point. Interest

DISTRICT SUMMARY.

There can be no serious doubt that the economic and industrial forces working to bring about a restoration of general business activity are getting the upper hand over the deterrent factors. In spite of the uncertainty over the outcome of the tariff situation, and in spite of the coal strike, the New England textile strike, and high freight charges, March reports show a distinctly upward trend in general business.

Eighty-one regularly reporting member banks, located in thirteen cities of the Fifth District, have further reduced their rediscounts, and have increased their demand and time deposits and both their reserves and cash in vaults. Bills held by the Reserve Bank have continued to diminish, and the reserve ratio has correspondingly increased. In consequence the Bank reduced discount rates on all classes of paper from 5% to 4½%, this reduction having gone into effect April 14. Debits to individual account in leading trade centers are higher than a month ago, and even exceed those of last year, reflecting the growth of banking transactions. The labor situation is distinctly improving. The outlook for textiles is thought to be good, though at present the industry is marking time. Farm product prices are holding the gains made in the past few months, and so far as can be judged at this season the prospects for this year are good. The prospect for a full fruit crop this year is excellent. Building operations are very active, and as a result building materials are in strong demand. Wholesale and retail trade is responding to the general improvement, and Easter business was not unsatisfactory. Collections are at least holding their own, and are perhaps showing some improvement.

rates have continued on a very low basis with slight tendencies to decline. An apparent shrinkage in the use of commercial credit has been indicated by further falling off in the rediscounts of the Federal Reserve Banks, although an upward movement is again to be noted in the loans and discounts of member banks in many parts of the country.

* The National Summary supplied by the Division of Analysis & Research of the Federal Reserve Board.

CONDITION OF EIGHTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	April 5, 1922	March 1, 1922	April 1, 1921
1. Total Loans and Discounts (exclusive of rediscounts) -----	\$ 417,045,000	\$ 415,055,000	\$ 434,005,000
2. Total Investments in Bonds and Securities -----	113,096,000	116,066,000	125,774,000
3. Total Loans and Investments -----	530,141,000	531,121,000	559,779,000
4. Reserve Balance with Federal Reserve Bank -----	32,788,000	31,905,000	33,250,000
5. Cash in Vaults -----	13,691,000	13,409,000	14,010,000
6. Demand Deposits -----	305,482,000	300,890,000	315,619,000
7. Time Deposits -----	134,147,000	129,411,000	117,412,000
8. Discounted with Federal Reserve Bank -----	31,032,000	35,273,000	73,255,000

The table above shows the principal items of condition reported by eighty-one identical member banks as of the close of business April 5, 1922, March 1, 1922 and April 1, 1921, thus affording comparisons of the April 5 figures with those reported a month ago and those reported a year ago. All items are comparable for the three dates, but the figures given are not comparable with those published in previous issues of our Review, one of the banks that reported heretofore having been purchased by, and merged with, a non-member bank.

Between April 1, 1921 and April 5, 1922, all items in the table show decreases except item number seven, Time Deposits, which shows an increase of \$16,735,000 or 14.3%, within the year. Between the two dates, Total Loans and Discounts decreased from \$434,005,000 to \$417,045,000, a contraction of \$16,960,000, or 3.9%; Total Investments in Bonds and Securities decreased from \$125,774,000 to \$113,096,000, a drop of \$12,678,000, or 10.1%; Reserve Balance with Federal Reserve Bank decreased from \$33,250,000 to \$32,788,000, a decline of \$462,000, or 1.4%; Cash in Vaults decreased from \$14,010,000 to \$13,691,000, a decline of \$319,000 or 2.3%; Demand Deposits decreased from \$315,619,000 to \$305,482,000, a decline of \$10,137,000, or 3.2%; and Rediscounts with the Federal Reserve Bank decreased from \$73,255,000 to \$31,032,000, a decline of \$42,223,000, or 57.6%.

A comparison of the figures for April 5, 1922, with those reported for March 1, 1922, shows increases within the month in Total Loans, Reserve Balance, Cash in Vaults, Demand Deposits and Time Deposits, and decreases in Total Investments and in Rediscounts with the Reserve Bank. The increase in loans is a normal development at planting time, and the decrease in investments is a result of the approach of Government securities to par. The increases in demand and time deposits are notable, and the increase in reserve balances naturally follows the growth in deposits. The decrease in rediscounts reflects in part the easier credit conditions of the District, and in part represents transfers to the War Finance Corporation.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	For the Week Ending		
	April 5, 1922	March 1, 1922	April 6, 1921
Asheville, N. C.* -----	\$ 4,058,000	\$ -----	\$ -----
Baltimore, Md. -----	92,773,000	93,055,000	99,691,000
Charleston, S. C. -----	6,480,000	5,500,000	7,263,000
Charleston, W. Va. -----	6,581,000	7,468,000	-----
Charlotte, N. C. -----	6,095,000	6,737,000	5,756,000
Columbia, S. C. -----	7,368,000	5,574,000	4,949,000
Cumberland, Md. -----	1,907,000	1,845,000	-----
Danville, Va. -----	2,230,000	2,204,000	-----
Greensboro, N. C. -----	4,088,000	3,310,000	-----
Greenville, S. C. -----	3,279,000	3,669,000	3,177,000
Hagerstown, Md. -----	2,672,000	1,730,000	-----
Huntington, W. Va. -----	4,523,000	4,461,000	5,413,000
Lynchburg, Va. -----	4,526,000	4,059,000	-----
Newport News, Va. -----	1,712,000	1,651,000	-----
Norfolk, Va. -----	16,688,000	14,170,000	14,152,000
Raleigh, N. C. -----	3,600,000	4,100,000	4,000,000
Richmond, Va. -----	27,898,000	29,518,000	24,628,000
Roanoke, Va. -----	5,272,000	4,858,000	-----
Spartanburg, S. C. -----	1,975,000	1,885,000	-----
Washington, D. C. -----	44,219,000	39,176,000	40,155,000
Wilmington, N. C. -----	6,044,000	4,475,000	6,132,000
Winston-Salem, N. C. -----	5,736,000	5,372,000	-----
Totals for 11 cities -----	\$ 218,967,000	\$ 210,435,000	\$ 215,316,000
Totals for 21 cities -----	255,666,000	244,817,000	-----

* Asheville, N. C., not included in totals.

The table presented herewith shows debits to accounts of individuals, firms and corporations reported by the banks in twenty-one cities of the Fifth Reserve District during the weeks ending April 5, 1922, and March 1, 1922, together with debits reported for eleven of the same cities for the week ending April 6, 1921. In addition, figures for Asheville, N. C., are shown for the week ending April 5, 1922, this city having begun reporting debits totals since our Review for February was issued.

A comparison of the debits reported from eleven cities for the weeks ending April 6, 1921 and April 5, 1922, shows an increase within the year from \$215,316,000 to \$218,967,000, a gain of \$3,651,000, or 1.7%. This increase shows the growing volume of business that is steadily becoming apparent in nearly all lines of trade. Increases during the 1922 week over the 1921 week were shown by Charlotte, N. C., Columbia, S. C., Greenville, S. C., Norfolk, Va., Richmond, Va. and Washington, D. C.

In comparison with the week ending March 1, 1922, the figures from twenty-one cities for the week ending April 5, 1922, show an increase of \$10,849,000, or 4.4%. Part of this increase between the two dates is seasonal, the April 5 figures including a considerable volume of quarterly payments in addition to the regular end-of-month payments that are included under both dates. All of the twenty-one cities show increases for the April date over the March date except Baltimore, W. Va., Charlotte, N. C., Greenville, S. C., and Raleigh, N. C.

FEDERAL RESERVE BANK OPERATIONS.

Between March 15, 1922 and April 12, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$81,840,834.14 to \$89,187,283.53. Between the same two dates, Total Member Bank Reserve Deposits decreased from \$55,176,242.22 to \$53,648,262.26. Total Bills on hand fell from \$75,332,726.27 to \$65,822,315.56, and Federal Reserve Notes in Actual Circulation declined from \$92,946,709 to \$92,189,450. The ratio of total reserves to Deposit and Federal Reserve Note Liabilities combined was 54.62% on March 15, 1922, but rose to 60.13% on April 12, 1922. On April 15, 1921, this ratio was 41.21%.

Effective April 14, 1922, the Federal Reserve Bank of Richmond reduced its discount rate on all classes of paper from 5% to 4½%, this reduction being made possible by the steady decrease in rediscounts at the Reserve Bank, giving evidence of easier credit conditions throughout the greater part of the Fifth District.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS MARCH 1922 AND 1921.

City and District	Number		Per Cent Increase	Liabilities		Per Cent of Increase or Decrease
	1922	1921		1922	1921	
Boston, First	217	88	146.6	\$ 8,066,696	\$ 8,259,999	2.3—
New York, Second	478	248	92.7	14,656,044	30,836,832	52.5—
Philadelphia, Third	96	63	52.4	6,848,734	1,082,419	532.7
Cleveland, Fourth	202	88	129.5	4,159,463	2,767,384	50.3
Richmond, Fifth	215	123	74.8	3,787,550	2,918,460	29.8
Atlanta, Sixth	221	152	45.4	5,559,986	2,397,390	131.9
Chicago, Seventh	336	138	143.5	13,189,340	3,438,805	283.5
St. Louis, Eighth	173	108	60.2	2,529,541	5,273,193	52.0—
Minneapolis, Ninth	103	27	281.5	3,764,602	703,571	435.1
Kansas City, Tenth	100	66	51.5	1,720,146	4,189,798	58.9—
Dallas, Eleventh	107	98	9.2	2,121,725	2,702,583	21.5—
San Francisco, Twelfth	215	137	56.0	5,204,365	2,838,475	83.4
Totals	2,463	1,336	84.4%	\$ 71,608,192	\$ 67,408,909	6.2%

The monthly summary of business failures furnished to us by Dun's Review, reproduced herewith in tabular form, shows that March was another disastrous month for weak firms. Total bankruptcies in the United States numbered 2,463 compared with 1,336 in March, 1921, an increase this year of 84.4%. Total liabilities involved increased only 6.2%, however, thus sharply reducing the average liability per failure. In the Fifth District, specifically, March, 1922, witnessed 215 failures compared with 123 in March, 1921, an increase this year of 74.8%. Liabilities in March of this year totaled \$3,787,550 compared with \$2,918,460 last year, an increase this year of 29.8%. With the single exception of January, 1922, the number of failures in March was the greatest reported during any month since the Reserve Banks began tabulating the report, but in liabilities involved, March, 1922, was exceeded by January, November and December, 1921, and by both January and February of this year. All of the twelve Reserve Districts show more insolvencies this year than last, but lower liabilities are reported for March, 1922, than for March, 1921, by the Boston, New York, St. Louis, Kansas City and Dallas Reserve Districts. The average liability per failure fell from \$50,455 for the nation and \$23,727 for the Fifth District during March, 1921, to \$29,073 for the nation and \$17,616 for the Fifth District during March, 1922.

LABOR—The coal strike is of course the outstanding development in labor circles since our latest Review was written, the effects of the strike being felt most strongly in West Virginia, though that state has probably been less hurt than most coal producing states, many of the West Virginia mines being non-union. A strike on the Western Maryland railroad, centering around Hagerstown, has involved about 600 men, and has caused some disturbances and bitterness. But in spite of these new developments, in which the unemployment is voluntary on the part of the workers, evidence is accumulating to show that the low point in employment has been passed, and that the number of unemployed is steadily lessening. Before the coal strike began, the railroads were gradually reinstating the employees they had previously laid off. The shipyard at Newport News has added additional men in recent weeks, and approximately 1,000 men will probably be taken on soon for work on the Leviathan, which is expected to give employment to 1,500 men for a year. The American Locomotive Company is preparing to resume operations at its Richmond plant in the near future, sufficient repair and new work on locomotives having been secured to justify reopening the shops. This Company usually employs about 3,000 men at the Richmond plant when operating full time. An important firm writes us from Bluefield, W. Va., that "We have very few people out of employment;" a Washington, D. C., report informs us that "All of the mechanics in the building trades are employed and there is a shortage at the present time of bricklayers and in several other branches of the trade;" a Lynchburg, Va., manufacturer writes, "We are taking on some new men, and have a full complement of our old men at work;" a Frederick, Md., report states that "Business throughout our city is very good, and there is very little unemployment;" a Winston-Salem, N. C., correspondent informs us that "The supply of help is abundant but there is no suffering for want of work that I can find in any direction;" and a writer from Franklin, Va., says, "There does not seem to be any large surplus of unemployed people in and around this section." The Public Employment Bureau in Richmond reports that "An increase was noted in the demand for men as general office clerks, butlers, chauffeurs, machine operators, unskilled white men for factory work, and skilled help, especially carpenters, slatters, tinnerns, metal workers and automobile mechanics. The demand for common labor was greater this month than for any month since the beginning of business depression in the fall of 1920."

TEXTILES—Recent developments in the textile industry of the Fifth District have not borne out the promises of earlier months of this season. The president of one of the large groups of mills in the Carolinas writes us that conditions in his business are not encouraging. He says that the market for dry goods has not been active and the country at large appears unwilling to absorb any large quantities of textiles at prevailing prices. Another official states, however, that in spite of apparent setbacks the business is gradually improving. A firm selling cotton mill machinery and supplies reports that the demand for supplies for machines already placed "is what might be termed normal, but we are having practically no business in the way of selling new machines." The mills in the textile manufacturing section of this district are running approximately full time, but as the quotations above indicate, orders are not sufficient to take the output of the mills. The manufacturers contend that they are making very small profits. A certain amount of export sales in heavy and medium weight goods has recently given some encouragement to hope that things will gradually grow better. It appears that the best that can be said for the textile industry at this time is that it is marking time.

TOBACCO—Practically the only tobacco markets in the Fifth District that were open during March were in Virginia. The following is a report issued by the Commissioner of Agriculture of Virginia for March, 1922:

"There were 3,574,886 pounds of tobacco sold for producers during March. Bright tobacco totaled 2,712,491 pounds, and dark 862,395 pounds. All markets have closed for the season except Farmville, Bedford and Richmond. The revised report shows that producers' sales for the season to April 1, 1922, amounted to 95,334,000 pounds, against 179,580,000 pounds last year, which was the largest crop on record. There are probably not over 1,500,000 pounds of tobacco still in the hands of the producers, so the total production for 1921 has been only 54 per cent of the 1920 crop. This heavy reduction was caused by a smaller acreage planted and a reduced yield per acre due to the unfavorable season.

"Prices declined during March largely owing to the poor quality of the tobacco sold. The average price of dark tobacco for March was \$14.80 per hundred compared with \$18.74 for February and \$9.76 for March, 1921. Practically all the bright tobacco sold during March belonged to the medium and common grades, therefore, the average price was very low, being only \$8.35 per hundred, against \$13.98 for February, and \$16.07 for March, 1921.

"The March sales consisted largely of the lower grades and only a few dark markets received any quantity of good tobacco. The warehousemen estimated that the March sales averaged 8 per cent good, 28 per cent medium, and 64 per cent common, while the February sales averaged 16 per cent good, 29 per cent medium, and 55 per cent common."

One of the leading leaf dealers in the District writes us as follows:

"The leaf tobacco trade is in a far more healthy condition than it has been in the past two years and we think is gradually improving each month. Much liquidation has taken place on the part of the tobacco dealers; many of them have had to take severe losses, but so far we have heard of no failures and do not believe now that there are likely to be any disturbances of this character. The 1921 crop of tobacco is all sold and in the hands of either the manufacturers or dealers and for the most part it has been absorbed by the manufacturers. Business is fairly good and prices are satisfactory."

There is a very active movement on foot to market most of this year's tobacco crop through a Co-operative Association, and opinion as to the outcome of the plan is divided. One firm of leaf tobacco dealers writes us that "We do not think the co-operative plan of selling bright tobacco will be a success, but it can terribly disorganize the tobacco business for one or two years." Another dealer, considering the matter more carefully, informs us that the movement is headed by a "very strong board of banker directors. The movement has many obstacles to overcome, and will encounter many difficulties, but so far the management has used marked discretion in every step. In the dark belt of Virginia we think the Association will be equally as strong, or stronger, than in the bright belt. Very able men have been selected to manage the two belts. Every move of the Association is being watched with more than passing interest by the trade and the public generally, for the tobacco crop is one of the largest money crops of the two Carolinas and Virginia, and North Carolina especially is vitally interested in that crop."

COTTON—After reacting against the low price of the first week of February, spot cotton turned downward again during the second week in March, and gradually fell from an average of 17.11 cents per pound, middling basis, for the week ending March 4, to 16.41 cents for the week ending April 1, but then turned upward again for a few days. The average price paid for spot cotton on 18 Carolina markets averaged 16.61 cents during the week ending April 8, but dropped back to 16.37 cents for the week ending April 15. All of these fluctuations covered a range of less than a cent a pound, and represent speculative movements in the main. During 1921 the average price in the Carolinas was between 10 and 11 cents during the month of March, and did not fall below or rise above those limits until the fourth week in June, at which time the price dropped to an average of about 9½ cents for one week.

The Census Bureau's report for March gave the cotton consumption for the month as 518,450 bales, against 438,218 bales in March a year ago. This consumption was on a spindleage of 31,875,212, which is a decline of 2,613,428, since January 1 of this year, and also a decline of 272,990 spindles as compared with March a year ago. Cotton held in consuming establishments on March 31, totaled 1,553,961 bales compared with 1,336,542 a year ago. Public warehouses and compresses held 3,765,804 bales on March 31, against 5,252,852 a year ago.

AGRICULTURAL NOTES—The excessive rain that fell throughout the Fifth District during January and February continued well into March, but the weather during the latter half of the month was more favorable for farm work. As a result of the heavy precipitation, farm work averages from ten days to two weeks late, and more than that length of time in certain localities, particularly the clay soil section of the Carolinas.

Winter wheat is reported officially as in good condition throughout the District, and the outlook is better than the national average.

Corn has been planted in part of South Carolina, and the preparation of corn land is going forward steadily in North Carolina and Virginia.

Tobacco beds are being prepared and planted in the tobacco growing sections, and there are indications of increased acreage over last year.

Truck crops are reported to be advancing satisfactorily in the Eastern Shore section of Maryland and Virginia. The commercial crop of potatoes has been planted in South Carolina, but only fair stands are expected, due to excessive rain. Lettuce is ready for shipment in car lots from Beaufort County, South Carolina.

The fertilizer problem is worrying the farmers, and comparatively little has yet been bought. Many farmers have debts unpaid from previous seasons, and therefore are unable to arrange to pay cash for fertilizer this year, but the fertilizer dealers are charging from \$10 to \$12 per ton more for goods sold on credit than when sold for cash, and in addition are requiring adequate security on the notes. In many cases farmers will be compelled to either reduce acreage or inadequately fertilize their crops. Until the crops are actually planted, however, it will be impossible to say how much fertilizer will be used, because there may be a rush of buying at the last minute.

There is a very active co-operative selling movement among the cotton farmers of the District, and every effort is being made to persuade growers to sign contracts to sell through the Association for five years. All classes of people appear to be interesting themselves in the movement, and the Governor of at least one state has announced his intention of making a speaking campaign to influence

producers to sign up. Numerous banks are advertising their endorsement of the plan, and the press is almost solidly backing the movement. Perhaps more significant still, many farmers are signing the contracts, and thousands of bales have been pledged to the pool. An interesting feature of this activity is that it has so completely captured the attention of the farmers that the usual question at this season as to acreage is hardly being mentioned, except that writers on the boll weevil are cautioning growers not to plant more land than they can cultivate properly.

BUILDING OPERATIONS FOR THE MONTH OF MARCH, 1922 AND 1921.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease, Total Valuation	Per Cent. of Increase or Decrease	No.
		New		Repairs		1922	1921	1922	1921			
		1922	1921	1922	1921							
MARYLAND												
1	Baltimore.....	395	494	1,303	1,515	\$3,068,000	\$1,851,840	\$ 811,900	\$ 821,880	\$1,206,180	45.1%	1
2	Cumberland.....	23	21	24	37	38,017	215,480	17,420	10,200	170,243	75.4	2
3	Frederick.....	3	4	3	1	3,750	29,375	2,318	250	23,557	79.5	3
VIRGINIA												
4	Lynchburg.....	30	7	16	14	81,300	22,550	6,340	3,575	61,515	235.5	4
5	Norfolk.....	42	47	92	61	313,540	443,757	103,810	21,512	47,919	10.3	5
6	Richmond.....	145	94	92	100	1,010,256	926,359	364,414	136,552	311,759	29.3	6
7	Roanoke.....	111	*125	61	.....	353,820	*182,250	18,785	.....	190,356	104.4	7
WEST VIRGINIA												
8	Charleston.....	68	116	35	32	214,044	343,114	25,011	24,964	129,023	35.1	8
9	Clarksburg**	10	.....	14	.....	10,945	.....	12,475	.....	.....	.....	9
10	Huntington.....	*130	*263	.....	.....	376,360	*467,572	12,300	.....	78,912	16.9	10
11	Parkersburg.....	.....	.....	.....	.....	100,000	30,000	25,000	15,000	80,000	177.8	11
NORTH CAROLINA												
12	Asheville.....	68	86	33	27	320,179	103,793	3,116	7,996	211,506	189.2	12
13	Charlotte.....	48	17	13	18	176,855	92,535	20,275	17,840	86,755	78.6	13
14	Durham.....	19	8	5	14	52,375	97,000	8,250	19,200	55,575	47.8	14
15	Greensboro.....	30	51	16	8	204,235	151,785	15,841	10,900	57,391	35.3	15
16	High Point.....	24	18	4	7	50,415	43,983	1,350	6,775	1,007	2.0	16
17	Wilmington.....	16	10	0	4	98,500	26,000	0	5,400	67,100	213.7	17
18	Winston-Salem.....	48	50	91	86	270,410	207,565	40,800	29,170	74,475	31.5	18
SOUTH CAROLINA												
19	Charleston.....	25	23	30	24	39,435	184,793	10,100	15,565	150,823	75.5	19
20	Columbia.....	36	15	93	90	108,430	101,335	29,172	29,317	6,950	5.3	20
21	Greenville.....	27	30	25	40	108,368	127,860	7,800	14,585	26,277	18.4	21
22	Spartanburg.....	23	35	57	20	12,719	75,059	9,519	4,650	57,471	72.1	22
DIST. OF COLUMBIA												
23	Washington.....	400	203	564	531	2,989,091	1,460,715	290,453	253,569	1,565,260	91.3	23
Totals.....		1711	1,717	2,557	2,629	\$9,990,099	\$7,184,720	\$1,823,975	\$1,448,900	\$3,180,454	36.8%	

*Includes both new and repairs. **Clarksburg, W. Va. not included in totals. —Denotes decrease.

The most active line of work in the Fifth District is building construction, reports from all over the district indicating the existence of a veritable building boom. Twenty-two reporting cities for which 1921 figures are available show 1,711 permits for new work issued in March, 1922, compared with 1,717 issued in March, 1921, a decrease of 6 permits under the corresponding month of last year, but figures showing total valuation for new work rose from \$7,184,720 in March, 1921, to \$9,990,099, in March, 1922, an increase of \$2,805,379, or 39%. The March, 1922, valuation figures were the highest since April, 1921, and were exceeded in recent years only by that month and June, 1919. The number of new structures is greater than the 1,711 permits indicate, since numerous builders took out permits covering several houses, in some cases a single permit providing for the erection of an entire block of residences. For example, the 145 permits reported in Richmond covers 210 buildings, 89 of them being residences and 4 of them apartment houses.

Repair and alteration work shows activity, but is less marked than new construction. The combined valuation of new work and repairs or alterations in March, 1922, amounted to \$11,814,074 compared with a total of \$8,633,620 in March, 1921, an increase this year of 36.8%. Architects and builders state that they are preparing plans for practically all the new work they can care for, and they believe that the activity in construction has not yet gotten fully under way.

BUILDING MATERIALS—As a correlation to the activity in construction work, the dealers in building materials of all kinds are receiving many orders at remunerative prices. Lumber dealers report some tendency toward higher prices, but few advances have yet been made. Orders received and lumber produced by mills having membership in the North Carolina Pine Association show steady

increases. Reports issued by the Association show that for the weeks ending March 25, April 1 and April 8, orders received increased each week over those received during the previous period, an average of about 47 mills reporting. For the last two of the above mentioned weeks orders exceeded production 5.5%, and production was approximately 81% of normal capacity for the reporting mills. Manufacturers of fabricated steel for construction work are receiving many inquiries and an increasing volume of orders. Brick are in brisk demand and stone quarries are receiving sufficient orders to keep them busy full time. A large granite quarry reports orders that will require ninety days to fill. Municipalities and public utility companies are coming into the market again, and our correspondents are rather confidently expecting the railroads to resume purchasing within the next few months. A paint dealer writes that "in material we supply the building trade have more orders than we can fill in regular running time, being compelled to work overtime three days a week trying to catch up."

Exporters of lumber do not appear to be receiving orders comparable to the volume of business being gotten by dealers catering to the domestic trade. Reports from exporters inform us that their business during January, February and March has been decreasing, and they state that rates of exchange are still considered unfavorable by foreign buyers. They further state that the advantage in sterling exchange over other European moneys has caused a decided increase in the use of European and Asiatic woods in the United Kingdom.

FIGURES ON RETAIL TRADE.

As Indicated By Reports from Twenty-Four Representative Department Stores
for the Month of March, 1922.

	Baltimore	Richmond	Washington	Other Cities	District
Percentage decrease in net sales during March, compared with March, 1921----	- 20.5	- 11.5	- 16.0	- 25.7	- 18.8
Percentage decrease in net sales from January 1, through March 31, compared with sales during the same three months of 1921 -----	- 18.1	- 12.7	- 13.2	- 21.5	- 16.5
Percentage increase in net sales during March, 1922, over sales in February, 1922 -----	31.9	42.9	31.6	30.4	32.8
Percentage increase in stocks on hand at the end of March, 1922, over stocks on hand at the end of March, 1921-----	7.6	6.4	11.3	9.2	8.9
Percentage increase in stocks on hand at the end of March, 1922, over stocks on hand at the end of February, 1922-----	9.6	4.7	8.7	7.3	8.6
Percentage of average stocks on hand at the end of each month since January 1, to average net sales each month during the same period, three months-----	433.5	431.3	438.9	616.0	456.0
Percentage of outstanding orders at the end of March, 1922, to total purchases of merchandise during the year 1921-----	5.9	6.5	3.2	3.8	4.8

- Denotes decrease.

Detailed reports were received for March from twenty-four representative department stores, representing eleven cities in the Fifth District. Net sales reported were 18.8% less in dollar value than sales in the same stores in March, 1921, but showed an increase of 32.8% over sales in February of this year. The large increase in March over February is a regular seasonal development and is due in part of course to the longer month. The decrease in March in comparison with the corresponding month of last year is not unsatisfactory in view of the fact that in 1921 Easter fell in March, but did not come this year until the middle of April. A considerable portion of the Easter trade, all of which was gotten in March last year, will be included in April's figures this year.

Stocks continue to increase in all of the reporting cities, the average value of stocks on hand at the end of March being 8.9% greater than the value on hand at the end of March, 1921, and 8.6% greater than at the end of February, 1922. The increase over February is of course seasonal.

The large volume of spring trade that is normal in March has decreased the percentage of stocks on hand at the end of each month since January 1st to net sales during the same three months, this percentage at the end of March being 456%.

Outstanding orders for merchandise at the end of March was 4.8% of total purchases by the reporting stores during the calendar year 1921. This figure is lower than the ones reported at the end of January and February, indicating that the bulk of spring and summer goods has been received.

WHOLESALE TRADE.

Percentage Increase (or Decrease) in Net Sales During March, 1922, as Compared With February, 1922 and March, 1921.

	Groceries	Dry Goods	Shoes	Hardware	Furniture
Number of reporting firms in each line...	46.	16.	19.	19.	13.
Net sales (selling price) during March, 1922, compared with February, 1922.....	13.9	23.2	17.9	34.0	12.6
Net sales (selling price) during March, 1922, compared with March, 1921.....	-10.1	-18.0	-24.2	-23.0	43.6

- Denotes decrease.

For the month of March we received confidential reports from one hundred and thirteen wholesale firms. These reports show that net sales during that month were greater in all five of the reporting lines, than sales during February, 1922, the preceding month, but in all lines except furniture, March, 1922, sales were less than those reported for March, 1921. The table given above shows the percentage increase or decrease in sales between the different dates cited, and also shows the number of reporting firms in each line of business.

Comments on general conditions made by the reporting wholesalers are interesting. A West Virginia firm, *located in the non-union field*, writes that if the coal strike lasts long enough his section will be benefitted and trade will improve, but the general opinion elsewhere in the District is that the strike has hurt wholesale business in all lines. A dry goods jobber says, "There would unquestionably have been a break in the market on cotton goods except for the strike of textile workers in the New England states. This strike has relieved the situation to an extent, and has stabilized the market." A hardware jobber states that last year's prices were nearly 25% higher than this year's quotations, and says that this decrease should be kept in mind when comparing sales for this year and last. Several furniture manufacturers state that consumers are not buying furniture at retail as freely as price reductions justify, and they therefore fear that the reasonably satisfactory volume of orders received from retail stores during recent months will not continue. A number of wholesalers comment on the bad condition of the country roads, and state that this condition has hurt their business during the winter and spring.

Judging from the manner in which the reporting wholesalers classified their collections for March, conditions in this line are improving, in spite of the fact that a few of our reports stated that collections during March had been harder to make than in recent months. One hundred and seventeen firms classified their collections as good, fair, slow or poor, and of these, 70.1% reported them as either good or fair, in comparison with 56.9% so reported for February and 61.1% for January. We give below the classified reports from one hundred and seventeen firms for March, and for comparative purposes we have added the totals for January and February:

Lines Sold	Collections Reported As				Totals
	Good	Fair	Slow	Poor	
Groceries	5	31	10	0	46
Dry Goods	0	10	5	2	17
Boots and Shoes	0	11	6	2	19
Hardware	0	14	5	0	19
Furniture	2	9	4	1	16
March Totals	7	75	30	5	117
February Totals	9	57	43	7	116
January Totals	8	61	33	11	113

(Compiled April 17, 1922)