

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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RICHMOND, VIRGINIA, JUNE 30, 1922.

NATIONAL SUMMARY*

The outstanding features of the economic developments during the past month have been the continued and noteworthy increase in the physical volume of production and a continuance of the advance in prices noted for the month of May, the wholesale price index number of the United States Bureau of Labor Statistics showing an increase of five points for that month. An increase of production is noted in highly finished lines of manufacture as well as in basic industries. Wholesale groceries and hardware show a very pronounced advance in the amount of sales over April, but in dry goods and shoes a seasonal recession is reported. The retail trade for the first time in many months is in excess of that a year ago. Although the production of anthracite coal has been reduced practically to nothing, the production of bituminous coal of non-union mines has helped to keep industry well supplied with fuel, at the same time that the petroleum output for the month has shown an advance as compared with April. General employment conditions have taken a very decided turn for the better. In some lines a scarcity of labor is now reported, as for example in the steel and building trades. Demand for agricultural labor also continues upward. Of fundamental interest has been the continued downward tendency of discount and money rates. In the New York market the charge for call funds has been as low as $2\frac{3}{4}$ percent. Rates for commercial paper have also tended distinctly downward, while bond values, which may be taken as an index of the falling cost of investment funds, have tended distinctly higher. During the month the Federal Reserve Banks of New York and Boston reduced the discount rate to 4 percent.

DISTRICT SUMMARY

Reports received this month from leaders in many lines of business show clearly that the states contained in the Fifth Federal Reserve District are sharing in the improvement in business that is apparently nation wide. West Virginia is temporarily handicapped by the coal miners' strike, and the early appearance of boll weevils is disturbing South Carolina, but all other signs point to better conditions and far outweigh the deterrant factors mentioned.

Condition reports from eighty-one regularly reporting member banks show that in practically every item the banks have improved their positions since May 1921, and also within the past month. The Reserve Bank's position in consequence improved, the reserve ratio having increased from 42.44% a year ago to 75.81% on June 14 this year. Debits to Individual Account, the best indicators of business volume that we have, show distinctly larger totals now than a year or even a month ago. Business failures, while still more numerous than last year, have decreased in total liabilities involved, and have also decreased in number in comparison with the past six months. Labor is more generally employed than for two years, and involuntary unemployment is apparently becoming negligible. The non-union coal mines in the district are receiving all the orders they can fill, and are producing something over 5,000,000 tons each week. The textile trade is better than in recent months, and mill owners are optimistic over prospects. Leaf tobacco dealers are enjoying good demand and tobacco manufacturers are busy. Cotton prices have risen approximately five cents per pound in the past month, greatly improving the condition of the farmers, banks and merchants in the cotton growing sections. Farming prospects for this year, with the exception of fruit and South Carolina's cotton, are good, and even the fruit outlook is far ahead of last year. Building operations begun in May broke records for both number of projects and amounts of money involved. Retail trade was good for the after Easter season, and wholesale trade was up to seasonal average.

* This National Summary compiled by the Division of Analysis and Research of the Federal Reserve Board.

CONDITION OF EIGHTY-ONE REPORTING MEMBER BANKS IN SELECTED CITIES.

| ITEMS | June 7, 1922 | May 3, 1922 | June 1, 1921 |
|--|----------------|----------------|----------------|
| 1. Total Loans and Discounts (exclusive of rediscounts)..... | \$ 420,493,000 | \$ 416,439,000 | \$ 420,815,000 |
| 2. Total Investments in Bonds and Securities..... | 118,652,000 | 113,073,000 | 119,898,000 |
| 3. Total Loans and Investments..... | 539,145,000 | 529,512,000 | 540,713,000 |
| 4. Reserve Balance with Federal Reserve Bank..... | 35,573,000 | 33,433,000 | 30,149,000 |
| 5. Cash in Vaults..... | 13,938,000 | 13,882,000 | 15,095,000 |
| 6. Demand Deposits..... | 318,279,000 | 311,247,000 | 304,633,000 |
| 7. Time Deposits..... | 144,677,000 | 134,120,000 | 118,922,000 |
| 8. Discounted with Federal Reserve Bank..... | 13,462,000 | 23,430,000 | 71,051,000 |

The table above shows the principal items of condition reported by eighty-one identical member banks in thirteen of the leading cities of the Fifth District as of the close of business June 7, 1922, May 3, 1922, and June 1, 1921, thus affording opportunities for comparison of the current figures with those reported a month ago and a year ago. All items in the table are comparable.

A comparison of the June 7, 1922 figures with those of June 1, 1921 shows that the reporting banks are on the whole in a distinctly stronger position now than they were a year ago. Only two of the items shown have moved in the wrong direction, these being item 2, Total Investments in Bonds and Securities and Item 5, Cash in Vaults, but an understanding of financial developments within the year indicates that the decrease in Investments may be a healthy sign. A year ago the reporting banks held large blocks of Liberty bonds that were unsalable at par, but this year the rise in value of these securities has enabled the banks to dispose of their holdings of Liberties without material, if any, loss. The decrease in Cash in Vaults is more than counterbalanced by larger Reserve Balances with the Reserve Bank and with both demand and time deposits now showing a healthy growth from month to month a smaller amount of actual cash is needed than was the case a year ago, when deposits were showing a declining tendency and business interests were nervous and apprehensive. Demand deposits fell steadily through 1921 until October, when the decline was checked and deposits began rising slowly. The rise has been gaining in speed since March, the increase in May exceeding that of any other month since the recovery began.

The decrease in Rediscounts of the eighty-one reporting banks with the Federal Reserve Bank is a clear indication of easier credit conditions, the decline being from \$71,051,000 on June 1, 1921 to \$13,462,000 on June 7, 1922.

Comparing the June 7, 1922 figures with those reported for the corresponding date the previous month this year, May 3, 1922, the changes noted follow the tendencies previously mentioned in reviewing the past year, except that a regular seasonal demand during the planting season has moderately increased Total Loans and Discounts. The past month also shows an increase over the previous month in Total Investments in Bonds and Securities and a slight increase in Cash in Vaults. As previously mentioned, the month's increase in Demand Deposits is striking, and the rise in Time Deposits also is notable. The decided decline in rediscounts with the Reserve Bank shows a near approach to the normal condition of being in position to take care of customers' ordinary needs without outside assistance.

FEDERAL RESERVE BANK OPERATIONS

Between May 10, 1922 and June 14, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$95,728,071.68 to \$111,157,820.98, an increase in five weeks of 16.1%. Between the same two dates, Total Member Bank Reserve Deposits rose from \$54,281,565.37 to \$55,174,855.15. On the other hand, between May 10 and June 14, Total Bills on hand fell from \$55,980,205.74 to \$42,838,431.49, and Federal Reserve Notes in Actual Circulation declined from \$88,122,155 to \$84,494,455. The ratio of total reserves to Deposit and Federal Reserve Note Liabilities combined was 66.40% on May 10, 1922, but rose to 75.81% on June 14, 1922. On June 8, 1921, this ratio was 42.44%, and at that time we had sold to or rediscounted with other Reserve banks \$15,000,000 of our paper.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS.

An excellent indication of the growth of trade activity is shown in the debits to individual account figures given in the accompanying table. Totals for 22 cities are given for the weeks ending June 7 and May 3 of this year, and for 11 of them figures are available for the week ending June 1, 1921. In addition Durham, N. C., has begun the tabulation of debits totals, and figures for that city will be shown regularly hereafter.

Between June 1, 1921 and June 7, 1922, the weekly total of debits to individual account in the eleven cities reporting for last year increased from \$187,648,000 to \$235,539,000, an increase of 25.5%. All of the reporting cities show higher figures for the 1922 week. The week ending June 1, 1921 contained a business holiday, Memorial Day, but the increase this year is much greater than is accounted for by the longer week. The same eleven cities show an increase of 2.0% within the past month.

| CITIES | DEBITS FOR THE WEEK ENDING | | |
|---------------------------|----------------------------|----------------|----------------|
| | June 7, 1922 | May 3, 1922 | June 1, 1921 |
| Asheville, N. C..... | \$ 4,081,000 | \$ 4,293,000 | \$ |
| Baltimore, Md..... | 96,747,000 | 97,343,000 | 88,938,000 |
| Charleston, S. C..... | 5,888,000 | 6,599,000 | 5,186,000 |
| Charleston, W. Va..... | 9,427,000 | 6,411,000 | ..... |
| Charlotte, N. C..... | 8,132,000 | 8,349,000 | 5,043,000 |
| Columbia, S. C..... | 5,145,000 | 5,492,000 | 3,958,000 |
| Cumberland, Md..... | 1,903,000 | 2,137,000 | ..... |
| Danville, Va..... | 1,911,000 | 1,831,000 | ..... |
| Durham, N. C..... | 3,976,000* | ..... | ..... |
| Greensboro, N. C..... | 4,103,000 | 3,964,000 | ..... |
| Greenville, S. C..... | 4,022,000 | 3,379,000 | 2,200,000 |
| Hagerstown, Md..... | 2,321,000 | 1,993,000 | ..... |
| Huntington, W. Va..... | 5,201,000 | 4,287,000 | 4,178,000 |
| Lynchburg, Va..... | 4,403,000 | 3,856,000 | ..... |
| Newport News, Va..... | 1,276,000 | 1,651,000 | ..... |
| Norfolk, Va..... | 17,551,000 | 17,840,000 | 11,463,000 |
| Raleigh, N. C..... | 4,900,000 | 4,500,000 | 3,700,000 |
| Richmond, Va..... | 30,734,000 | 27,169,000 | 22,123,000 |
| Roanoke, Va..... | 5,397,000 | 5,067,000 | ..... |
| Spartanburg, S. C..... | 2,075,000 | 1,932,000 | ..... |
| Washington, D. C..... | 51,796,000 | 50,737,000 | 36,483,000 |
| Wilmington, N. C..... | 5,423,000 | 5,283,000 | 4,376,000 |
| Winston-Salem, N. C..... | 5,671,000 | 11,664,000 | ..... |
| Totals for 11 cities..... | \$ 235,539,000 | \$ 230,978,000 | \$ 187,648,000 |
| Totals for 22 cities..... | 278,107,000 | 275,777,000 | ..... |

*Not included in totals.

The entire twenty-two cities show a total of debits for the week ending June 7, 1922, amounting to \$278,107,000 compared with \$275,777,000 reported for the week ending May 3, 1922, an increase for the June week of eight-tenths of one percent, but the growth of business activity is greater than the figures indicate, the week ending with the close of business May 3, 1922 having included more end-of-month payments than the week ending June 7. The May week was also swelled somewhat by payments of bills incurred for Easter purchases. It should be kept in mind that debits to individual account figures are a more accurate barometer of trade activity than clearing house figures, since the debits totals include all pay roll checks, checks cashed over the counter, and checks deposited in the banks upon which drawn, while clearing house figures include only those checks that are cashed at, or deposited in, a bank other than the one upon which they are drawn. The clearing house figures are of course a part of the debits figures, the checks that pass through the clearing house becoming debits when they reach the banks upon which they are drawn and are charged to the depositors' accounts.

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

| City and District | Number | | Per Cent Increase or Decrease | Liabilities | | Per Cent of Increase or Decrease |
|-----------------------------|--------|-------|-------------------------------|---------------|---------------|----------------------------------|
| | 1922 | 1921 | | 1922 | 1921 | |
| Boston, First..... | 186 | 97 | 91.8 | \$ 3,476,746 | \$ 2,783,066 | 24.9 |
| New York, Second..... | 419 | 222 | 88.7 | 16,605,233 | 11,172,495 | 48.6 |
| Philadelphia, Third..... | 87 | 69 | 26.1 | 1,568,262 | 1,516,894 | 3.4 |
| Cleveland, Fourth..... | 173 | 102 | 69.6 | 3,359,073 | 1,969,231 | 70.6 |
| Richmond, Fifth..... | 169 | 99 | 70.7 | 2,544,963 | 2,657,764 | — 4.2 |
| Atlanta, Sixth..... | 179 | 148 | 20.9 | 3,784,262 | 4,750,423 | — 20.3 |
| Chicago, Seventh..... | 231 | 169 | 36.7 | 4,254,855 | 5,624,522 | — 24.4 |
| St. Louis, Eighth..... | 117 | 101 | 15.8 | 1,750,033 | 20,612,058 | — 91.5 |
| Minneapolis, Ninth..... | 79 | 59 | 33.9 | 1,342,341 | 1,203,396 | 11.6 |
| Kansas City, Tenth..... | 70 | 67 | 4.5 | 1,294,560 | 1,073,219 | 20.6 |
| Dallas, Eleventh..... | 84 | 92 | — 8.7 | 2,175,351 | 1,851,774 | 17.5 |
| San Francisco, Twelfth..... | 166 | 131 | 26.7 | 2,247,207 | 1,851,629 | 21.4 |
| Totals..... | 1,960 | 1,356 | 44.5% | \$ 44,402,886 | \$ 57,066,471 | — 22.2% |

The monthly statistics on business failures in the United States, furnished us by Dun's Review, show a decided decrease for the nation in bankruptcies during May 1922 in comparison with April of this year, but the number is far above the total reported for the corresponding month of 1921. May 1922 shows 1,960 failures compared with 1,356 in May 1921, an increase this year of 44.5%, but liabilities involved last year were 22.2% greater than May 1922 liabilities. This was chiefly due, however, to the enormous liabilities reported from the St. Louis Reserve District in May 1921, and therefore does not properly reflect the average

of the nation as well as the number of failures. The Dallas district is the only one of the twelve Reserve Districts to report fewer failures in May 1922 than for May 1921.

In the Fifth District, May 1922 witnessed 169 bankruptcies compared with 148 in April of this year and 99 in May, 1921. In total liabilities, however, the Fifth District shows a decline from \$2,657,764 reported for May 1921 to \$2,544,963 for May 1922, a decrease of 4.2%. In addition to the Richmond district, lower liabilities this year are shown by the Atlanta, Chicago, and St. Louis districts, the decrease in the last named amounting to 91.5%. The average liability per failure during May 1922 was \$15,059 for the Fifth District and \$22,655 for the nation, compared with averages of \$27,846 for the Fifth District and \$42,084 for the nation in May 1921.

LABOR—The monthly bulletin of the Public Employment Bureau in Richmond, after reviewing the Bureau's work during the month of May, concludes with the statement that "so far as Richmond is concerned, we have no further use for the word, unemployment." Perhaps this view is too optimistic, but it is undoubtedly true that involuntary unemployment is steadily diminishing throughout the entire territory included in the Fifth District. Some of the larger cities still have a few idle workers, most of them being transients who have drifted to the cities in the mistaken idea that work is more easily secured in the larger places than in the smaller towns. Extensive construction work has provided employment for all skilled workers in the building trades, and the large amount of road work, paving and sewer construction being done by the counties, states and municipalities of the district has given employment to a large number of unskilled laborers. Several important industries have recently resumed operations or have increased their activities, among these being the American Locomotive Company and a large number of lumber plants. In our reports from various sections of the District we have been told that common labor is becoming scarce in some localities, and there have been a few scattered advances in wages. These advances have taken place in cases in which reductions had been promptly made when the depression began about two years ago.

There are of course a large number of unemployed persons in the coal mining sections of West Virginia, and a number of the employees of the Western Maryland railroad are idle, but these people are voluntarily out of work when they might be employed.

Farm labor is plentiful in most of the agricultural sections of the District, but workers are not yet willing to go the country for employment. The farmers are employing as few laborers as possible. While wages of agricultural hands have been reduced, the farmers feel that the wages asked are still too high, and in addition the difficulty the farmers have had in securing funds has encouraged them to do as much of their own work as possible, thus diminishing the number of hired hands employed.

COAL—Although there has as yet been no appreciable break in the ranks of the striking coal miners, production in the non-union fields has increased until a weekly output of more than 5,000,000 tons has been reached. As reserve stocks have fallen, consumers have begun placing orders more freely than they did during the first weeks of the strike, and no mines are now complaining of a lack of orders to take their output. In the West Virginia non-union fields the mines are operating at approximately 80% capacity, and would be running more nearly full than that if the necessary labor was available. A weekly output of 5,000,000 tons is inadequate for present needs, however, and reserve stocks and the numbers of unbilled cars continue to diminish. The latest report issued by the Geological Survey, estimates that the number of unbilled cars of bituminous coal at the mines has fallen from 30,730 on April 8 to 5,391 cars unbilled on June 10. Anthracite has fallen from 2,815 cars unbilled on April 8 to 691 cars on June 10. It is impossible to estimate the amount of coal remaining in reserve stocks of consumers. Efforts to end the strike have thus far been unavailing, apparently, and of course it is impossible to say when the differences between the operators and miners will be ironed out.

TEXTILES—The situation in the textile field in the Fifth District has shown distinct improvement since our review of April's business was written a month ago. The mills are still reluctant to take a large volume of orders for future delivery, but the resistance against placing orders is apparently breaking down. It has become evident that even better than average weather during the growing season would not develop a crop of very large proportions, and jobbers have about ceased expecting lower quotations on cotton goods. The mills are therefore receiving about all the orders they care to accept at this time and at present prices. Some of the lines of cotton goods have shown an advancing tendency, and all quotations are very firm. Our correspondents this month agree in viewing future prospects with confidence and they profess to believe that when the cotton growing season is advanced far enough to enable experts to estimate the coming crop with a degree of accuracy they will have all the business they can care for, and at profitable prices for their products. Resistance to price advances is very strong, however, and the most economically managed mills are going to have a distinct advantage in their efforts to get business during the coming months.

TOBACCO—The Richmond market was the only one open during May, and very little leaf remained to be sold. The season practically closed in April, and in our review for that month we reviewed the season's sales in North Carolina and Virginia. During May the chief activity among producers was concerned with the further development of the Co-operative Marketing Association, preparatory to handling next season's crop. There is strong opposition to the co-operative idea and organization in a few tobacco centers, but on

the whole there appears to be a disposition to give the Association a fair chance to demonstrate what it can do for the farmers. Able men are in charge of the organization, and they appear to have gained the sympathy of the public. On the whole, they also seem to have the backing of the press and the banks of the tobacco growing states.

The leaf tobacco business gradually improves, and appears to be in a healthier condition than for the past two years. Most of the dealers have liquidated the high priced 1919 crop, have taken their losses, and are now stronger than they have previously been. Business with the manufacturers appears to be good, and they have cut the prices of many brands of cigarettes and also cigars in a few cases. In some cases old, well established brands are continued at previous prices, but new goods are being put out at lower figures in competition with the familiar brands.

COTTON—The bullish factors in the cotton market that started spot prices upward during the closing days of April continued in evidence during May and the first half of June. As a result of the increased consumption both here and abroad, together with unfavorable weather and boll weevil danger, and other causes, the price paid for middling upland cotton in the Carolinas has risen from an average of 16.37 cents per pound during the week ending April 22 to an average of 21.15 cents during the week ending June 17. Each week between the dates has witnessed higher prices than the week before. The price on June 17, 21.15 cents, was 10.87 cents higher than the price on June 18, 1921. During May and early June last year the price gradually declined from 10.93 cents to 10.28 cents, and before the end of June went down to 9.34 cents. The rise of approximately 5c per pound since the end of April has stimulated a considerable volume of spot sales, but has by no means gotten all the cotton on the market that had been held last fall for higher prices. The proceeds from the sales that have been made appear to have been used chiefly in clearing up outstanding obligations, and have therefore been distinctly beneficial in liquidating a part of the frozen loans and credits that have been troublesome to bankers and merchants for many months. Farmers who still have cotton from previous years are displaying a strong tendency to hold for higher prices, though two or three months ago it was quite generally thought that most of the stored cotton would be sold if the price reached 20 cents.

The Census Bureau's report on cotton consumption during May shows an increase over April, the increase amounting to 48,831 bales. Of this increase, more than 67% is credited to the cotton growing states, in which there are no serious labor troubles. Active spindles totaled 31,653,061 for May, an increase of 263,805 over April. May exports dropped below April figures, and also below exports in May 1921, but for the ten months of the present cotton year exports totaled 5,451,800 bales, compared with 4,701,671 bales for the same period a year ago. Cotton on hand in consuming establishments and in public warehouses and compressed totaled 3,980,843 bales on May 31, compared with 6,018,990 bales so held on May 31, 1921.

AGRICULTURAL NOTES—The weather during May varied from too dry in Maryland to a surplus of rain in South Carolina. Virginia on the whole received about the right amount of moisture. As a rule the temperature was unseasonably low, especially at night, and the coolness retarded plant development.

The cotton counties in Virginia have increased acreage and the stands secured are unusually good. In North Carolina the crop is late, growth is slow and the fields are becoming grassy, but the stands are on the whole good. The boll weevil is not yet noticeable. In South Carolina stands range from fair to good, but here also the crop is late and of slow growth. Chopping has been practically finished. Grass is reported from all sections and boll weevils have appeared in large numbers in the infested area, comprising probably three-fourths of the state.

Tobacco plants are plentiful in the Fifth District, and indications are that an increased acreage will be planted. The crop is being transplanted in Maryland, Virginia, and West Virginia. The Maryland fields need rain, but the season has been good in Virginia and West Virginia. North Carolina reports increased acreage, and season generally good but weather has been cool. South Carolina reports average seasonal growth and development, but too much rain has fallen in some sections. The South Carolina crop is always much earlier than that of the other states in this district, and early sales will soon begin in that state.

The corn crop is not entirely planted yet, but prospects are good in Maryland, Virginia and West Virginia. The North Carolina crop is not growing normally and the excessive rains in South Carolina have seriously delayed planting. The prospects in the last named state are not promising.

Grains are on the whole doing well. Wheat has suffered in spots from too much rain, rust and fly, but the average yield is satisfactory. The oat crop is better than wheat, and promises good returns in the Fifth District. Maryland's rye crop is better than usual.

The fruit crop now promises somewhat better returns than was expected after the late freezes in April. Maryland reports fair to good apple prospects, and Virginia expects from 30 to 40% of a full crop. West Virginia is finding more apples left than was at first thought, and the outlook is good in North Carolina. The peach crop of Maryland is short, but from 50 to 60% of a crop is expected in Virginia, North Carolina's crop is fairly good, and South Carolina is now shipping a good crop. Maryland expects from 50 to 60% of a full crop of grapes.

Potatoes are doing well in all sections of the district. Early potatoes are well advanced in Maryland and blooms are in evidence on the peninsula. Digging has commenced in the Norfolk, Va., section, with the condition nearly up to average. Good seasons are favoring the setting of sweets and the growth of Irish potatoes in North Carolina. The South Carolina Irish crop is rapidly being harvested and sold at fair prices, and transplanting of sweet potatoes continues.

Hay crops and pastures are generally good except in Maryland, where grasses have had insufficient moisture.

Live stock is in satisfactory condition throughout the district, due to good pasturage and plenty of other feed stuffs.

BUILDING OPERATIONS FOR THE MONTHS OF MAY, 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..... | 897 | 492 | 1,728 | 1,616 | \$ 3,359,280 | \$ 2,050,416 | \$ 878,280 | \$ 949,920 | \$ 1,237,224 | 41.2% | 1 |
| 2 | Cumberland..... | 33 | 22 | 33 | 18 | 130,912 | 40,450 | 21,918 | 8,425 | 103,955 | 212.7 | 2 |
| 3 | Frederick..... | 10 | 2 | 3 | 1 | 30,295 | 19,200 | 540 | 3,000 | 8,635 | 38.9 | 3 |
| VIRGINIA | | | | | | | | | | | | |
| 4 | Lynchburg..... | 23 | 10 | 31 | 24 | 35,145 | 63,100 | 10,774 | 6,950 | — 24,131 | — 34.5 | 4 |
| 5 | Norfolk..... | 60 | 45 | 100 | 43 | 709,888 | 426,460 | 123,477 | 14,831 | 392,074 | 88.9 | 5 |
| 6 | Richmond..... | 172 | 156 | 85 | 95 | 775,434 | 1,261,927 | 177,145 | 124,234 | — 433,582 | — 31.3 | 6 |
| 7 | Roanoke..... | 132 | *112 | 46 | | 194,836 | *223,810 | 13,205 | | — 15,769 | — 7.1 | 7 |
| WEST VIRGINIA | | | | | | | | | | | | |
| 8 | Charleston..... | 68 | 131 | 31 | 24 | 290,839 | 339,925 | 18,762 | 31,245 | — 61,569 | — 16.6 | 8 |
| 9 | Clarksburg** | 36 | | 44 | | 54,010 | | 89,575 | | | | 9 |
| 10 | Huntington..... | *158 | *194 | | | *464,865 | *392,190 | | | 72,675 | 18.5 | 10 |
| 11 | Parkersburg..... | | | | | 150,000 | 70,000 | 50,000 | 25,000 | 105,000 | 110.5 | 11 |
| NORTH CAROLINA | | | | | | | | | | | | |
| 12 | Asheville..... | 68 | 95 | 34 | | 241,595 | 416,017 | 7,820 | | — 166,602 | — 40.1 | 12 |
| 13 | Charlotte..... | 36 | 28 | 13 | 9 | 149,395 | 104,930 | 23,960 | 33,250 | 35,175 | 25.5 | 13 |
| 14 | Durham..... | 39 | 17 | 8 | 13 | 156,500 | 98,665 | 7,400 | 52,260 | 12,975 | 8.6 | 14 |
| 15 | Greensboro..... | 45 | 17 | 20 | 8 | 240,415 | 60,350 | 10,140 | 8,050 | 182,155 | 266.3 | 15 |
| 16 | High Point..... | 27 | 11 | 22 | 7 | 56,303 | 23,500 | 11,535 | 5,400 | 38,938 | 134.7 | 16 |
| 17 | Wilmington..... | 13 | 16 | 4 | 4 | 63,900 | 103,800 | 7,800 | 25,100 | — 57,200 | — 44.4 | 17 |
| 18 | Winston-Salem..... | 47 | 36 | 84 | 44 | 129,537 | 196,995 | 32,849 | 12,539 | — 47,148 | — 22.5 | 18 |
| SOUTH CAROLINA | | | | | | | | | | | | |
| 19 | Charleston..... | 24 | 12 | 26 | 24 | 126,700 | 29,950 | 14,595 | 18,995 | 92,350 | 188.7 | 19 |
| 20 | Columbia..... | 31 | 24 | 78 | 108 | 101,981 | 53,000 | 21,022 | 33,482 | 36,521 | 42.2 | 20 |
| 21 | Greenville..... | 27 | 26 | 25 | 27 | 106,445 | 115,410 | 29,775 | 124,315 | — 103,505 | — 43.2 | 21 |
| 22 | Spartanburg..... | 36 | 26 | 43 | 22 | 56,160 | 30,530 | 13,907 | 4,790 | 34,747 | 98.4 | 22 |
| DIST. OF COLUMBIA | | | | | | | | | | | | |
| 23 | Washington..... | 467 | 204 | 740 | 552 | 4,741,927 | 1,944,540 | 294,358 | 330,021 | 2,761,724 | 121.4 | 23 |
| Totals..... | | 2,413 | 1,676 | 3,154 | 2,639 | \$12,312,352 | \$8,065,165 | \$1,769,262 | \$1,811,807 | \$ 4,204,642 | 42.6% | |

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

May 1922 broke the record for the number of permits issued for new construction in twenty-two cities of the Fifth Reserve District, a total of 2,413 permits having been issued during that month in comparison with 1,676 permits issued in May 1921, a gain this year of 50%. Permits for alterations and repairs totaled 3,154 in May 1922 compared with 2,639 in May last year, an increase of 19%. Figures for total valuation for new work totaled \$12,312,352 in May 1922 compared with a valuation of \$8,065,165 for new construction during the corresponding month a year ago. Repairs and alterations provided for this year amounted to \$1,769,262 compared with \$1,811,807 in May last year. The combined figures for both new construction and alterations or repairs totaled \$14,081,614 in May 1922 and \$9,876,972 in May 1921, a gain this year of \$4,204,642, or 42.6%. In 1920 the greatest number of permits for new work was issued in April and in 1921 the month of March led, but this year May has exceeded any month since the Federal Reserve Bank began tabulating the figures. Each month since the turn of the year has witnessed a big increase in permits issued. It is not probable that future months this year will sustain the advance, however, spring and early summer being the periods of greatest activity in the beginning of construction work.

The large volume of construction work has not yet had much effect on rents. There is a downward trend evident in rentals for the more expensive apartments, but the reductions in most cases are nominal and do not afford much relief to the renter. On the other hand, rentals for whole houses and flats are firm, and

rather tend to increase than to decrease. In other words, the lower and medium class properties have not been reduced, and therefore the majority of renters are yet getting no relief. Apartment dwellers are generally dissatisfied with the reductions offered them, and for the first time in several years are showing considerable independence in renewing leases.

The activity in construction work has brought a reasonable measure of prosperity to dealers in building materials of all kinds, and price changes upward are beginning to be noted, especially in the lumber trade. Advances have not been serious as yet, however.

FIGURES ON RETAIL TRADE
As Indicated By Reports from Twenty-five Representative Department Stores
for the Month of May, 1922.

| | Baltimore | Richmond | Washington | Other Cities | District |
|---|-----------|----------|------------|--------------|----------|
| Percentage increase in net sales during May, compared with May, 1921..... | — 3.5 | 4.0 | — 1.6 | — 5.6 | — 2.5 |
| Percentage increase in net sales from January 1, through May 31, compared with sales during the same five months of 1921..... | — 10.7 | — 6.9 | — 8.9 | — 15.8 | — 10.5 |
| Percentage increase in net sales during May, 1922, over sales in April, 1922..... | — 7.4 | 1.3 | 2.4 | 1.9 | — 2.4 |
| Percentage increase in stocks on hand at the end of May, 1922, over stocks on hand at the end of May, 1921..... | 0.2 | — 0.5 | 6.2 | 2.8 | 2.5 |
| Percentage increase in stocks on hand at the end of May, 1922, over stocks on hand at the end of April, 1922..... | — 4.9 | — 3.1 | — 2.8 | — 1.2 | — 3.5 |
| 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, five months..... | 392.9 | 392.2 | 416.4 | 533.1 | 419.5 |
| Percentage of outstanding orders at the end of May, 1922, to total purchases of merchandise during the year 1921..... | 6.0 | 4.8 | 3.7 | 5.9 | 5.4 |

—Denotes decrease.

Retail Trade during May, as indicated by business done in twenty-five leading department stores in thirteen cities of the Fifth District, was good, and compared favorably with the business done during the corresponding month last year and the previous month this year. Sales reported by the twenty-five stores fell only 2.5% under sales in May 1921, which in view of price declines within the year indicates a larger volume of merchandise moved this year. May 1922 sales fell only 2.4% under April sales, in spite of the fact that two weeks of the Easter trade occurred in April. Cumulative sales from January 1 through May 31, 1922, were 10.5% less than combined sales during the first five months of 1921, but a large part of this decrease in undoubtedly due to price changes rather than a reduction in the volume of merchandise sold. All of our averages are calculated from the dollar value of sales.

The selling value of stocks on hand at the end of May was 2.5% greater than the value on hand at the end of May 1921, but 3.5% less in value than at the end of April of this year. Outstanding orders for merchandise on May 31 amounted to 5.4% of total purchases of merchandise during the calendar year 1921. This is a higher figure than was reported at the end of March or April.

The percentage of average stock on hand at the end of each month this year to average monthly net sales during the same five months was 419.5%. If we assume that combining the stock of goods on hand at the end of each month and then dividing this sum by five will give a fairly accurate figure for the average stock carried during the five months under discussion, the figure of 419.5% means that for every \$419.50 worth of stock carried during each of the five months the average store sold \$100 worth of goods. This would indicate that the reporting stores are turning their stocks 2.86 times a year. The detailed figures shown in the table given herewith show that the turnover is most rapid in Richmond, with Baltimore a close second. Richmond, Baltimore and Washington all report better turnovers than the District average, but the group of miscellaneous cities brings the average above that of the three largest cities.

WHOLESALE TRADE

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

| | Groceries | Dry Goods | Shoes | Hardware | Furniture |
|--|-----------|-----------|-------|----------|-----------|
| Number of reporting firms in each line..... | 48 | 16 | 19 | 17 | 12 |
| Net sales (selling price) during May, 1922, compared with April, 1922..... | 12.6 | — 6.9 | —15.9 | 3.9 | 18.7 |
| Net sales (selling price) during May, 1922, compared with May, 1921..... | 1.2 | — 7.7 | 1.8 | 4.7 | 12.6 |

—Denotes Decrease.

For the month of May we received confidential reports from one hundred and twelve wholesale firms, giving us net sales by 48 grocery firms, 16 dry goods jobbers, 19 shoe dealers, 17 hardware jobbers and 12 furniture factories. These reports show that May sales in groceries exceeded sales in May 1921 and April 1922. Sales of dry goods dropped somewhat below May 1921 sales, but probably not more than price changes would account for, and also decreased from April 1922 sales. The latter decline is seasonal, following the Easter season with its last minute orders. Shoe sales declined from last May, but exceeded April's sales. Hardware sales, as a result of the great building activity, exceeded sales in both May 1921 and April 1922, and furniture sales, which were also influenced by the number of residences under construction, exceeded sales made in both May of last year and April of this year.

Data on collections sent us by one hundred and thirteen wholesale firms show a sharp improvement in that line. These firms classified their collections as Good, Fair, Slow or Poor, and while these are general terms, the answers are valuable since they come from the same firms each month. A change in a report, therefore, means either an improvement or a recession, as the answer may indicate. For May, 81.4% of the reporting firms classified their collections as Good or Fair, compared with 72.6% so reporting for April, 70.1% for March, and 56.9% for February. The January figure was 61.1%. These averages show a steady improvement each month from the low point reached in February. We give below the classified reports by lines for May, and for comparative purposes we have added the totals for the previous months of this year.

| <i>Lines Sold</i> | <i>Collections Reported As</i> | | | | <i>Total</i> |
|-----------------------|--------------------------------|-------------|-------------|-------------|--------------|
| | <i>Good</i> | <i>Fair</i> | <i>Slow</i> | <i>Poor</i> | |
| Groceries | 7 | 36 | 3 | 0 | 46 |
| Dry Goods..... | 0 | 11 | 4 | 1 | 16 |
| Boots and Shoes | 0 | 15 | 5 | 0 | 20 |
| Hardware | 3 | 12 | 2 | 0 | 17 |
| Furniture | 2 | 8 | 4 | 0 | 14 |
| May Totals..... | 12 | 82 | 18 | 1 | 113 |
| April Totals..... | 7 | 70 | 26 | 3 | 106 |
| March Totals..... | 7 | 75 | 30 | 5 | 117 |
| February Totals..... | 9 | 57 | 43 | 7 | 116 |
| January Totals..... | 8 | 61 | 33 | 11 | 113 |

(Compiled June 17, 1922.)