

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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RICHMOND, VIRGINIA, JULY 31, 1922.

NATIONAL SUMMARY*

The outstanding feature of the greater part of June was the continuance of business and industrial activity at the relatively high rate recently attained. In fact, production has shown further increases in some lines, while in those which normally would be noticeably affected by seasonal influences, decreases on the whole have been relatively slight. At the same time, prices have continued their upward tendency. As the current month progressed the effects of the coal and railroad strikes began to make themselves felt. This influence has served recently to restrain productive activities in various lines, notably iron and steel. Relief to the situation is expected as the outcome of the plans recently announced by the Administration. The output in various lines of manufacture showed further improvement in June. This was particularly noticeable in the case of iron and steel, copper, automobiles, and tanning. Construction activity has been well sustained. The amount of bituminous coal mined in June showed a considerable increase, but since the opening of the present month has fallen off greatly. Coal stocks have consequently been further drawn upon. Petroleum output continued large. A further reduction in the number of persons out of work was reported during June and scarcity of labor continued to be noted, especially in the building trades. Agricultural prospects are still very satisfactory for the country as a whole. In wholesale trade there was a general improvement. During June the volume of retail trade was well sustained though slightly less than in May. Financially there have been few developments noted for the month. Two Federal Reserve Banks, Dallas and San Francisco, reduced their discount rates. Of much interest has been the announcement by the Treasury calling for redemption on December 15, 1922, of approximately one billion dollars of the 4 3/4 per cent Victory Notes. Federal Reserve portfolios show little change while member bank loans other than those secured by stocks and bonds show a downward tendency.

DISTRICT SUMMARY

The period covered since our last Review was issued is usually a slack one in business circles, and this year the outlook is clouded by labor troubles in basic or necessary industries, but in spite of these conditions developments have not been unfavorable. Regularly reporting member banks show increased deposits and decreased rediscounts, with only a regular seasonal expansion in their outstanding loans to customers. Liquidation of frozen loans is being secured throughout the District in considerable volume, this being stimulated by higher prices for agricultural products, especially cotton. The Federal Reserve Bank of Richmond's reserve ratio on July 12, 1922, was 76.03%, compared with 75.81% on June 14, 1922, and 42.95% on July 13, 1921. Debits to Individual Account show lower totals than a year ago, for the first time in several months, but the decrease is comparatively small, and is confined chiefly to debits in two or three of the larger cities. Business failures reported for June by Dun's Review show a distinct decline both in number of insolvencies and in total liabilities involved in comparison with earlier months of the year, the June figures being the lowest reported since October 1921. In labor circles, involuntary unemployment has practically ceased to exist, and actual shortages of labor are reported in some skilled trades. Textile mills continue busy, with prospects for satisfactory profits becoming better. Cotton prices have advanced about a cent a pound within the past four weeks, and since May 1 a rise of approximately six cents has been witnessed, adding \$30 a bale to the value of the farmers' chief money crop, which however will affect his future more than his present condition. With the exception of cotton in South Carolina and part of North Carolina, the agricultural outlook for this season is fairly good, and in some of the leading crops is better than at this time last year. Building operations on an extensive scale are catching up on the housing shortage that developed during the war. Wholesale trade is about normal for this season, and retail trade is fairly good, though the retail business has been retarded by unfavorable weather during the entire spring and early summer. Collections are distinctly better than they were in the winter and early spring.

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

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

| ITEMS | July 5, 1922 | June 7, 1922 | July 6, 1921 |
|--|----------------|----------------|----------------|
| 1. Total Loans and Discounts (exclusive of rediscounts)..... | \$ 418,973,000 | \$ 420,493,000 | \$ 416,063,000 |
| 2. Total Investments in Bonds and Securities..... | 119,871,000 | 118,652,000 | 122,359,000 |
| 3. Total Loans and Investments..... | 538,844,000 | 539,145,000 | 538,422,000 |
| 4. Reserve Balance with Federal Reserve Bank..... | 34,296,000 | 35,573,000 | 33,478,000 |
| 5. Cash in Vaults..... | 13,736,000 | 13,938,000 | 15,763,000 |
| 6. Demand Deposits..... | 329,278,000 | 318,279,000 | 303,500,000 |
| 7. Time Deposits..... | 146,329,000 | 144,677,000 | 119,602,000 |
| 8. Discounted with Federal Reserve Bank..... | 9,264,000 | 13,462,000 | 74,423,000 |

The table above shows the principal items of condition reported by seventy-nine member banks in thirteen of the leading cities in the Fifth District. Since our last month's Review was issued, in which we showed figures from eighty-one banks, some changes in the reporting list have taken place. Two member banks have combined in Baltimore, another is liquidating its affairs in Charleston, S. C., and another in Richmond has absorbed a heretofore non-reporting bank. These changes reduce the number of reporting banks from eighty-one to seventy-nine but do not materially alter the comparableness of the items of condition shown in the table, the several changes approximately balancing each other.

The variations in the figures for the individual items between July 6, 1921 and June 7, 1922 compared with July 5, 1922, are relatively unimportant except for Items 6, 7 and 8. Item 6, Demand Deposits, shows a healthy increase in the July 5, 1922, figures over those reported a year ago and those reported a month ago, the increase over the July 6, 1921 total amounting to 8.5% and over the June 7, 1922 total amounting to 3.5%. Item 7, Time Deposits, likewise shows a substantial increase for July 7, 1922 over both of the preceding dates, the increase over a year ago amounting to 22.3% and over a month ago to 1.1%. Item 8, Discounts with the Federal Reserve Bank shows that borrowings from the Reserve Bank by the seventy-nine reporting members have decreased 87.6% during the past year and 31.2% during the past month. The increase pointed out in demand and time deposits, coming as they have without any increase in loans, would seem to indicate that the deposits are being swelled by an accumulation of surplus earnings of depositors or larger balances carried by business firms as collections improve and money becomes easier.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS.

| CITIES | DEBITS FOR THE WEEK ENDING | | |
|---------------------------|----------------------------|----------------|----------------|
| | July 5, 1922 | June 7, 1922 | July 6, 1921 |
| Asheville, N. C..... | \$ 4,137,000 | \$ 4,081,000 | \$ |
| Baltimore, Md..... | 80,876,000 | 96,747,000 | 99,260,000 |
| Charleston, S. C..... | 6,199,000 | 5,888,000 | 7,019,000 |
| Charleston, W. Va..... | 6,550,000 | 9,427,000 | ..... |
| Charlotte, N. C..... | 7,877,000 | 8,132,000 | 5,865,000 |
| Columbia, S. C..... | 5,151,000 | 5,145,000 | 4,300,000 |
| Cumberland, Md..... | 2,156,000 | 1,903,000 | ..... |
| Danville, Va..... | 1,492,000 | 1,911,000 | ..... |
| Durham, N. C..... | 3,921,000 | 3,976,000 | ..... |
| Greensboro, N. C..... | 3,285,000 | 4,103,000 | ..... |
| Greenville, S. C..... | 4,112,000 | 4,022,000 | 3,640,000 |
| Hagerstown, Md..... | 2,326,000 | 2,321,000 | ..... |
| Huntington, W. Va..... | 4,903,000 | 5,201,000 | 4,540,000 |
| Lynchburg, Va..... | 5,096,000 | 4,403,000 | ..... |
| Newport News, Va..... | 2,024,000 | 1,276,000 | ..... |
| Norfolk, Va..... | 15,296,000 | 17,551,000 | 13,888,000 |
| Raleigh, N. C..... | 3,700,000 | 4,900,000 | 4,350,000 |
| Richmond, Va..... | 27,044,000 | 30,734,000 | 26,505,000 |
| Roanoke, Va..... | 5,514,000 | 5,397,000 | ..... |
| Spartanburg, S. C..... | 2,232,000 | 2,075,000 | ..... |
| Washington, D. C..... | 42,927,000 | 51,796,000 | 41,357,000 |
| Wilmington, N. C..... | 3,899,000 | 5,423,000 | 5,039,000 |
| Winston-Salem, N. C..... | 6,386,000 | 5,671,000 | ..... |
| Totals for 11 cities..... | \$ 201,984,000 | \$ 235,539,000 | \$ 215,763,000 |
| Totals for 23 cities..... | 247,103,000 | 282,083,000 | ..... |

The accompanying table shows debits to individual, firm and corporation accounts in twenty-three cities of the Fifth Reserve District for the weeks ending July 5 and June 7, 1922, and also shows debits in eleven of the cities for the week ending July 6, 1921. The figures shown include returns from practically all the banks in the reporting cities, and therefore indicate with considerable accuracy commercial activity in the several centers.

For the first time in several months the total figures are lower for the most recent week listed than for the corresponding weeks a year ago and a month ago. However, seven of the eleven cities for which 1921 returns are available show larger debits for the week ending July 5, 1922 than for the corresponding period ending July 6, 1921, the total decrease being accounted for by declines in Baltimore, Charleston, S. C., Raleigh, N. C., and Wilmington, N. C. The decrease in Baltimore, which accounts for practically all of the decline, was due largely to a double holiday in Maryland, both July 3 and 4 being taken for Independence Day.

Comparing the July 5, 1922 week with the one ending June 7, 1922, declines are noted in twelve of the twenty-three reporting cities, but the decreases were small in about half of them. A considerable part of the total decrease is due to the occurrence of the July fourth holiday in the week ending July 5. This holiday would have reduced the debits still further if the week had not also contained the first of July with its large volume of mid-year payments of interest, dividends, etc.

FEDERAL RESERVE BANK OPERATIONS.

During the month from June 14, 1922 to July 12, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond fell from \$111,157,820.98 to \$105,862,197.22, a decrease of 4.8%. Between the same two dates Total Bills on Hand declined from \$42,838,431.49 to \$39,728,717.01, a decrease of 7.30%, and Federal Reserve Notes in Actual Circulation declined from \$84,494,455 to \$80,970,875, a decrease of 4.2%. Member Bank Reserve Deposits increased, however, from \$55,174,855.15 on June 14 to \$57,336,206.24 on July 12, a gain of 3.9%. The ratio of total reserves to Deposit and Federal Reserve Note Liabilities combined was 75.81% on June 14, 1922, but rose to 76.03% on July 12, 1922. On July 13, 1921, this ratio was 42.95%, and at that time we were rediscounting with other Reserve banks \$20,000,000 of our paper.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS JUNE, 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..... | 150 | 136 | 10.3 | \$ 4,888,902 | \$ 2,546,879 | 92.0 |
| New York, Second..... | 273 | 232 | 17.7 | 7,642,247 | 4,736,685 | 61.3 |
| Philadelphia Third..... | 57 | 71 | -19.7 | 1,573,360 | 1,939,408 | - 18.9 |
| Cleveland, Fourth..... | 136 | 98 | 38.8 | 3,521,377 | 4,744,487 | - 25.8 |
| Richmond, Fifth..... | 137 | 82 | 67.1 | 2,183,739 | 1,478,512 | 47.7 |
| Atlanta, Sixth..... | 147 | 130 | 13.1 | 2,041,013 | 3,522,511 | - 42.1 |
| Chicago, Seventh..... | 230 | 140 | 64.3 | 6,369,831 | 4,476,283 | 42.3 |
| St. Louis, Eighth..... | 125 | 102 | 22.5 | 1,525,233 | 1,974,278 | - 22.7 |
| Minneapolis, Ninth..... | 79 | 31 | 154.8 | 1,307,894 | 454,553 | 187.7 |
| Kansas City, Tenth..... | 86 | 73 | 17.8 | 2,149,987 | 4,764,647 | - 54.9 |
| Dallas, Eleventh..... | 114 | 105 | 8.6 | 2,481,679 | 2,588,787 | - 4.1 |
| San Francisco, Twelfth..... | 206 | 120 | 71.7 | 2,557,188 | 1,412,345 | 81.1 |
| Totals..... | 1,740 | 1,320 | 31.8% | \$ 38,242,450 | \$ 34,639,375 | 10.4% |

Business failures during June in the United States were 31.8% more numerous than during June 1921, but improvement is shown over recent months. Although Dun's Review reports 1,740 bankruptcies in June 1922, compared with 1,320 in June last year, the June 1922 number is less than for any other month since October 1921, when 1,713 failures were reported. Total liabilities involved in the insolvencies totaled \$38,242,450 in June of this year compared with \$34,639,375 during the corresponding month last year, an increase of 10.4% during the 1922 month.

In the Fifth District, both the number of failures and the liabilities involved show greater percentage increases over the June 1921 figures than are shown for the nation. June 1922 witnessed 137 failures in the territory embraced in the Richmond District, with liabilities amounting to \$2,183,739, compared with 82 failures with liabilities totaling \$1,478,512 reported for June 1921, an increase in number amounting to 67.1% and in liabilities to 47.7% in June 1922 over the same month last year. However, like the national record, the number of failures in June in the Fifth District is the lowest number reported since October 1921. Total liabilities are also lower than for any previous month this year. The average liability per failure during June 1922 was \$15,939 for the Fifth District and \$21,978 for the nation, compared with averages in June 1921 of \$18,030 for the Fifth District and \$26,242 for the nation. The figures would seem to indicate that the larger firms have passed through their greatest depression, but a large number of the smaller, weaker firms are going down under the long continued strain of readjustment to more nearly normal conditions.

LABOR—The coal miners' and railway shopmen's strikes have pushed all other labor questions into the discard, and very little is now heard of involuntary unemployment. All reports received by us this month indicate that there is sufficient work for all who really want employment, though it is not yet possible in every case for applicants to choose their lines of work to suit their tastes. In a few lines, among them being several branches of the building trades, there is an actual shortage of skilled men, and contractors are here and there

displaying a disposition to bid against each other for labor to carry on their undertakings. This condition is tending to check the building revival that appeared to be establishing itself on a sound basis. Nearly all of the industries in the Fifth District are making gains, and in consequence are adding new employees to their rolls from time to time. Among the corporations that have materially increased their working forces during recent months are the Richmond plant of the American Locomotive Company and the Newport News Shipbuilding and Dry Dock Company. Textile mills, lumber plants, tobacco factories and furniture factories are employing approximately their usual number of workers. Road, street and sewer projects are giving work to large numbers of common laborers. It appears safe to say that if the coal and railway strikes could be settled promptly there would be no unemployment problem worthy of the name in the Fifth District, but it also appears quite likely that unless the two strikes are very soon settled there will be a great deal of unemployment as a result of coal and transportation shortages.

COAL—The United States Geological Survey, in its July 15, 1922 report on the production of bituminous and anthracite coal, carries the following summary of the situation:

“A new cause has arisen to limit the production of coal, namely, local congestion of traffic associated with the strike of the railway shopmen. Because of the uncertainties of the situation it is difficult to forecast production for the present week (July 10-15), but the records of the first four days suggest that the output of bituminous coal can hardly exceed 4,300,000 tons. Production of anthracite continues practically zero.

Final returns on the week of Independence Day, the fourteenth of the strike, show that 3,936,000 net tons of soft coal and 23,000 tons of anthracite were produced, a total of all coal of 3,959,000 tons.

The trend of production in the fifteenth week of the strike (July 10-15) may be gaged from the following table of cars of coal loaded daily. Monday's loadings (14,952 cars) were lower than those of Monday in other recent weeks, yet on Tuesday loadings dropped to 12,829 cars, and on Thursday they fell to 11,584 the lowest on any Thursday since mid-April.

| | 10th Week | 11th Week | 12th Week | 13th Week | 14th Week | 15th Week |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Monday | 14,597 | 15,474 | 15,311 | 16,747 | 11,039 | 14,952 |
| Tuesday | 15,269 | 15,849 | 16,622 | 15,748 | 334 | 12,829 |
| Wednesday | 15,999 | 14,905 | 17,032 | 15,656 | 11,979 | 12,304 |
| Thursday | 16,325 | 14,884 | 16,432 | 16,402 | 14,521 | 11,584 |
| Friday | 15,864 | 13,933 | 16,073 | 15,980 | 14,631 | ———— |
| Saturday | 13,991 | 13,465 | 13,993 | 12,603 | 12,523 | ———— |
| | 92,045 | 88,510 | 95,463 | 93,136 | 65,027 | |

The cause of the decrease was congestion of traffic resulting indirectly from the shopmen's strike. The first districts to be affected were Logan and Eastern Kentucky, but in Western Kentucky and Southwestern Virginia also loadings soon began to decrease, and by Wednesday even the Pocahontas, Tug River, and Kenova-Thacker districts were producing far below normal. In the non-union fields of Pennsylvania and in Alabama and the Far West no decrease in output had been reported up to Wednesday. No reports have been received to indicate any significant change in the number of men on strike.

Decreased output of coal means, of course, an increased draft upon the stocks of consumers, but the exact rate of depletion can not be stated because the present consumption is not accurately known.”

TEXTILES—The situation in the textile field has changed little during the past month so far as the Fifth District is concerned. Mills continued running approximately full time, and the outlook for future business is reported by all correspondents as good, but there is general agreement among our mill friends that the business they are now doing is returning little profit. Raw cotton has advanced something like two and a half cents per pound since June 1, but while prices of cloth have been very firm and have made some advances, all of our correspondents this month say that the advances have not kept pace with the rise in raw cotton. However, the mill authorities agree that this is a temporary condition, which is confidently expected to right itself when more accurate data on this year's cotton crop become available. Practically all of our textile correspondents expect future changes to be toward higher quotations on manufactured goods rather than toward lower prices for raw cotton. Because they hold this view, the mills are not unduly urging their customers to place forward orders at present price levels.

COTTON—Price changes in cotton since our last month's Review was written have favored holders and growers of the staple, an advance of a little more than a cent a pound having occurred. As we stated in our Review last month, the average spot price per pound paid in the Carolinas for middling cotton during the week ending June 17 was 21.15 cents, but during the week ending July 15 the average was 22.36 cents.

On July 16, 1921, the average price in the Carolinas was 11.14 cents. The Department of Agriculture's cotton report as of June 25 showed a national condition of 71.2% on an acreage of 34,852,000 acres, indicating a probable yield of 11,065,000 bales this season. The report was considered bullish, and the release of the figures caused a jump of about \$7.50 a bale, practically all of which gain has been held. The week ending July 15 witnessed a slight decline from the previous week, this decline being partly due to uncertainty regarding the effects of the coal and railway strikes, rather than to a bearish feeling in the market.

The Census Bureau's report on cotton consumption during June shows an increase over both May of this year and June of 1921, the increase over May amounting to 12,195 bales and over June 1921 to 45,952 bales. Consumption totaled 507,869 bales in June 1922, 495,674 bales in May 1922, and 461,917 bales in June 1921, linters excluded in all cases. Active spindles totaled 31,877,015 for June, compared with 31,653,061 for May 1922 and 32,760,904 in June last year. Active spindles in the cotton growing states show an increase over the June 1921 figures. Cotton on hand June 30, 1922 in consuming establishments amounted to 1,332,383 bales of lint compared with 1,419,836 bales on May 31, 1922, and 1,203,364 bales on June 30, 1921. Public warehouses and compresses held 1,936,025 bales of lint on June 30, 1922, compared with 2,561,007 bales on May 31, 1922, and 4,300,386 bales so held a year ago. Exports during June 1922 amounted to 491,079 bales compared with 469,397 bales in June last year, the export figures including both lint and linters.

AGRICULTURAL NOTES—June weather was on the whole more favorable for crop development than that of earlier months this season, but was by no means ideal. During the first half of the month too much rain fell, and there were many cloudy days and cool nights.

Cotton particularly is in need of dry, hot weather, both to promote proper development of roots and to check boll weevils. In the Fifth District, the Virginia cotton crop showed on June 25 a condition of 85% of a normal on 51,000 acres; North Carolina showed a condition of 76% on 1,601,000 acres; and South Carolina showed a condition of 60% on 2,230,000 acres. These figures show acreage increases of 50% in Virginia and 13% in North Carolina over the 1921 acreages, but indicate a decrease of 15% this year in South Carolina. The reduction is due to the severe ravages of the boll weevil last season and a virtual certainty of a repetition of the damage this year. South Carolina and Georgia are the only states that show decreased acreage planted to cotton, the average for the United States showing an increase of 10%. The boll weevil is present in South Carolina in large numbers, and has practically covered the state to a greater or less degree, but the farmers are displaying considerable interest in methods of weevil control. North Carolina has yet not been much affected by the weevil, which has not reached Virginia at all. As we have said in previous issues of this Review, the weevil is apparently present in greater number this season than ever before, and the outcome of the farmer's efforts to control the pest is problematical.

Virginia's corn acreage is 1,942,000 acres, or 2% larger than last year. The condition of the crop is reported as unusually good except in the eastern and southeastern counties where there has been too much rain. The prospects point to a 54,349,000 bushel crop this year. North Carolina's corn crop is below the average for the nation, the condition on July 1 being 79% of normal, which is 3% lower than the condition a year ago. South Carolina's crop is also much below the average. Excessive rains in May and early June prevented proper cultivation of early plantings in central and southern counties where prospects are poor. In other sections of the state intermediate and late plantings are better and show promise of good yields. Corn acreage is 4% larger than last year.

Tobacco is promising in Virginia, and growth is well advanced. There has been some damage from heavy rains, but this has been confined to low and poorly drained fields. Preliminary forecasts indicate a probable production this season of 161,515,000 pounds on an acreage of 209,000 acres, compared with 95,000,000 pounds last year on 167,000 acres. The average condition on July 1 was 92% of normal, which compares with 68% on July 1, 1921. North Carolina's tobacco acreage shows an increase of 10%, and a July 1 condition of 69%. The coastal plain counties have had entirely too much rain for this crop, resulting in a poor outlook, and the more northern counties also report poor conditions predominating. South Carolina reports an increase of 12% in tobacco acreage, with a condition of 65% on July 1 compared with 70% a year ago. The South Carolina tobacco crop is being cured at present, and markets will open about August 1. The tobacco is reported as of rather inferior quality, due to excessive moisture during the growing season.

The wheat yield in the Fifth District was disappointing. Straw was heavy, but heads did not properly fill out, and therefore the grain is poor both in quantity and quality.

Virginia's white potato acreage is 4% larger than last year, due to an increase in the early commercial crop, but the yield has been less than usual because of unfavorable weather and poor seed. A condition of 83% indicates a production of 15,214,000 bushels, compared with 14,688,000 bushels last year and 18,480,000 bushels in 1920. The sweet potato acreage has increased from 44,000 acres last year to 46,000 acres, and since the season has been favorable for this crop, the condition is unusually good, being 90% against a ten year average of 87%. North Carolina's Irish potato crop is much better than last year, with a slight increase

in acreage. July 1 condition was 83% of a normal. The sweet potato crop shows a 4% acreage increase, with a condition of 89%. South Carolina reports a condition of 80% for Irish potatoes, with a 10% increase in acreage, and a sweet potato condition of 85% with a 20% acreage increase.

BUILDING OPERATIONS FOR THE MONTHS OF JUNE, 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..... | 564 | 496 | 1,481 | 1,449 | \$ 1,621,000 | \$ 2,608,880 | \$ 594,400 | \$ 721,800 | \$-1,115,280 | - 33.5% | 1 |
| 2 | Cumberland..... | 33 | 36 | 16 | 31 | 131,341 | 146,835 | 17,315 | 9,550 | - 7,729 | - 4.9 | 2 |
| 3 | Frederick..... | 9 | 5 | 8 | | 143,150 | 17,290 | 14,100 | | 139,960 | 809.5 | 3 |
| VIRGINIA | | | | | | | | | | | | |
| 4 | Lynchburg..... | 20 | 13 | 43 | 10 | 166,400 | 30,400 | 25,797 | 12,350 | 149,447 | 349.6 | 4 |
| 5 | Norfolk..... | 127 | 55 | 32 | 53 | 544,337 | 458,650 | 58,071 | 40,483 | 103,275 | 20.7 | 5 |
| 6 | Richmond..... | 166 | 137 | 97 | 107 | 1,592,066 | 742,824 | 211,565 | 147,665 | 913,142 | 102.5 | 6 |
| 7 | Roanoke..... | 121 | *150 | 52 | | 470,275 | *379,325 | 34,005 | | 124,955 | 32.9 | 7 |
| WEST VIRGINIA | | | | | | | | | | | | |
| 8 | Charleston..... | 83 | 107 | 25 | 25 | 388,058 | 336,061 | 21,860 | 33,339 | 40,518 | 11.0 | 8 |
| 9 | Clarksburg** | 22 | | 24 | | 33,675 | | 17,390 | | | | 9 |
| 10 | Huntington..... | 103 | *139 | 26 | | 252,594 | *198,455 | 10,475 | | 64,614 | 32.6 | 10 |
| 11 | Parkersburg..... | | | | | 100,000 | 70,000 | 25,000 | 45,000 | 10,000 | 8.7 | 11 |
| NORTH CAROLINA | | | | | | | | | | | | |
| 12 | Asheville..... | 34 | 46 | 25 | 85 | 249,830 | 159,550 | 8,732 | 55,862 | 43,150 | 20.0 | 12 |
| 13 | Charlotte..... | 28 | 21 | 15 | 8 | 482,675 | 79,500 | 73,275 | 5,500 | 470,950 | 554.1 | 13 |
| 14 | Durham..... | 32 | 16 | 5 | 2 | 100,550 | 62,850 | 4,875 | 650 | 41,925 | 66.0 | 14 |
| 15 | Greensboro..... | 43 | 28 | 19 | 12 | 2,332,980 | 240,843 | 7,015 | 49,150 | 2,050,002 | 706.9 | 15 |
| 16 | High Point..... | 32 | 14 | 6 | 7 | 304,250 | 29,680 | 2,050 | 2,669 | 273,951 | 846.9 | 16 |
| 17 | Wilmington..... | 17 | 13 | | 3 | 77,500 | 85,000 | | 5,500 | - 13,000 | - 14.4 | 17 |
| 18 | Winston-Salem..... | 60 | 46 | 85 | 75 | 245,737 | 142,575 | 29,015 | 31,807 | 100,370 | 57.6 | 18 |
| SOUTH CAROLINA | | | | | | | | | | | | |
| 19 | Charleston..... | 26 | 28 | 29 | 24 | 215,911 | 137,025 | 11,165 | 25,800 | 64,251 | 39.5 | 19 |
| 20 | Columbia..... | 41 | 38 | 69 | 91 | 100,375 | 75,900 | 18,285 | 13,074 | 29,686 | 33.4 | 20 |
| 21 | Greenville..... | 24 | 22 | 18 | 27 | 58,175 | 119,200 | 113,050 | 14,065 | 37,960 | 28.5 | 21 |
| 22 | Spartanburg..... | 27 | 24 | 34 | 21 | 71,415 | 27,945 | 9,640 | 6,240 | 46,870 | 137.1 | 22 |
| DIST. OF COLUMBIA | | | | | | | | | | | | |
| 23 | Washington..... | 350 | 231 | 705 | 500 | 4,987,337 | 1,393,855 | 923,448 | 534,280 | 3,982,650 | 206.6 | 23 |
| Totals..... | | 1,940 | 1,665 | 2,790 | 2,530 | \$14,635,956 | \$7,542,643 | \$2,213,138 | \$1,754,784 | \$ 7,551,667 | 81.2% | |

*Includes both new work and repairs.

**Clarksburg, W. Va., not included in totals.

—Denotes Decrease.

Records of building permits issued in twenty-three cities of the Fifth District during June show a continuation of the construction activities that began with the opening of spring weather. Twenty-two of the cities for which last year's figures are available for comparison show 1,940 permits for new construction issued in June 1922, with estimated valuation of \$14,635,956, compared with 1,665 permits issued in June 1921, with estimated valuation of \$7,542,643. Permits for alterations and repairs totaled 2,790 in June of this year, valued at \$2,213,138, compared with 2,530 permits issued in June last year, valued at \$1,754,784. Combined valuation of both new work and repairs or alterations during June 1922 totaled \$16,849,094 compared with \$9,297,427 in June last year, an increase this year of \$7,551,667, or 81.2%. This is the largest total valuation reported since the Reserve Bank began tabulating building statistics, and the number of permits issued for new construction is the third largest ever reported, being exceeded only by the numbers for May of this year and June 1919. As in previous months, the majority of the permits issued are for residence or apartment house construction, but the great increase in valuation shows that business structures are beginning to be more numerous.

As a result of the building activity that appears to be quite general over the entire United States, dealers in building materials of all kinds are enjoying practically all the business they can handle, and building material prices are quite generally showing an upward tendency. There has as yet been few marked advances, but dealers in materials, particularly the manufacturers of lumber, contend that prices have been so low that there was little or no profit in sales for them. There is therefore, a strong tendency to advance prices whenever it is thought the trade will absorb them.

FIGURES ON RETAIL TRADE
As Indicated by Reports from Twenty-five Department Stores in the Fifth Reserve District
for the first Six Months of 1922

| Percentage of increase (or decrease) in net sales during the month named, 1922, over same month last year: | | | | | | |
|---|---------|----------|-------|-------|-------|-------|
| | January | February | March | April | May | June |
| Baltimore | -19.5 | -13.0 | -20.5 | 2.9 | -3.5 | - 5.4 |
| Richmond | -14.0 | -13.1 | -11.5 | -1.7 | 4.0 | - 3.4 |
| Washington | -12.1 | -10.5 | -16.0 | -4.2 | -1.6 | - 7.6 |
| Other Cities | -21.0 | -18.7 | -26.2 | -8.0 | -5.6 | -13.4 |
| District Average | -17.1 | -13.0 | -19.0 | -1.3 | -2.5 | - 7.0 |
| Percentage of increase (or decrease) in net sales from January 1st, through month named, 1922, over net sales during same period last year: | | | | | | |
| | January | February | March | April | May | June |
| Baltimore | -19.5 | -16.6 | -18.1 | -12.6 | -10.7 | - 9.8 |
| Richmond | -14.0 | -13.5 | -12.7 | - 9.7 | - 6.9 | - 6.3 |
| Washington | -12.1 | -11.3 | -13.2 | -10.8 | - 8.9 | - 8.6 |
| Other Cities | -21.0 | -19.9 | -22.5 | -18.6 | -15.8 | -15.4 |
| District Average | -17.1 | -15.2 | -16.7 | -12.6 | -10.5 | - 9.8 |
| Percentage of increase (or decrease) in net sales during the month named, 1922, over net sales during the immediately preceding month this year. | | | | | | |
| | January | February | March | April | May | June |
| Baltimore | | -10.3 | 31.9 | 17.6 | - 7.4 | - 1.2 |
| Richmond | | - 0.7 | 42.9 | - 0.4 | 1.3 | 2.4 |
| Washington | | - 0.4 | 31.6 | 2.4 | 2.4 | 0.2 |
| Other Cities | | - 7.3 | 34.3 | 14.2 | 1.9 | - 6.9 |
| District Average | | - 5.8 | 33.3 | 10.3 | - 2.4 | - 1.2 |
| Percentage of increase (or decrease) in stocks at close of month named, 1922, over stocks at same date last year | | | | | | |
| | January | February | March | April | May | June |
| Baltimore | 3.3 | 5.1 | 7.6 | 0.7 | 0.2 | 1.4 |
| Richmond | 9.4 | 9.7 | 6.4 | 1.8 | - 0.5 | - 1.8 |
| Washington | 3.6 | 13.2 | 11.3 | 8.8 | 6.2 | 6.2 |
| Other Cities | 5.9 | 8.6 | 6.6 | 2.9 | 2.8 | 4.8 |
| District Average | 4.3 | 8.5 | 8.5 | 3.6 | 2.5 | 3.3 |
| Percentage of increase (or decrease) in stocks at close of the month named, 1922, over stocks at close of preceding month this year: | | | | | | |
| | January | February | March | April | May | June |
| Baltimore | - 2.0 | 9.0 | 9.6 | -2.1 | -4.9 | - 5.2 |
| Richmond | - 8.7 | 7.0 | 4.7 | -0.1 | -3.1 | - 3.2 |
| Washington | - 9.7 | 20.8 | 8.7 | -0.8 | -2.8 | - 2.4 |
| Other Cities | - 8.8 | 10.0 | 7.3 | -0.1 | -1.2 | - 0.7 |
| District Average | - 6.1 | 12.5 | 8.6 | -1.2 | -3.5 | - 3.4 |
| Percentage of average stocks at close of each month since January 1st, to average monthly net sales during the same period: | | | | | | |
| | January | February | March | April | May | June |
| Baltimore | 406.3 | 447.8 | 433.5 | 405.0 | 392.9 | 382.7 |
| Richmond | 449.2 | 468.8 | 431.3 | 412.6 | 392.2 | 376.8 |
| Washington | 414.3 | 456.5 | 438.9 | 427.5 | 416.4 | 407.6 |
| Other Cities | 572.6 | 624.0 | 592.3 | 556.0 | 533.1 | 525.5 |
| District Average | 434.1 | 475.6 | 456.3 | 433.1 | 419.5 | 409.7 |
| Percentage of outstanding orders at the end of each month named, 1922, to total purchases of merchandise during 1921: | | | | | | |
| | January | February | March | April | May | June |
| Baltimore | 8.1 | 7.5 | 5.9 | 4.5 | 6.0 | 6.2 |
| Richmond | 7.0 | 6.2 | 6.5 | 4.8 | 4.8 | 4.4 |
| Washington | 3.7 | 5.1 | 3.2 | 2.9 | 3.7 | 5.2 |
| Other Cities | 5.5 | 5.3 | 3.8 | 4.0 | 5.9 | 8.4 |
| District Average | 6.0 | 6.3 | 4.8 | 4.2 | 5.4 | 5.9 |

It has been our custom during the past two years to publish retail trade averages in our July and January Reviews for the first and second half year periods, in addition to the regular monthly figures published in other issues. We do this in order that our readers may have percentages for six months before them in convenient form for study. In accordance with that custom, we present herewith complete figures from twenty-five identical stores for the first six months of this year.

Reviewing the averages for June, the only month not previously reported upon, a decrease in sales under June 1921 sales is noticed, the decline amounting to 7.0%. This decrease is accounted for by price changes and by unfavorable weather during much of June 1922. The entire retail season has been backward this

year, and it is well known that trade lost early in a season is never recovered in full. Cumulative sales from January 1 through June 30 also show a decrease in comparison with the first half of 1921, but in the table given above it will be seen that the poor business done during the first three months of the year accounts for most of the decline in cumulative sales. The selling value of stocks on hand at the end of June was 3.3% larger than on the same date last year, but 3.4% less than at the end of May 1922. The percentage of average stocks on hand at the end of each month since January 1 to average monthly net sales during the same period is 409.7%. Outstanding orders for merchandise at the end of June amounted to 5.9% of total purchases during the year 1921.

WHOLESALE TRADE

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

| | Groceries | Dry Goods | Shoes | Hardware | Furniture | Drugs |
|--|-----------|-----------|-------|----------|-----------|-------|
| Number of reporting firms in each line..... | 44 | 16 | 19 | 18 | 9 | 11 |
| Net sales (selling price) during June, 1922, compared with May, 1922..... | 0.7 | 9.5 | -2.8 | -4.0 | 1.9 | -1.8 |
| Net sales (selling price) during June, 1922, compared with June, 1921..... | 3.8 | 0.04 | -8.7 | -0.08 | 9.3 | -1.6 |

—Denotes Decrease.

We call attention to the addition of wholesale drugs to the list of lines from which reports are being received each month, eleven drug firms having sent us figures showing their sales during June and May of this year and June of last year. These eleven firms are scattered over the Fifth District, and fairly represent the trends in that line of trade. The largest sales reported were approximately \$175,000 in June 1922, and the smallest sales for the same month amounted to slightly more than \$28,000, the average business of the eleven firms for the month being \$67,293. The above figures are given in order to show the importance and the representative character of the reporting firms.

The table given above shows that in June 1922 sales were larger in dollar value than in either May 1922 or June 1921 in groceries, dry goods and furniture, but were lower in shoes, hardware and drug circles. Little change has been made in either direction, however. Our reports from wholesalers this month agree that public feeling is more optimistic, and while retailers continue to buy cautiously and chiefly for immediate requirements, there is considerably more freedom in placing forward orders than has been evident for some time. Our dry goods jobber correspondents tell us that advancing cotton prices have tended to give merchants more confidence in future values, and furniture manufacturers write that residence construction, together with higher prices for the lumber that enters into furniture making, has increased orders received from retailers to a considerable degree. The building work now under way has also helped the hardware trade.

All signs indicate that collections are slowly but steadily improving. Data received this month from one hundred and nine firms for which information for previous months is available show that 85.3% of the reporting firms classed collections for June as either Good or Fair, compared with 81.4% so reporting for May, 72.6% for April, 70.1% for March, 56.9% for February, and 61.1% for January. These averages show a steady improvement each month from the low point reached in February. The drug firms reported June collections as follows: four as good, five as fair, one as slow to fair, and one as slow. We give below the classified reports by lines for June, and for comparative purposes we have added the totals for the previous months of this year. The drug figures are omitted, since they are not available for earlier months.

| <i>Lines Sold</i> | Collections Reported As | | | | <i>Total</i> |
|-----------------------|-------------------------|-------------|-------------|--------------|--------------|
| | <i>Good</i> | <i>Fair</i> | <i>Slow</i> | <i>Poor.</i> | |
| Groceries | 8 | 33 | 3 | 0 | 44 |
| Dry Goods | 1 | 11 | 4 | 0 | 16 |
| Boots and Shoes | 2 | 16 | 2 | 0 | 20 |
| Hardware | 2 | 11 | 5 | 0 | 18 |
| Furniture | 1 | 8 | 1 | 1 | 11 |
| June Totals | 14 | 79 | 15 | 1 | 109 |
| 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 July 17, 1922)