

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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RICHMOND, VIRGINIA, AUGUST 31, 1922.

NATIONAL SUMMARY*

The outstanding feature of the month has been the inherent soundness which the general business situation has manifested in the face of the difficulties encountered. This has been shown by the continuance of activity at a relatively high level despite labor disturbances and despite the recession of activity normally expected at this season of the year. Prices of important commodities continued their upward tendency during July but during August conflicting tendencies were apparent. The excellent agricultural prospects provide an encouraging outlook for the fall trade. Furthermore, increase of demand for certain commodities to compensate for restricted output or delay in placing orders is also in prospect. Even so, business must necessarily proceed under handicaps for some time to come, as a result of fuel shortage and transportation difficulties. Manufacturing activity in general has been maintained at a high level. In those industries, such as automobiles and building construction, in which seasonable recession is shown, activity is still far in excess of a year ago. Cotton manufacturing shows some decrease but the reverse is true of woolen manufacturing. The output of nonferrous metals other than copper has also increased but iron and steel activity shows some decline. Bituminous coal production has increased steadily during the present month. The labor situation showed considerable improvement during August. The bituminous coal strike has been settled in many fields and the majority of the New England cotton mill workers have returned to the factories. Agricultural prospects on the whole continue very satisfactory. Wholesale trade suffered a decline during July as compared with June in all lines except Dry Goods but most lines were in a better position than a year ago, especially hardware. Retail trade, however, was slightly smaller in volume than last year. Financially few new developments occurred during the month. The rapid decline of the mark has been the outstanding feature of the foreign exchanges.

DISTRICT SUMMARY

In spite of rough places in the road that need to be smoothed, business is progressing steadily toward normal. The influence of strikes and legislative uncertainties are the leading deterrent factors, but the stage appears to be set for a reasonable degree of prosperity as soon as these obstacles have been removed. Member banks have cleared away enough of their frozen loans to be in position to take care of all legitimate demands for working capital. Debits to individual accounts are higher than a year ago, and reflect a steady volume of business through the banks. Business failures, while more numerous in July 1922 than in July last year, are fewer than during the earlier months of this year. Labor is almost normally employed, except for voluntary unemployment, and industries are slowly adding additional workers. Prosperity in the textile field is evidenced by enough orders to keep mills running full time, and confidence in the future of the industry is shown by higher quotations asked and offered for mill stocks during the past month or two. After declining during July, cotton prices are again moving upward, which will increase the purchasing power of cotton growers when the year's crop is gathered. Tobacco yields promise to be good, and prices being paid in the markets that have opened are considerably higher than a year ago. Corn prospects in the Fifth District are above the average. Building operations continue in large volume, and the average family is beginning to notice scattered rent reductions as the housing shortage is partly made up. Retail trade is as good as usual at this season of the year, and confidence in the fall trade is indicated by the large orders for merchandise the merchants have placed. Wholesale trade is opening up nicely for the fall season, and sales are exceeding those made last year. Finally, collections are on the whole fair, and continue to show some improvement each month in nearly all lines.

* 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	August 2, 1922	July 5, 1922	August 3, 1921
1. Total Loans and Discounts (exclusive of rediscounts)	\$ 424,847,000	\$ 418,973,000	\$ 415,047,000
2. Total Investments in Bonds and Securities	125,458,000	119,871,000	128,546,000
3. Total Loans and Investments	550,305,000	538,844,000	543,593,000
4. Reserve Balance with Federal Reserve Bank	35,338,000	34,296,000	33,662,000
5. Cash in Vaults	13,285,000	13,736,000	14,200,000
6. Demand Deposits	338,269,000	329,278,000	303,014,000
7. Time Deposits	141,847,000	146,329,000	119,697,000
8. Discounted with Federal Reserve Bank	9,214,000	9,264,000	70,863,000

The principal items of condition of seventy-nine regularly reporting member banks are shown in the accompanying table. Figures are given as of the close of business August 2, 1922, July 5, 1922, and August 3, 1921, thus affording a basis of comparison for the current month with the previous month this year and with the corresponding month last year.

Item 1, Total Loans and Discounts outstanding on August 2, 1922, shows a seasonal increase over the July 5, 1922 figure, and is also larger than outstanding loans a year ago, August 3, 1921. The increase this year is due to the banks being better able to meet their customers' demands for accommodation than they were a year ago, and also to the higher value of some of the collateral offered as security for loans. Item 2, Total Investments in Bonds and Securities, shows an increase between July 5, 1922 and August 2, 1922, reflecting investments of surplus funds by some of the banks, but the amount of securities owned on August 2, 1922 was lower than the holdings on August 3, 1921. A year ago many banks were holding Liberty Bonds, but since the Liberty issues have reached par most of these have been sold, except possibly those held by the few banks that were not rediscounting with other institutions. Item 4, Reserve Balance with Federal Reserve Bank, shows an increase over both the July 5, 1922 and the August 3, 1921 totals. Item 5, Cash in Vaults, shows a decline, however, for August 2, 1922 from the July 5, 1922 figure, and a greater decline under the August 3, 1921 figure, but with larger reserve deposits the decrease is immaterial. At this season of mid-summer dullness in trade less cash is needed than in the fall and winter. Item 6, Demand Deposits, shows a distinct increase for August 2, 1922 over the July 5, 1922 amount, and a large gain in comparison with deposits a year ago. Item 7, Time Deposits, registers a decline between July 5, 1922 and August 2, 1922, but the figure for the latter date is much larger than it was on August 3, 1921. Finally, Item 8, Discounts with the Federal Reserve Bank, shows on August 2, 1922 only a nominal change from the discounts on July 5, 1922, but shows a decrease of 87% under the discounts a year ago. This liquidation has been brought about by sales of Government securities, transfers to the War Finance Corporation, and by gradual collection of frozen loans that were troubling the member banks last year.

FEDERAL RESERVE BANK OPERATIONS.

During the month from July 12, 1922 to August 16, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$105,862,197.22 to \$108,289,457.14, an increase of 2.3%. Between the same two dates Total Bills on Hand declined from \$39,728,717.01 to \$35,695,153.34, a decrease of 10.2%, and Federal Reserve Notes in Actual Circulation declined from \$80,970,875 to \$79,573,080, a decrease of 1.7%. Member Bank Reserve Deposits fell from \$57,336,206.24 on July 12 to \$56,374,043.45 on August 15, a decrease of 1.7%. The ratio of total reserves to Deposit and Federal Reserve Note Liabilities combined was 76.03% on July 12, 1922, but rose to 78.54% on August 16, 1922. On August 17, 1921, this ratio was 44.00%, and at that time we were rediscounting with other Reserve banks \$20,000,000 of our paper.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS.

In the accompanying table we show debits to individual, firm and corporation accounts in twenty-three cities of the Fifth Federal Reserve District during the weeks ending August 2, 1922 and July 5, 1922, and also show debits in eleven of the cities for the week ending August 3, 1921. These figures afford opportunities for comparing the volume of business during the week ending August 2, 1922 with the business volume during the corresponding week the previous month this year and the same week a year ago.

The figures for the twenty-three cities for the week ending August 2, 1922 show an unusual gain over the figures for the week ending July 5, 1922. The totals for the week that contains July 1 are as a rule higher than those for the week containing August 1, even though the former week contains the Independence Day holiday, the large figures being due to the volume of quarterly and semi-annual payments that fall due on July 1, which more than off-set the influence of the holiday. The table shows that this year the week ending August 2, 1922 witnessed debits totaling \$257,680,000 compared with a total of \$247,103,000 during the week ending July 5, 1922, clearly indicating a remarkable holding up of business in face of the disturbing influences of the coal and rail strikes.

CITIES	DEBITS FOR THE WEEK ENDING		
	August 2, 1922	July 5, 1922	August 3, 1922
Asheville, N. C.....	\$ 4,570,000	\$ 4,137,000	\$
Baltimore, Md.....	103,957,000	80,876,000	111,732,000
Charleston, S. C.....	5,811,000	6,199,000	4,906,000
Charleston, W. Va.....	6,518,000	6,550,000	.....
Charlotte, N. C.....	6,503,000	7,877,000	5,021,000
Columbia, S. C.....	4,109,000	5,151,000	4,271,000
Cumberland, Md.....	1,836,000	2,156,000	.....
Danville, Va.....	1,838,000	1,492,000	.....
Durham, N. C.....	4,502,000	3,921,000	.....
Greensboro, N. C.....	4,408,000	3,285,000	.....
Greenville, S. C.....	3,653,000	4,112,000	2,558,000
Hagerstown, Md.....	1,962,000	2,326,000	.....
Huntington, W. Va.....	4,467,000	4,903,000	4,637,000
Lynchburg, Va.....	3,492,000	5,096,000	.....
Newport News, Va.....	1,854,000	2,024,000	.....
Norfolk, Va.....	14,003,000	15,296,000	14,152,000
Raleigh, N. C.....	3,900,000	3,700,000	3,840,000
Richmond, Va.....	24,603,000	27,044,000	23,703,000
Roanoke, Va.....	4,545,000	5,514,000	.....
Spartanburg, S. C.....	1,761,000	2,232,000	.....
Washington, D. C.....	39,108,000	42,927,000	34,408,000
Wilmington, N. C.....	3,862,000	3,899,000	3,636,000
Winston-Salem, N. C.....	6,418,000	6,386,000	.....
Totals for 11 cities.....	\$ 213,976,000	\$ 201,984,000	\$ 212,864,000
Totals for 23 cities.....	257,680,000	247,103,000	.....

A comparison of the figures from the eleven cities for which 1921 statistics are available shows larger debits during the week ending August 2, 1922 than during the corresponding week last year, ending August 3, 1921. Of the eleven cities, seven report higher figures this year than last.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS JULY, 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.....	130	94	38.4	\$ 2,393,565	\$ 2,124,077	12.7
New York, Second.....	384	230	67.0	8,035,662	18,342,752	— 56.2
Philadelphia Third.....	86	72	19.4	1,676,773	1,254,361	33.7
Cleveland, Fourth.....	163	167	— 2.4	5,164,164	4,200,340	22.9
Richmond, Fifth.....	150	124	21.0	2,349,539	1,565,856	50.0
Atlanta, Sixth.....	173	138	25.4	2,157,713	1,968,097	9.6
Chicago, Seventh.....	249	222	12.2	11,484,832	4,565,389	151.6
St. Louis, Eighth.....	87	94	— 7.4	1,721,083	1,545,874	11.3
Minneapolis, Ninth.....	60	27	122.2	1,142,174	425,042	168.7
Kansas City, Tenth.....	61	48	27.1	891,386	1,056,534	— 15.6
Dallas, Eleventh.....	64	114	—43.9	1,230,581	3,778,098	— 67.4
San Francisco, Twelfth.....	146	114	—28.1	1,762,841	1,947,733	— 9.5
Totals.....	1,753	1,444	21.4%	\$ 40,010,313	\$ 42,774,153	— 6.5%

The above table, furnished by Dun's Review, shows that the number of business failures in the United States in July 1922 was 1,753 compared with 1,444 in July 1921, an increase of 309, or 21.4%. On the other hand, total liabilities involved in the failures show a decrease from \$42,774,153 reported in July 1921 to \$40,010,313 reported in July of this year, a decline of 6.5%. The decrease was especially marked in the New York District, although the Dallas District shows a larger percentage decrease. The New York, Kansas City, Dallas and San Francisco Districts show lower liability figures for July 1922 than for July 1921, and the Cleveland, St. Louis, Dallas and San Francisco Districts report fewer failures in July than during the corresponding month last year. Dallas leads all other Districts in the percentage improvement in both number of failures and liabilities involved, an improvement probably due to higher prices for cotton and other farm products.

The Fifth District shows 150 bankruptcies in July 1922, with total liabilities amounting to \$2,349,539, compared with 124 bankruptcies reported in July 1921, with liabilities of \$1,565,856, an increase in number of 21.0% and in liabilities of 50.0%. Both the number of bankruptcies and the total of liabilities involved were greater in July 1922 than in June, the preceding month, but the increases were small and probably do not indicate that the tendency toward lower figures is materially checked. A glance back to the beginning of the year shows how much the situation has improved, January 1922 having witnessed 233 failures in the Fifth

District, with liabilities totaling \$4,696,036. The average liability per failure in July 1922 was \$15,664 for the Fifth District and \$22,824 for the United States, compared with averages in July 1921 of \$12,628 for the Fifth District and \$29,622 for the nation.

LABOR—The settlement or non-settlement of the railway shopmen's strike is now the key to the labor situation in the Fifth District. In contrast with conditions existing a year ago, there is now comparatively little involuntary unemployment in this section, but reports from many sources indicate that a threatened fuel shortage is endangering the jobs of many workers. With practically all coal reserves exhausted, and government priority orders directing all available coal to the most immediately vital industries, a number of factories are facing at least temporary shut-downs. Letters from correspondents interested in road building and road materials, such as stone and gravel, state that the sending of all available gondola cars to the coal fields is seriously interfering with deliveries in their field, and may halt some of the highway work now under way, with resultant unemployment for the laborers engaged on the jobs. Many of the textile mills in the Carolinas are also finding difficulty in securing adequate fuel, and the same may be said of brick yards, lumber plants, and numerous other industries.

All of the trouble outlined above is prospective, however, and has not yet developed. At this writing many industrial plants are working more men than at any time during the past two or three years. Skilled workmen in the building trades are in great demand, and there is a large volume of rough outdoor work such as sewer and street improvement that is giving employment to practically all able bodied common laborers. As we go to press, reports indicate that the coal strike is on the point of being settled, thus giving employment again to the miners of West Virginia, the only state in the Fifth District where unemployment has been serious during the strike. It will be well not to expect the settlement of the coal strike to remove the immediate dangers of local coal shortages, however, because the condition of railroad equipment makes the quick handling of the output of the reopened mines very problematical.

COAL—The middle of July has apparently witnessed the consummation of a truce between the striking coal miners and the mine owners, at least insofar as the bituminous fields are concerned. The agreement reached between the contending parties does not as yet embrace the entire industry, but the few interests still not a party to the agreement will doubtless join the reopening mines in a short time. The mines are being reopened under the provisions of the old contract which had expired when the strike began several months ago. The dispute appears to have been merely postponed by mutual agreement until next spring.

The result of the agreement reached may prove disappointing to those who expect it to make coal plentiful, however. In the first place, the coal carrying railroads have seldom been able to transport sufficient coal during the winter months to provide for the needs of the country unless surplus stocks had been accumulated during the summer months. This summer surplus stocks have been heavily drawn upon, in many cases almost to exhaustion, and therefore the country faces the coming of fall with practically no coal reserves to fall back upon. But in addition to the normal inability of the carriers to handle sufficient coal to provide for the needs of all consumers, the situation this season is further complicated by the poor condition of the railroads' equipment as a result of the shopmen's strike. Even if the railroad strike is soon settled there will be a large volume of repairs necessary before all equipment will again be serviceable.

TEXTILES—The increase in the price of raw cotton during the past two or three months has stimulated orders to textile mills, and our correspondents state that cloth mills are running full time and are receiving orders for all their output. One well informed correspondent states that the yarn mills are finding orders for only a part of their output, and are finding it hard to break even on the business they are doing. A large dealer in textile mill supplies writes "that mills are running full time and are keeping their machinery in good operating condition, is evidenced by the fact that orders for supplies during the past month are somewhat higher than usual. As far as the sale of new machinery is concerned, there is very little being sold in our lines and our information is that this applies to general textile machinery." In reference to new construction, our correspondents indicate that the strike situation in both fuel and transportation fields is delaying some contemplated new work in mill construction or enlargement. The mill authorities are also reluctant to proceed with plans for the physical developments of their plants, hoping that there will be further reductions in building costs, particularly in labor saving machinery, but dealers in the machinery are skeptical as to future reductions in their lines. A considerable number of mills in the Carolinas are building additional homes for employees in their villages, or are improving the homes already built. In this work the mills are putting up attractive, differently planned houses instead of the rather dreary looking square boxes formerly used, and as a consequence the villages are becoming more pleasant places in which to live. This tendency, which includes the addition of modern school and church buildings, libraries, community houses, Y. M. C. A's., etc., is undoubtedly doing much to raise the standard of living among the employees, and is maintaining the pleasant relations existing between the workers and managers in Southern mills.

COTTON—The Department of Agriculture's cotton report as of July 25 showed a national condition of 70.8% of normal, compared with 71.2% on June 25. The indicated production was placed at 11,449,000 bales. The condition of the crop in South Carolina on July 25 was estimated at 60%, North Carolina at 78% and Virginia at 80%. Since July 25, however, a great deal of wet weather has handicapped the farmers in the cultivation of the crop, and has been highly favorable for boll weevil development. The weevil is present in large numbers over practically all of South Carolina, and has entered North Carolina in sufficient numbers to be alarming in the coastal belt. It should be remembered that the cotton crop is two or three weeks later this year than usual, which will tend to make the late August migration of the weevils more disastrous than is the case in average years. Many excellent judges of cotton conditions believe that the final production this year will not measure up to estimates thus far published. The Department of Agriculture's next report, showing the condition on August 25, should throw some light on the accuracy or inaccuracy of these opinions, but because the August 25 report will be too early to tell the full effects of the late August boll weevil damage it will be difficult to get really significant figures before the September 25 report, which will be issued early in October. By that time the crop reporters ought to be able to estimate pretty accurately the extent of boll weevil depredations for the year.

Since the middle of July, cotton prices have fluctuated uncertainly through a range of about two cents, the trend on the whole being downward. The coal and railroad strikes appear to have been the depressing factors operating during the past month, and with the announcement of a truce in the coal fields cotton prices have reacted within the past few days, and have recovered a good part of the previous losses. The full effect of the coal settlement will not be felt, however, unless the railroad strike is also called off.

Cotton consumption decreased in July in comparison with June of this year, but increased 48,406 bales over consumption in July 1921. The Census Bureau announced the July 1922 consumption as 458,548 bales of lint compared with 507,869 bales in June 1922 and 410,142 bales in July 1921. Statistics for the cotton growing states show a July consumption of 304,936 bales, compared with 336,387 in June 1922 and 244,843 in July last year. Of the 304,936 bales used in the cotton growing states, 180,379 bales were consumed in the Fifth District mills.

The Census Bureau estimates the carry-over at the end of the cotton year closing July 31, 1922, as 2,828,180 bales compared with 6,534,360 bales carried over from July 31, 1921 and 3,563,162 bales two years ago. Consuming mills were reported as having 1,215,103 bales on hand on July 31, 1922. The Bureau states that based on the average consumption for the last year, the mill stock, 1,215,103 bales, will meet the consumption requirements of the domestic mills for ten weeks.

TOBACCO—The Virginia tobacco crop is on the whole excellent, though there have been a few reports of "wild fire", and excessively wet weather may result in considerable loss from this cause. The crop is much earlier than usual and at this time appears to be the best crop Virginia has had for several years. The North Carolina crop is reported as fair in the northern Piedmont counties. Some sections are good in the eastern counties, but much is very poor there. Curing is well advanced. Too much rain has seriously affected the crop. South Carolina's crop condition report as of August 1 showed tobacco as 65% of a normal. The tobacco is nearly all ready for curing, the maturity in South Carolina being much earlier than in North Carolina and Virginia.

The chief interest in the tobacco field during the past month has been the opening of the markets in South Carolina, and the working of the Co-operative Association. The markets opened on August 7, and the Tobacco Growers' Co-operative Association announced the receipt of approximately two million pounds on the opening day. The operation of the Association warehouses is interesting. The farmer member first takes his tobacco to the official grader, who examines and classifies the load. The Association then weighs and receives the tobacco, and the treasurer advances a stated sum to the grower, the amount advanced depending on the grade. The farmers appeared well pleased with the scale of advances adopted and the officers of the Association believe that the smooth working of the plan during the first few days of its trial has demonstrated its success. Advances given on the various grades ranged all the way from \$1.20 to \$15.75 per hundred pounds, which is supposed to represent about one-third the present market value. The Association officials announce that they have had no trouble in financing the advances to the growers.

Tobacco sales warehouses are working in opposition to the Association warehouses in many of the markets, and better prices are being paid than last year. The leaf dealers appear to have disposed of the large 1919-1920 crop, and are now entering the market more eagerly than they did last year, when many of the dealers had considerable stock carried over from the previous year. Some of the independent warehouses have opened in North Carolina, but the Association has not yet begun receiving tobacco from members in that state.

AGRICULTURAL NOTES—Threshing returns indicate that Virginia's wheat yield per acre is practically what was expected at harvest time, but is less than was indicated earlier in the season. The state average is reported to be 12.5 bushels per acre, which is practically the same as the ten year average, and is much better than the average last year of 9.8 bushels. The state's total production is now estimated at

10,450,000 bushels, compared with 8,301,000 bushels last year. North Carolina wheat is reported as poor to fair. Very little is grown in the eastern counties. Rust was general and destructive. The yield will not be over 60%.

The corn crop of Virginia improved 3% during July, and the condition of 93% on August 1 was 6% above the ten year average. The entire state reported an improvement except the Eastern and Southeastern sections where there was too much rain. The present condition of 93% indicates a production of 56,349,000 bushels, nearly 20% greater than the yield last year. North Carolina's corn has been very poorly cultivated and is irregular in development, though the July rains have brought it out of the June set-back considerably. Upland corn is good but that on the lowland is poor. On the whole the crop is promising, though late. In South Carolina corn is poor in the southern section, fair to good in the central counties, and practically normal with very promising prospects in the northern counties. The central and northern crops are two or three weeks late. Several severe hail storms during early August did serious damage to corn in some localities.

Virginia's peanut crop declined in condition from 72% on July 1, to 65% on August 1. Frequent rains, which prevented cultivation, have resulted in grassy fields, and plant growth has been greatly retarded. The probable yield for this year is estimated at 94,996,000 pounds, compared with 109,068,000 pounds last year.

The planting of the fall crop of Irish potatoes has been delayed in South Carolina by heavy rains. Sweet potatoes in both South Carolina and Virginia are looking fine, but there is danger of too much rain causing an overdevelopment of vines at the expense of the potatoes.

Apples are good this year, though the crop is short due to spring frosts. The peach crop has been gathered and sold at prices on the whole unsatisfactory to the growers.

Increased interest in truck crops is reported from the Carolinas, especially in boll weevil infested sections.

BUILDING OPERATIONS FOR THE MONTHS OF JULY, 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.....	499	441	1,098	1,010	\$ 3,530,240	\$ 1,273,560	\$ 143,120	\$ 683,640	\$ 1,716,160	87.7%	1
2	Cumberland.....	27	30	11	10	72,463	73,544	11,675	11,140	546	0.6	2
3	Frederick.....	6	4	4	1	1,190	10,100	15,250	3,000	3,340	25.5	3
VIRGINIA												
4	Lynchburg.....	19	14	31	12	75,717	75,675	20,696	6,900	13,838	16.8	4
5	Norfolk.....	84	58	52	35	194,985	296,943	52,508	19,438	68,888	21.8	5
6	Richmond.....	93	104	85	109	374,842	307,676	162,718	120,544	109,340	25.5	6
7	Roanoke.....	102	*135	25		237,959	*199,097	4,614		43,476	21.8	7
WEST VIRGINIA												
8	Charleston.....	68	64	25	60	106,165	215,260	118,260	87,350	78,185	25.8	8
9	Clarksburg**.....	26		8		105,765		12,005				9
10	Huntington.....	108	*128	25		400,122	*234,870	32,000		197,252	84.0	10
11	Parkersburg.....					100,000	200,000	25,000	20,000	95,000	43.2	11
NORTH CAROLINA												
12	Asheville.....	48	26	62	55	165,650	75,400	24,856	6,250	108,856	133.3	12
13	Charlotte.....	40	29	19	5	1,435,235	151,100	97,995	8,700	1,373,430	859.5	13
14	Durham.....	29	25	4	4	101,350	196,795	9,700	3,450	89,195	44.5	14
15	Greensboro.....	35	18	23	16	157,325	94,425	16,558	34,825	44,633	34.5	15
16	High Point.....	34	10	11	6	150,625	37,250	5,150	3,210	115,315	285.0	16
17	Wilmington.....	13	13	4	3	51,500	68,000	3,900	12,000	24,600	30.8	17
18	Winston-Salem.....	61	40	69	63	283,603	99,200	27,185	18,180	193,408	62.2	18
SOUTH CAROLINA												
19	Charleston.....	27	18	27	14	1,140,855	57,525	20,145	28,025	1,075,450	1257.1	19
20	Columbia.....	23	27	67	84	41,150	144,050	23,403	11,682	91,179	58.5	20
21	Greenville.....	27	30	11	20	146,835	118,000	22,595	7,045	44,385	35.5	21
22	Spartanburg.....	15	21	21	17	9,735	35,410	7,210	6,215	24,680	59.3	22
DIST. OF COLUMBIA												
23	Washington.....	428	207	489	444	6,007,951	560,881	528,806	710,739	5,265,137	414.0	23
Totals.....		1,786	1,442	2,163	1,968	\$14,785,497	\$4,524,761	\$1,373,344	\$1,802,333	\$ 9,831,747	155.4%	

*Includes both new work and repairs.

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

—Denotes Decrease.

Building permit figures from twenty-three of the leading cities of the Fifth District for July show that the month witnessed a continuation of the building revival so marked during recent months. There was a seasonal decrease in the number of permits issued for new work during the month in comparison with June of this year, but this seasonal decline was less marked than it was between June and July last year. Twenty-two of the reporting cities, for which 1921 figures are available for comparison, show 1,786 permits issued for new construction in July 1922, with estimated valuation of \$14,785,497, compared with 1,442 permits for new work in July 1921, with estimated valuation of \$4,524,761, an increase this year of 29.6% in the number of permits and of 226.8% in the cost of the work. While the reports state that residence construction continues to be the feature, the large increase in the total valuation of the proposed work shows clearly a growing tendency toward the construction of business buildings. The high costs of construction work that checked building two years ago have been sharply reduced, and many firms that have held plans in abeyance are now going ahead with their contracts, believing that there will not be sufficient further reductions in building costs within the next year or two to justify longer postponement of needed developments.

Some of the increases this month are notable, especially those in Asheville, N. C., Charlotte, N. C., High Point, N. C., Charleston, S. C., and Washington, D. C. In Charleston a permit for a magnificent hotel, to cost \$1,000,000, swelled the city's total to more than a thousand percent above the July 1921 total. Of the twenty-two cities, only eight show lower totals for July in comparison with July last year, and most of these decreases are due to unusually high figures last year rather than to low valuations this year. The combined valuation for both new work and alterations or repairs shows an increase in July 1922 amounting to \$9,831,747 over combined valuation in July 1921, an increase this year of 155.4%.

As a correlation to the building activity, dealers in structural material of all kinds are busily engaged filling their orders. They have been keeping well up with the demand, but many of the brick, lumber and steel manufacturers are rapidly becoming anxious over the coal and transportation outlook. There appears to be at least a possibility that many of the yards and mills may have to close down unless fuel can be secured in more abundance than now seems likely. The apparent agreement between the coal miners and operators within the past few days may improve the outlook, though the transportation difficulties still loom as a menacing factor in the situation. Unless the railroads can transport the coal quickly from the mines to the consumers, a large part of the benefit expected from the truce between the miners and operators may be lost.

WHOLESALE TRADE

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

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	44	16	17	17	9	14
Net sales (selling price) during July, 1922, compared with June, 1922.....	- 2.3	9.1	-6.5	-4.5	12.9	0.6
Net sales (selling price) during July, 1922, compared with July, 1921.....	2.3	6.4	16.4	10.7	74.8	1.8

-Denotes Decrease.

In the table given above, we show averages depicting the increase or decrease in sales reported for July 1922 by one hundred and seventeen wholesale firms, selling groceries, drygoods, shoes, hardware, furniture and drugs, the July figures being compared with those for June of this year and July of last year. In comparison with June of this year, July shows increased sales in dry goods, furniture and drugs, but decreases in groceries, shoes and hardware. All lines show increases during the month under review in comparison with the corresponding month last year, July 1921, the increases in shoes, hardware and furniture being especially notable. In view of the strikes that have thrown a large number of men out of employment, with consequent reduction in their buying power, the figures are gratifying, and show a healthy improvement in general business. Reports from furniture dealers, both wholesalers or manufacturers and retailers, indicate that orders are coming in nicely from consumers, the furniture business being sharply stimulated by the building activity that is district and nation wide.

Considering the dullness of midsummer, collections are holding up well, and may even be said to be improving. This month one hundred and fifteen firms classified their collections as Good, Fair, Slow or Poor, and of the number 81.7% reported them as either Good or Fair. This is a slightly lower percentage than reported collections Good or Fair in June, but is higher than for any other month this year. We give below the classified reports by lines for July.

<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	4	35	4	1	44
Dry Goods	2	10	4	0	16
Shoes	1	11	5	0	17
Hardware	2	11	3	0	16
Furniture	1	8	2	1	12
Drugs	2	7	1	0	10
July Totals.....	12	82	19	2	115

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during July, compared with July, 1921.....	— 4.7	— 1.0	— 7.0	— 13.4	— 6.3
Percentage increase in net sales from July 1, through July 31, compared with sales during the same month of 1921.....	— 4.7	— 1.0	— 7.0	— 13.4	— 6.3
Percentage increase in net sales during July, 1922, over sales in June, 1922.....	— 36.4	— 27.4	— 27.6	— 20.7	— 30.8
Percentage increase in stocks on hand at the end of July, 1922, over stocks on hand at the end of July, 1921.....	0.8	— 2.0	4.8	— 3.4	1.1
Percentage increase in stocks on hand at the end of July, 1922, over stocks on hand at the end of June, 1922.....	— 3.6	— 1.1	— 4.8	— 3.6	— 3.8
Percentage of average stocks on hand at the end of each month since July 1, to average net sales each month during the same period, one month.....	510.2	428.3	485.9	593.2	506.6
Percentage of outstanding orders at the end of July, 1922, to total purchases of merchandise during the year 1921.....	14.4	12.2	9.3	7.0	10.8

—Denotes decrease.

July is seasonally one of the duller months of the year in retail trade, and reports from twenty-five representative department and general stores show that July 1922 was no exception to the rule. During that month the dollar value of sales decreased 6.3% under sales in the same stores in July 1921, and also decreased 30.8% under sales made in June of this year. In addition to the seasonal decrease, the decline was probably accentuated by the railway shopmen's strike. Stocks on hand at the end of July 1922 were 1.1% larger than stocks carried a year ago, but showed a decrease of 3.8% from the value of stock on hand at the end of June, the preceding month this year. With small July sales and normal stocks, the rate of turn-over was naturally slow, the percentage of stocks on hand at the end of July to net sales during that month being 506.6%, in comparison with a cumulative average for the first six months of the year of 409.7%.

The most significant figure given this month in the accompanying table is that showing the outstanding orders for merchandise. The reports show that the stores have outstanding orders for stock on July 31, 1922, equal to 10.8% of total purchases during 1921. The comparatively large volume of orders for merchandise would seem to indicate a confidence in the future that is reassuring. Our reporters agree that if the labor dispute can be settled there appears nothing serious in the way of good business during the coming fall.

Collections in the department stores are said to be satisfactory, on the whole.

(Compiled August 19, 1922)