

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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RICHMOND, VIRGINIA. SEPTEMBER 30, 1922.

NATIONAL SUMMARY*

The chief development of the current month has been the improvement in the labor situation. The amount of voluntary unemployment has been greatly reduced and wages have shown a distinct upward tendency. Mining output increased about 3 per cent during August and has shown a tremendous expansion during September, due to the reopening of most of the bituminous and anthracite coal mines. The general price level has remained constant during the month. The August index number of the Federal Reserve Board was the same as that for July. Manufacturing was slightly curtailed in August but has recovered during September. Iron furnaces and steel mills are increasing their rate of production to satisfy the continued large demand of railroads and automobile companies. Cotton mills and knit goods factories have increased their output and woolen machinery is slightly more active, while August silk consumption was the largest for any month since 1919. The continued building activity has resulted in an improved demand for lumber, cement and other building materials. The average condition of farm crops declined somewhat during August. The cotton crop has suffered severe damage from boll weevils and from drought. The estimates of the corn crop have been much reduced, but the prospects for spring wheat have continually improved. Wholesale trade improved substantially during August in all reporting lines. Every District reports increased sales in dry goods which averaged almost 50 per cent higher than in July. Retail trade improved considerably during August and the volume of business was larger in most sections than in August 1921. The banks are in a strong position and are meeting the seasonal demand for credit with ease. This seasonal demand has led to increases in rates for both call and time money at New York. European exchange rates have generally declined during September, and there has also been a slight decline in Asiatic exchanges.

DISTRICT SUMMARY

As we look back over the past few months and take stock of progress made toward a restoration of normal business and industrial activity, we are convinced that many of the serious obstacles that confronted us six months ago have been removed. Obstacles there still are, but business does not seriously fear them. Taxes are burdensome, the effects of the new tariff are problematical, and European political and financial conditions appear to be almost hopelessly tangled, but the coal and transportation strikes have been practically settled, and crop prospects are, on the whole, good. In the Fifth District specifically, the cotton crop is short, but the crop has been made economically and prices bid fair to be remunerative. The banks of the District are in better condition to care for the needs of business than they have been for several years. Both demand and time deposits are steadily increasing. Debits to individual accounts reflect a growing volume of transactions through the banks of the leading trade centers. Labor is almost normally employed, and many industries are adding steadily to their forces. The fuel situation is at least much better than it was a month ago. Textile mills are busy on sufficient orders to take their output, and the future is regarded optimistically by the mill authorities. Tobacco yields in the states comprising the Fifth District are fair to good, and prices on the opening of the markets are much higher than they were last year. The new Tobacco Growers Association appears to have made a good beginning, and the great majority of the farmers who went into the Association are well pleased with the returns to them. Building permits for new construction broke all available records in August for that month of the year, and as a natural result of this great volume of construction work all dealers in building materials are enjoying many orders. Retail trade is opening up nicely for fall, and wholesale trade in August exceeded last August in the volume of business done in units of merchandise sold in all of the lines from which figures are available. Collections are reported by 82% of our reporting wholesalers as either Fair or Good, a very satisfactory average for August, a month which is too early to feel appreciably the influence of the money put into circulation by fall marketing of agricultural products.

* 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	Sept. 6, 1922	August 2, 1922	Sept. 7, 1921
1. Total Loans and Discounts (exclusive of rediscounts)	\$ 424,060,000	\$ 424,847,000	\$ 413,769,000
2. Total Investments in Bonds and Securities	123,919,000	125,458,000	121,120,000
3. Total Loans and Investments	547,979,000	550,305,000	534,889,000
4. Reserve Balance with Federal Reserve Bank	33,687,000	35,338,000	29,429,000
5. Cash in Vaults	13,675,000	13,285,000	14,451,000
6. Demand Deposits	331,996,000	338,269,000	296,279,000
7. Time Deposits	143,422,000	141,847,000	122,166,000
8. Discounted with Federal Reserve Bank	10,178,000	9,214,000	70,433,000

The accompanying table shows the principal items of condition of seventy-nine regularly reporting member banks in thirteen of the larger cities of the Fifth District, figures as of the close of business September 6, 1922, August 2, 1922, and September 7, 1921 being shown. The figures shown in the table afford 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, shows a decrease from \$424,847,000 on August 2, 1922 to \$424,060,000 on September 6, 1922, but an increase from \$413,769,000 on September 7, 1921. Item 2, Total Investments in Bonds and Securities, shows a total of \$123,919,000 on September 6, 1922, in comparison with \$125,458,000 on August 2nd of this year and \$121,120,000 on September 7, 1921. Item 4, Reserve Balances with Federal Reserve Bank, declined to \$33,687,000 on September 6th from \$35,338,000 on August 2nd, of the current year, but were higher than the \$29,429,000 balances on deposit September 7th, 1921. Item 5, Cash in Vaults, amounted to \$13,675,000 on September 6, 1922, compared with \$13,285,000 on August 2, 1922 and \$14,451,000 on September 7, 1921. Item 6, Demand Deposits, shows a decline within the past month from \$338,269,000 on August 2nd to \$331,996,000 on September 6th, but this year's figures are considerably higher than the \$296,279,000 on deposit September 7, 1921. Item 7, Time Deposits, shows a continuation of the steady rise that has been going on for the past year, the total on September 6, 1922 having reached \$143,422,000 in comparison with \$141,847,000 on August 2, 1922 and \$122,166,000 on September 7, 1921. Finally, item 8, Discounts with the Federal Reserve Bank, shows a seasonal increase from \$9,214,000 on August 2, 1922 to \$10,178,000 on September 6, 1922, but a large decrease from the \$70,433,000 rediscounted with the Reserve Bank by the seventy-nine reporting members on September 7, 1921.

SAVINGS BANK DEPOSITS

During the past two years we have been receiving monthly reports from fifteen mutual savings banks in Baltimore, showing total deposits in each bank on the last day of the month. At the close of August, 1922, the total deposits in the fifteen banks amounted to \$127,653,146 in comparison with \$122,833,151 on deposit August 31, 1921 and \$120,195,124 on August 31, 1920. In view of the amount of voluntary and involuntary unemployment among the industrial groups during the two years under review, the steady increase in deposits in the above mentioned savings banks is striking, and apparently suggests that the workers with thrifty habits have managed to keep pretty well employed.

FEDERAL RESERVE BANK OPERATIONS

During the month from August 16, 1922 to September 13, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$108,289,457.14 to \$111,753,176.18, an increase of 3.2%. Between the same two dates, Total Bills on Hand increased from \$35,695,153.34 to \$35,800,698.94, the increase being merely a daily fluctuation, but indicating that the steady decline in rediscounts has halted. Federal Reserve Notes in Actual Circulation rose to \$82,802,745 on September 13th from \$79,573,080 on August 16th, a seasonal increase usual at this time of the year. Member Bank Reserve Deposits fell from \$56,374,043.45 on August 16th to \$55,642,339.07 on September 13th, a decrease of 1.3%. The ratio of total reserves to Deposit and Federal Reserve Note Liabilities combined was 78.54% on August 16th, but rose to 79.26% on September 13, 1922. On September 14, 1921, this ratio was 41.66%, and at that time we were rediscounting with other Reserve banks \$24,970,000 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 September 6, 1922 and August 2, 1922, and also show debits in eleven of the cities for the week ending September 7, 1921. These figures afford opportunities for comparing the volume of business during the week ending September 6, 1922 with the business volume during the corresponding week the previous month this year and the same week a year ago. Attention is called to the fact that the weeks ending September 6, 1922 and September 7, 1921 contained only five business days, the Labor Day holiday occurring during those weeks. The week ending August 2, 1922, however, was a full week of six business days.

CITIES	DEBITS FOR THE WEEK ENDING		
	Sept. 6, 1922	August 2, 1922	Sept. 7, 1921
Asheville, N. C.....	\$ 3,989,000	\$ 4,570,000	\$
Baltimore, Md.....	68,274,000	103,957,000	94,105,000
Charleston, S. C.....	5,684,000	5,811,000	6,090,000
Charleston, W. Va.....	5,966,000	6,518,000	.....
Charlotte, N. C.....	7,183,000	6,503,000	4,941,000
Columbia, S. C.....	4,114,000	4,109,000	3,614,000
Cumberland, Md.....	1,690,000	1,836,000	.....
Danville, Va.....	1,576,000	1,838,000	.....
Durham, N. C.....	5,641,000	4,502,000	.....
Greensboro, N. C.....	4,500,000	4,408,000	.....
Greenville, S. C.....	3,455,000	3,653,000	2,695,000
Hagerstown, Md.....	1,626,000	1,962,000	.....
Huntington, W. Va.....	3,931,000	4,467,000	3,566,000
Lynchburg, Va.....	3,347,000	3,492,000	.....
Newport News, Va.....	1,447,000	1,854,000	.....
Norfolk, Va.....	12,130,000	14,003,000	10,723,000
Raleigh, N. C.....	4,000,000	3,900,000	3,700,000
Richmond, Va.....	24,553,000	24,603,000	22,759,000
Roanoke, Va.....	5,163,000	4,545,000	.....
Spartanburg, S. C.....	1,506,000	1,761,000	.....
Washington, D. C.....	35,996,000	39,108,000	29,998,000
Wilmington, N. C.....	4,647,000	3,862,000	4,016,000
Winston-Salem, N. C.....	5,046,000	6,418,000	.....
Totals for 11 cities.....	\$ 173,967,000	\$ 213,976,000	\$ 186,207,000
Totals for 23 cities.....	215,464,000	257,680,000	.....

The figures for the twenty-three cities show a decrease in debits as between the week ending August 2, 1922 and the one ending September 6, 1922 from \$257,680,000 to \$215,464,000, a decline of 16.4%. Most of the decrease is due to the five day week ending September 6th, but part of the loss is undoubtedly chargeable to a general uncertainty and hesitation in business as a result of the unsettled conditions in labor and legislative circles.

A comparison of the figures from the eleven cities for which 1921 statistics are available shows a decline from \$186,207,000 reported for the week ending September 7, 1921 to \$173,967,000 for the week ending September 6, 1922, a decline of 6.6%. The decrease is due to the sharp decline in debits for Baltimore, where the several strikes have been felt heavily, and to a minor decrease in Charleston, S. C., in which city decreased activity in the Navy Yard and an unsettled banking situation played the leading roles. All of the other reporting cities reported higher figures for the week ending September 6, 1922 than for the week ending September 7, 1921.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS AUGUST, 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.....	118	118	0.0	\$ 1,556,039	\$ 2,821,841	— 44.9
New York, Second.....	269	216	24.5	7,364,329	9,685,653	— 24.0
Philadelphia Third.....	76	68	11.8	2,735,637	2,090,756	30.8
Cleveland, Fourth.....	156	137	13.9	3,574,148	5,183,707	— 31.1
Richmond, Fifth.....	134	98	36.7	2,253,748	2,658,017	— 15.2
Atlanta, Sixth.....	152	198	—23.2	2,890,891	4,489,443	— 35.6
Chicago, Seventh.....	243	204	19.1	6,776,867	4,123,520	64.3
St. Louis, Eighth.....	135	67	101.5	2,347,687	2,200,012	6.7
Minneapolis, Ninth.....	69	72	— 4.2	888,750	1,458,576	— 39.1
Kansas City, Tenth.....	95	75	26.7	1,963,119	966,896	103.0
Dallas, Eleventh.....	85	137	—38.0	5,198,294	1,991,284	161.1
San Francisco, Twelfth.....	182	172	5.8	2,730,209	5,234,704	— 47.8
Totals.....	1,714	1,562	9.7%	\$ 40,279,718	\$ 42,904,409	— 6.1%

The above table, furnished by Dun's Review, shows that the total number of business failures in the United States was 1,714 during August, 1922, in comparison with 1,562 during August, 1921, an increase this year of 9.7%. On the other hand, total liabilities involved in the failures show a decrease from \$42,904,409 reported in August, 1921 to \$40,279,718 reported in August of this year, a decline of 6.1%. Of the twelve Federal Reserve Districts, one shows the same number of failures for August of both this year and last, three show fewer failures, and eight show a larger number, the largest increase occurring in the

St. Louis District. In total liabilities involved, the record is better, seven of the twelve Districts reporting lower totals in August, 1922 than in August, 1921. The Richmond District shows a larger number of failures this year than last, August, 1922 having witnessed 134 bankruptcies in comparison with 98 in August, 1921, an increase of 36.7%, but liabilities fell from \$2,658,017 in August, 1921 to \$2,253,748 in August, 1922, a decline of 15.2%. The 134 insolvencies reported in the Richmond District in August is the lowest number reported for any month since October, 1921, and total liabilities involved have been lower only in one other month since October of last year. The average liability per failure in August, 1922 was \$16,819 for the Fifth District and \$23,500 for the United States, compared with averages in August, 1921 of \$27,122 for the Fifth District and \$27,467 for the nation.

LABOR—The only changes of note in the labor situation in the Fifth District during the past month have been the settlement of the coal strike, and the agreements reached between some of the leading railroads and their striking employees. As we write, indications point strongly to an immediate return of all strikers on the Seaboard, Southern and Baltimore and Ohio lines, three of the greatest railway systems operating in the Fifth District. The Pennsylvania System, operating in this District through Maryland, appears to be running successfully with new men, and the Chesapeake & Ohio, the Atlantic Coast Line, the Norfolk & Western, and the Richmond, Fredericksburg & Potomac are negotiating with their men, looking toward a full settlement of the strike that has seriously interfered with transportation during recent weeks. It is evident that the situation is clearing, and with the coal strike settled in both the bituminous and anthracite fields, the danger of widespread industrial disturbance has probably passed.

There is now virtually no unemployment in the Fifth District, except the usual number of floaters who are voluntarily idle a large part of the time. Building construction, road and street work, and public works like sewer extension, laying of water and gas mains, etc., are giving steady employment to thousands of laborers in the District. Although there have been a few scattered shut-downs because of fuel shortage, especially among brick yards, practically all factories are running approximately full time, and are employing their usual number of hands. In the Carolinas cotton and tobacco are being gathered, which gives employment to additional workers among the agricultural population. Employment agencies report additional openings in clerical work, and there is difficulty in securing domestic help to fill calls from employers. The approach of cold weather will interfere with construction of the residence type, but workers released will doubtless find employment on and in the many business and public buildings being erected in the District. Several large employers of labor have added to their forces during the past month, among these being the American Locomotive Company and the Newport News Ship Building and Dry Dock Company.

COAL—The agreement reached between the miners and operators in the bituminous coal fields, mentioned in our Review last month, has increased the output of soft coal to the carrying capacity of the railroads. Early in September, a truce was signed between the anthracite miners and operators, and hard coal is now being produced again. As far as the public is concerned, therefore, the coal strikes in both fields have been settled, among the results of the strikes being the loss of five months wages by the miners and an increase in coal prices to consumers.

The country enters the winter with reserves of coal practically exhausted, making the consumers dependent upon current production for their needs. The United States Geological Survey, commenting upon the coal outlook, says, "Transportation is the dominant and limiting factor in soft coal supply. Restricted by transportation difficulties the rate of soft coal production is seemingly fixed temporarily at 1,600,000 tons a day, or 9,600,000 a week—this in spite of a strong market and prices sustained at high levels not only by demand for current consumption, but also by the need for rebuilding ordinary reserves and by extraordinary calls for household sizes." The price of coal has increased at the mines, the increase of course being passed on to the ultimate consumer by the retailer. There has been much talk of Fair Price Commissions and Investigating Committees to give the public some protection against profiteering, but nothing concrete has come of it.

TEXTILES—Conditions in the textile field have changed very little since our last month's Review was written, although the coal and railroad strikes have been felt adversely to an increasing degree. A number of mills complain of difficulty in securing sufficient coal to meet their needs, and some of them have experienced delay in receiving shipments of cotton. However, no appreciable number of mills have had to curtail running time for either of the above reasons, and practically all of them have received enough orders to take their output. During August the North Carolina mills consumed 100,202 bales of cotton, the South Carolina mills consumed 85,516 bales, and the Virginia mills consumed 10,463 bales, a total consumption of 196,181 bales in the Fifth District.

There is a rather wide-spread opinion among the mill men that prices they are receiving for their products are too low in comparison with prices of raw cotton and the scale of wages the mills are paying. The market has been sufficiently active to absorb the production of the mills during recent months, but it has resisted price advances stubbornly. This resistance has made it difficult for the mills to pass increased

manufacturing costs to the jobbers, retailers and ultimate consumers. The mill authorities believe that stocks of manufactured goods in the hands of jobbers and retailers are low, however, and they say that any decided revival in demand from consumers will raise prices to a more profitable figure.

The Census Bureau has announced that 32,499,324 cotton spindles were active during August of this year, in comparison with 31,975,269 in July of this year and 32,930,755 in August, 1921. Of the active spindles, the cotton growing states showed 15,613,632 during August, compared with 15,583,903 during July of this year and 14,754,822 during August last year.

COTTON—The Department of Agriculture's report on the condition of this year's cotton crop on August 25th was released on September 1st. The condition as of August 25th was given as 57.0%, indicating a crop of 10,575,000 bales, in comparison with a July 25th condition of 70.8% and an indicated yield of 11,449,000 bales. Only twice within the history of the Agricultural Department has it published an August 25th condition as low as this year's figure. The crop in Virginia deteriorated from a condition of 80% on July 25th to 68% on August 25th; North Carolina's condition declined during the month from 78% to 65%; and South Carolina's condition fell from 60% to 46%. The indicated yield for this year in Virginia is estimated to be 23,000 bales in comparison with last year's yield of 16,000 bales; North Carolina's condition indicates a production of 750,000 bales this year in comparison with 776,000 grown last year; and South Carolina is expected to produce 687,000 bales in comparison with 755,000 produced in 1921.

The action of the market upon receipt of the Agricultural Department's report showed that operators in spot cotton and futures had previously discounted the month's losses, and consequently the report was not regarded as particularly bullish. Private reports released previous to the publication of the Government's figures had foreshadowed the decline in condition, and therefore the release of the report did not seriously effect the market quotations. The report was distinctly bullish as far as the prospective supply of cotton is concerned, however.

Spot prices for cotton have fluctuated during the past month from an average of 20.42 cents per pound during the week ending August 12th to 21.27 cents during the week ending September 16th, the quotations upon which the figures are based coming from scattered markets in the two Carolinas, and represent actual prices paid for middling, 7/8 inch fiber. The highest weekly average reached during the past month was 21.84 cents during the week ending September 2nd, but there was a decline after the Agricultural Department's condition report to 20.90 cents during the week ending September 9th. All data on the growing crop received since the latest Government report indicates that the condition on September 25th will show further loss in condition, and a realization of this fact is tending to influence prices upward again. The coal and rail strikes being now practically out of the way, the serious obstacle in the cotton market appears to be the uncertainty in regard to European politics and finances.

The Census Bureau on September 14th gave out figures showing cotton consumption for August. American mills used 527,404 bales of lint and 60,825 bales of linters during August of this year, compared with 458,548 bales of lint and 55,424 bales of linters in July this year and 467,059 bales of lint and 52,106 bales of linters in August last year. Cotton on hand August 31st was as follows: held in consuming establishments, 1,024,994 bales of lint and 116,891 bales of linters, compared with 1,215,103 bales of lint and 134,597 bales of linters on July 31st this year and 1,006,066 bales of lint and 196,623 bales of linters on August 31st last year. Held in public storage and at compresses, 1,549,789 bales of lint and 30,534 bales of linters, compared with 1,488,083 bales of lint and 54,587 bales of linters on July 31st this year and 3,463,964 bales of lint and 241,140 bales of linters on August 31st last year. Exports during August totaled 273,308 bales of both lint and linters, compared with 372,742 bales in July this year and 423,491 bales in August last year.

TOBACCO—Practically all of the tobacco in the Fifth District has been cut and housed, and the last of it is in process of curing. Virginia has had the best tobacco growing season for many years, according to official crop reports, and an excellent crop of fine quality tobacco has been produced. The crop matured unusually early and by September 1st practically 75 per cent of all tobacco had been harvested. The September 1st condition of 90 per cent indicates a yield of 167,409,000 pounds compared with 91,850,000 pounds grown last year and 144,736,000 pounds, the average for the five years 1916-20. The West Virginia condition on September 1st was 87 per cent of normal, and the indicated yield was estimated at 7,439,000 pounds compared with 6,000,000 pounds produced last year. South Carolina's tobacco crop condition was 65 per cent of normal on September 1st, and the crop has been housed.

The markets in South Carolina have been open more than a month, and about half of the North Carolina markets have been operating for several weeks. The remaining North Carolina markets will open September 19th. The average price paid in South Carolina in the auction sales during August was \$21.05 per hundred pounds, in comparison with \$12.10 per hundred paid in August, 1921. According to the monthly report of the South Carolina Commissioner of Agriculture, 23 warehouses in 16 markets sold 17,416,025 pounds of tobacco for producers during August. This does not include the tobacco handled through the new Tobacco Growers Co-operative Association. No accurate figures are available to show the amount of tobacco handled through the Association warehouses, but perhaps some idea can be gotten by noting that auction sales handled

34,120,989 pounds of leaf for producers in South Carolina in August, 1921 in comparison with 17,416,025 pounds sold this year. It is reported that close to 18,000,000 pounds had reached the co-operative marketing centers of South Carolina previous to September 15th.

AGRICULTURAL NOTES—The September report of the Virginia Crop Reporting Service says, "Crops have now reached such an advanced stage that the earlier reports of excellent yields can be definitely confirmed. The production of corn, wheat, oats, tobacco, potatoes, hay, cotton and fruit will not only be considerably more than the yield last year, which was an unusually poor season, but for most crops will be above the average production for the past ten years. The peanut crop is the only one which will be smaller than last year." Prospects in the state for corn declined slightly during August, owing to lack of rain in some sections of the Valley and Southwest Virginia, and to too much rain on the low lands in the Eastern and Southeastern parts of the State, but in the entire Central district and in many other counties the crop is unusually good. Present indications point to a crop this year of 54,784,000 bushels, which is 7,200,000 bushels more than the yield in 1921. The late white potato crop in Eastern Virginia was injured by heavy rains early in August, but in other sections the condition is fair to good. Sweet potatoes are being harvested with yields up to the average. The peanut crop made some progress during the latter part of August, but the season was too far advanced for great improvement to be made. The September forecast is 93,-282,000 pounds, which is considerably less than last year's production. The Virginia peach crop amounted to 764,000 bushels or 56 per cent of a full crop. The commercial crop was approximately 400 cars. Hay yields have been large in all sections of the state due to the frequent rains, so there will be an abundance of forage in Virginia this winter. Pastures are still in excellent condition and will furnish good grazing during the fall.

South Carolina's corn crop will be slightly smaller than last year's crop, the September 1st condition of 72 per cent of normal indicating a yield of 32,350,000 bushels as compared with the final estimate for last year of 32,955,000 bushels. Excessive rains in South Carolina from early spring to the middle of August did damage to both cotton and corn, and the dry period that then set in further damaged late corn. The full extent of the damage to the crops from the dry weather during late August and early September cannot yet be estimated accurately. Condition figures for miscellaneous crops in South Carolina on September 1st were as follows: sweet potatoes, 81% ; Irish potatoes, 76% ; peanuts, 80% ; rice, 75% ; sorghum for syrup, 80% ; cowpeas, 85% ; hay, 88% ; millet, 81% ; grapes, 80% ; and pears, 65% .

The forecasts at present indicate an increased production in the entire United States over last year of hay, sweet potatoes, Irish potatoes, oats, wheat, rice and tobacco. The forecast for sweet potatoes is 108,-372,000 bushels, compared with 98,660,000 bushels in 1921, while the forecast for Irish potatoes is 438,398,-000 bushels this year compared with 346,823,000 bushels last year. The estimated production of wheat is 818,474,000 bushels compared with 794,893,000 bushels in 1921, and of oats is 1,255,000,000 bushels compared with 1,060,000,000 bushels a year ago.

BUILDING OPERATIONS FOR THE MONTHS OF AUGUST, 1922 AND 1921.

Building permit figures from twenty-three of the leading cities of the Fifth Federal Reserve District for August show the highest number of permits for new construction on record for August. Twenty-two of the reporting cities, for which figures for previous years are available for comparison, show a total of 2,151 permits for new work during August, 1922, compared with 1,630 permits for new work in August, 1921, 940 permits in August, 1920, and 1,623 in August, 1919. Total valuation for new work was reported as \$10,290,189 for August, 1922, \$6,995,329 for August, 1921, \$7,013,833 for August, 1920, and \$9,608,999 for August, 1919. Including permits for repairs and alterations, the total valuation of all work for which permits were issued in August of this year amounted to \$12,326,912, compared with a total of \$8,716,876 for all permits issued in August, 1921, an increase this year of \$3,610,036, or 41.4% . The increase in both number of permits issued and in total valuation represents a genuine gain in the number of structures being erected, and is not caused by one or two very large undertakings.

The number of permits issued for new construction in August is the largest issued since the Reserve Bank began keeping building permit records, with the exception of May, 1922 and June, 1919, and, as stated above, is the largest number ever issued during the month of August. Usually there is a gradual decline in the number of permits issued each year after June, but the past month did not follow the rule. Of the twenty-two cities, all but six reported more permits for new work this year than last for August, and in total valuation for both new work and alterations or repairs all of the cities except four reported larger totals than for August, 1921. The building activity appears to be generally District wide, with residence work still leading, but business construction is being undertaken in an increasing degree as confidence in the general soundness of business conditions gains ground.

Going hand in hand with the large amount of construction work, orders to dealers in all types of builders' supplies are plentiful. Lumber dealers are hard pushed to keep up with the demand, and prices have quite generally stiffened on practically all grades of lumber. Brick yards are delayed in shipments in some cases because of traffic and fuel troubles, and sand and gravel dealers are finding it difficult to secure sufficient open top cars to handle their business. Glass manufacturers report plenty of orders at profitable prices.

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.....	486	425	1,125	1,171	\$ 2,782,850	\$ 1,164,800	\$ 837,240	\$ 652,200	\$ 1,803,090	99.2%	1
2	Cumberland.....	37	34	21	19	123,845	89,992	7,055	23,168	17,740	15.7	2
3	Frederick.....	3	2	0	0	3,468	700	0	0	2,768	395.4	3
VIRGINIA												
4	Lynchburg.....	17	18	40	16	49,525	33,550	15,101	4,260	26,816	70.9	4
5	Norfolk.....	143	63	82	84	403,075	378,411	72,865	67,716	29,813	6.7	5
6	Richmond.....	151	126	86	100	792,881	664,413	94,069	218,769	3,768	0.4	6
7	Roanoke.....	97	*119	55		316,401	*147,692	26,650		195,359	132.3	7
WEST VIRGINIA												
8	Charleston.....	69	94	19	34	336,000	296,380	18,330	32,270	25,680	7.8	8
9	Clarksburg**	20		19		20,775		3,640				9
10	Huntington.....	113	*134	16		213,000	*246,833	31,605		— 2,228	— 0.9	10
11	Parkersburg.....					50,000	30,000	20,000	15,000	25,000	55.6	11
NORTH CAROLINA												
12	Asheville.....	70	49	17	57	197,432	132,235	1,260	79,891	— 13,434	— 6.3	12
13	Charlotte.....	*60	36		5	*313,490	216,410		1,625	95,455	43.8	13
14	Durham.....	24	20	9	10	117,925	53,900	14,064	13,410	64,680	96.1	14
15	Greensboro.....	41	24	18	7	110,095	138,675	29,685	7,150	— 6,045	— 4.1	15
16	High Point.....	22	21	15	8	204,475	43,350	11,300	12,600	159,825	285.7	16
17	Wilmington.....	18	27	11	4	72,000	187,500	33,000	18,500	— 101,000	— 49.0	17
18	Winston-Salem.....	61	59	71	54	241,935	102,277	33,985	30,555	143,088	107.7	18
SOUTH CAROLINA												
19	Charleston.....	22	13	20	20	156,200	42,275	7,693	14,660	106,958	187.9	19
20	Columbia.....	25	30	98	130	95,275	64,100	245,245	24,524	251,896	284.2	20
21	Greenville.....	22	26	15	31	88,025	94,900	40,275	19,210	14,190	12.4	21
22	Spartanburg.....	28	26	40	34	57,777	35,230	18,720	9,260	32,007	71.9	22
DIST. OF COLUMBIA												
23	Washington.....	642	284	326	521	3,564,515	2,831,706	478,580	476,779	734,610	22.2	23
Totals.....		2,151	1,630	2,084	2,305	\$10,290,189	\$6,995,329	\$2,036,723	\$1,721,547	\$ 3,610,036	41.4%	

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

Structural steel plants are busy filling orders for steel frame work, and all kinds of plumbing supplies are in brisk demand. The same may be said of paints and varnishes. The settlement of the coal strikes and the agreement between some of the railroads and their striking shopmen have encouraged builders to expect their fuel and transportation problems to be reasonably simple in the future, and optimism is therefore the order of the day in construction fields.

WHOLESALE TRADE

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

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	43	16	19	17	9	14
Net sales (selling price) during August, 1922, compared with July, 1922.....	6.8	44.9	45.9	9.6	28.8	4.7
Net sales (selling price) during August, 1922, compared with August, 1921.....	5.5	3.4	— 6.4	6.4	45.6	0.9

—Denotes Decrease.

Reports received for August from one hundred and eighteen wholesale firms show that business in all lines is responding to the usual seasonal demand, every line reported upon showing gains in sales over sales made in July 1922. The largest gains are shown in dry goods, boot and shoe, and furniture lines, but groceries, hardware and drugs also show good gains. The best indication of progress being made toward normal business, however, is shown by the comparison of the August 1922 figures with those for August 1921. Every line reported upon shows a gain this year over last August, with the exception of shoes, and in that line the decrease in the dollar amount of sales is less than the average decrease in shoe prices during the year. It is obvious, therefore, that all lines sold more units of merchandise during August of this year than during

the corresponding month a year ago. The largest gain is shown by furniture, which gained 45.6%. With labor troubles apparently being settled, and with fair prices for agricultural products, jobbers and wholesalers have grounds for the optimism which practically all of them profess to feel.

One hundred and nineteen firms sent us information on Collections this month, and, of this number, 82.4% classified their collections as either Good or Fair, in comparison with 81.7% so classifying collections last month, July 1922. We give below the classified reports by lines for August, and we have added the totals for July for comparison.

<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	30	7	2	43
Dry Goods	2	10	3	1	16
Shoes	0	16	3	1	20
Hardware	3	13	1	0	17
Furniture	0	7	2	0	9
Drugs	5	8	1	0	14
August Totals	14	84	17	4	119
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 August, 1922.

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during August, compared with August, 1921.....	1.1	26.4	— 4.8	— 4.7	0.8
Percentage increase in net sales from July 1, through August 31, compared with sales during the same two months of 1921.....	— 1.8	12.2	— 5.9	— 9.3	— 2.8
Percentage increase in net sales during August, 1922, over sales in July, 1922.....	9.2	18.4	0.5	6.3	7.0
Percentage increase in stocks on hand at the end of August, 1922, over stocks on hand at the end of August, 1921.....	— 7.8	— 4.5	5.2	— 4.3	— 2.9
Percentage increase in stocks on hand at the end of August, 1922, over stocks on hand at the end of July, 1922.....	2.5	5.2	10.1	1.1	4.9
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, two months.....	493.9	449.4	509.2	575.5	508.3
Percentage of outstanding orders at the end of August, 1922, to total purchases of merchandise during the year 1921.....	7.5	12.5	7.4	7.0	7.8

—Denotes decrease.

Retail trade begins to pick up during the latter part of August, advance fall styles being sought by early customers, and this year the usual gain over July is shown in reports received from the twenty-five co-operating stores. August sales show a gain of 7.0% in dollar value over July sales, and in addition August of this year shows a gain of 0.8% over August 1921. Baltimore and Richmond reported gains over the corresponding month last year, while Washington and the miscellaneous cities averaged losses. Stocks on hand at the end of August were 2.9% lower in selling value than at the end of August 1921 but showed an increase of 4.9% over stocks on hand at the end of July 1922, this increase being seasonal and due to the arrival of early fall goods. The percentage of average stocks on hand at the ends of July and August, both this year, to average sales during the same two months is 508.3%, the arrival of fall merchandise naturally tending to slow up the rate of turn-over of stocks to some extent. Outstanding orders at the end of August amounted to 7.8% of total purchases of merchandise during the calendar year 1921.

(Compiled September 16, 1922)