

# FEDERAL RESERVE BANK OF RICHMOND

## General Business and Agricultural Conditions in the Fifth Federal Reserve District

By CALDWELL HARDY, Chairman and Federal Reserve Agent

RICHMOND, VIRGINIA, OCTOBER 31, 1922.

### NATIONAL SUMMARY\*

Difficulties in handling the increased freight traffic due to car shortage have become an important factor in the current industrial situation. The total number of cars loaded increased during September chiefly because of heavy loadings of coal and live stock. The production of bituminous and anthracite coal was restricted in the latter part of September, when a shortage of about 40,000 coal cars developed. A shortage of box cars appeared in the first week in August, and by October 7 amounted to 71,063 cars. The difficulty in securing cars for shipment has led to some curtailment of production in lumber and finished steel products. The output of pig iron and steel ingots, however, has expanded steadily since August. Cotton and woolen mills continue to operate at close to capacity. Agricultural receipts continue to be heavy. Wholesale trade showed improvement during September. Increases occurred in sales of hardware and furniture, which reflected the large volume of residential building. Seasonal declines occurred in sales of farm implements and automobile supplies, but sales were much larger than a year ago. Retail trade continued to improve during September and department store sales were larger in all districts than in September 1921. The wholesale price index of the Bureau of Labor statistics declined from 155 in August to 153 in September, owing chiefly to the fall in coal prices. Prices of building materials and metals continued to rise. Bank debits in 140 cities, excluding New York, were 4 percent larger in September than in August 1922, and 9 percent larger than in September 1921. Loans of reporting banks in leading cities show an increase of \$366,000,000 for the four weeks ending October 18, and demand deposits advanced \$245,000,000. Federal Reserve Bank Discounts for the four weeks ending October 25 increased \$49,000,000, and Note Circulation expanded by \$56,000,000. The reserve ratio shows a slight decrease from 78.4% to 77.6%.

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

### DISTRICT SUMMARY

In reviewing conditions in the interval of time that has elapsed since our last month's Review was written, the only unfavorable business indicator that is noticed in the Fifth District is the record of business failures for September, during which month 128 insolvencies occurred with liabilities of \$4,269,453. On the other hand, many signs of reviving activity in business stand out. Member banks are caring for seasonal demands of their customers with moderate rediscounting, and both demand and time deposits are showing an upward trend. Debits to individual account in banks of the leading cities reflect a growing volume of trade and consumption, with a consequent stimulation to many business activities. Labor is almost normally employed at wages that no longer are tending to decrease, but on the other hand are working toward higher levels in some industries and trades. Enough coal appears to be available to meet the needs, and the transportation of it is improving as the railroads return their repaired equipment to service and receive new rolling stock from builders. Textile mills are sold out several months ahead. Cotton prices have risen, and tobacco prices are ruling considerably higher than in 1921. Building operations continue on a record breaking scale for this season of the year, and much of the work is of a character that will keep workmen employed through the winter. Retail trade is ahead of the volume of business done last fall, and wholesale trade is picking up in proportion, as retailers gain confidence in their ability to move their stocks at profitable prices. Collections are steadily improving as the marketing of crops and improvement in employment conditions put more money into circulation. Finally, a factor that is aiding to bring the District back toward normal is a spirit of optimism and confidence in the future that is gradually spreading throughout the states in our territory.

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

ITEMS	October 4, 1922	Sept. 6, 1922	October 5, 1921
1. Total Loans and Discounts (exclusive of rediscounts) .....	\$ 427,204,000	\$ 424,060,000	\$ 415,583,000
2. Total Investments in Bonds and Securities .....	125,048,000	123,919,000	126,677,000
3. Total Loans and Investments .....	552,252,000	547,979,000	542,260,000
4. Reserve Balance with Federal Reserve Bank .....	36,162,000	33,687,000	31,139,000
5. Cash in Vaults .....	13,527,000	13,675,000	14,388,000
6. Demand Deposits .....	334,222,000	331,996,000	292,083,000
7. Time Deposits .....	145,999,000	143,422,000	122,050,000
8. Discounted with Federal Reserve Bank .....	17,490,000	10,178,000	69,222,000

Comparative figures giving the principal items of condition in seventy-nine regularly reporting member banks are shown in the accompanying table as of the close of business October 4 and September 6, 1922, and October 5, 1921, affording opportunities for comparing the current month with the corresponding dates a month ago and a year ago. The reporting banks are located in thirteen cities, and are identical for the three dates.

Comparing the figures as of October 4, 1922 with those reported for September 6, 1922, increases within the month are found in Total Loans and Discounts, in Total Investments in Bonds and Securities, in Reserve Balances with Federal Reserve Bank, and in both Demand and Time Deposits. An increase is also shown in Discounts with the Federal Reserve Bank. The increase in member banks' loans to customers and their rediscounts with the Reserve Bank is a natural development at crop moving time, and the increase in loans partly accounts for the increase in demand deposits.

A comparison of the October 4, 1922 figures with those reported for October 5, 1921 shows clearly the distinct gain in strength the reporting banks have made during the year, and also reflects the improved condition of their customers. Item 1, Total Loans and Discounts (exclusive of rediscounts) shows an increase within the year from \$415,583,000 on October 5, 1921 to \$427,204,000 on October 4, 1922, which at first thought might seem to indicate a weaker position on the part of the banks' customers, but both figures are exclusive of rediscounts, and when the rediscount totals are added to the outstanding loans shown in Item 1 in the table the improvement this year is apparent. In addition, agricultural products are bringing higher prices this year and therefore require more money to move them. The fact that these reporting member banks are caring for the seasonal demands of their customers with rediscounts amounting to only \$17,490,000 in comparison with rediscounts on October 5, 1921 amounting to \$69,222,000 shows to what a large degree credit conditions have improved during the year. The table further shows an increase in Reserve Balances with the Reserve Bank, and very gratifying gains in both demand and time deposits. As a whole, the figures show that considerable liquidation of last year's large volume of loans has been secured by the banks, and that the financial strength of the banks' customers has materially increased.

### SAVINGS BANK DEPOSITS

The reports from fifteen mutual savings banks in Baltimore showing total deposits at the end of September 1922 reflect the increased prosperity experienced by all classes during recent weeks. On September 30, 1922, the fifteen banks reported total deposits aggregating \$128,932,937, the highest figure reached for any month since the reporting banks began sending us figures in January 1920. On September 30, 1921, the deposits in the same banks totaled \$123,358,681, and on September 30, 1920, the total was \$120,404,508. Every month this year has shown an increase over the corresponding month of 1921, and every month this year except May showed an increase over the immediately preceding month.

### FEDERAL RESERVE BANK OPERATIONS

During the month from September 13, 1922 to October 18, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$111,753,176.18 to \$114,968,994.86. Between the same two dates, Total Bills on Hand increased from \$35,800,698.94 to \$44,503,863.08, a seasonal development due to demands for crop moving. Federal Reserve Notes in Actual Circulation rose to \$95,262,575 on October 18th from \$82,802,745 on September 13, another regular seasonal development. Member Bank Reserve Deposits increased from \$55,642,339.07 on September 15th to \$58,582,289.16 on October 18th, the increase being due chiefly to the higher reserves required because the deposits have increased in the member banks. The ratio of total reserves to Deposit and Federal Reserve Note Liabilities combined was 79.26% on September 13th, but dropped to 74.34% on October 18th, as a result of the increased reserve deposits and the increased issue of Federal Reserve Notes for use in moving the crops.

A year ago, on October 19, 1921, the reserve of the Federal Reserve Bank of Richmond had declined to about its legal minimum by reason of extraordinary accommodation to member banks and it had rediscounted or sold \$14,407,000 of its paper to other Reserve banks. On October 19, 1921, our Cash Reserves

were \$72,974,774.07; our Bills on Hand (exclusive of the \$14,407,000 rediscounted or sold) amounted to \$102,367,002.17; Federal Reserve Notes in Actual Circulation totaled \$103,173,095; and Member Bank Reserve Deposits amounted to \$51,991,763.15. Our adjusted reserve ratio was 44.76%, but if we had extended the same accommodation to our member banks without rediscounting with other Reserve Banks our reserve ratio would have been 35.92%, more than four percent lower than the requirement.

### DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	DEBITS FOR THE WEEK ENDING		
	October 4, 1922	Sept. 6, 1922	October 5, 1921
Asheville, N. C.....	\$ 4,655,000	\$ 3,989,000	\$ .....
Baltimore, Md.....	93,702,000	68,274,000	112,468,000
Charleston, S. C.....	5,841,000	5,684,000	6,186,000
Charleston, W. Va.....	9,190,000	5,966,000	.....
Charlotte, N. C.....	8,955,000	7,183,000	6,554,000
Columbia, S. C.....	6,692,000	4,114,000	6,591,000
Cumberland, Md.....	2,159,000	1,690,000	.....
Danville, Va.....	2,421,000	1,576,000	.....
Durham, N. C.....	4,361,000	5,641,000	.....
Greensboro, N. C.....	4,844,000	4,500,000	.....
Greenville, S. C.....	4,700,000	3,455,000	4,582,000
Hagerstown, Md.....	2,985,000	1,626,000	.....
Huntington, W. Va.....	5,315,000	3,931,000	4,393,000
Lynchburg, Va.....	5,478,000	3,347,000	.....
Newport News, Va.....	1,709,000	1,447,000	.....
Norfolk, Va.....	16,832,000	12,130,000	15,044,000
Raleigh, N. C.....	5,900,000	4,000,000	4,000,000
Richmond, Va.....	31,943,000	24,553,000	28,974,000
Roanoke, Va.....	5,418,000	5,163,000	.....
Spartanburg, S. C.....	2,871,000	1,506,000	.....
Washington, D. C.....	47,149,000	35,996,000	39,948,000
Wilmington, N. C.....	5,623,000	4,647,000	5,837,000
Winston-Salem, N. C.....	6,533,000	5,046,000	.....
Totals for 11 cities.....	\$ 232,652,000	\$ 173,967,000	\$ 234,577,000
Totals for 23 cities.....	285,276,000	215,464,000	.....

Debits to individual, firm and corporation accounts in the banks located in twenty-three cities are shown in the accompanying table for the weeks ending October 4 and September 6, 1922, and comparative figures are also shown from eleven of the reporting cities for the week ending October 5, 1921. A comparison of the figures for the week ending October 4, 1922 with those reported for the corresponding week of 1921 shows a total decline this year of \$1,925,000, or eight-tenths of one percent, but the decline is due entirely to a sharp decrease in Baltimore's figures and to minor decreases in Charleston, S. C., and Wilmington, N. C. On the other hand, eight of the eleven cities report increased debits during the October, 1922, week, the average increase for the eight cities amounting to 15.8%. These gains reflect the increased volume of trade that business is now enjoying, and would seem to indicate a greater purchasing power on the part of consumers, or a greater freedom in spending funds in hand for necessities or desired commodities. When times are hard and economic conditions are unsettled, careful people reduce expenditures even though they may have the money to gratify their needs, but when times appear to be improving, and people feel safer in their jobs, or in their ability to find other employment if necessary, there is a tendency to re-enter the market for goods that are desired. This quickens trade in all lines, and helps the development of the revival. Something of this sort appears to be happening now, to judge from the larger volume of payments being made through the banks, and from the distinct improvement in retail trade, of which we speak more fully in another section of this Review.

Debits reported by the twenty-three cities for the week ending October 4, 1922 show an increase of 32.4% over debits in the same cities during the week ending September 6, 1922, but a large part of this gain is due to end-of-quarter payments that were not due in September. The presence of these quarterly payments destroy the value of any comparison that could be made between debits the month mentioned, but the 32.4% increase in the Fifth District is larger than the national increase of 31.0%.

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

The figures on business failures given in the table herewith, furnished to us by Dun's Review, show a total of 1,566 bankruptcies in the United States during September, 1922, compared with 1,466 in September last year, an increase of 6.8%. Although the number of failures is larger than during the corresponding month of 1921, the September, 1922 total is the smallest number reported since the same month a year ago. The total of liabilities involved in the September, 1922 failures, amounting to \$36,908,126, is three-tenths

of one per cent less than the total of \$37,020,837 involved in the September, 1921 insolvencies, and is the lowest total of liabilities reported for any month since June, 1921. Of the twelve Federal Reserve Districts, six show fewer failures in September this year than last, and five show lower liabilities.

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1922	1921		1922	1921	
Boston, First.....	118	124	— 4.8	\$ 1,479,198	\$ 2,725,247	— 45.7
New York, Second.....	376	317	18.6	12,209,811	10,439,409	17.0
Philadelphia Third.....	61	63	— 3.2	1,107,680	978,713	13.2
Cleveland, Fourth.....	128	118	8.5	3,848,535	2,815,406	36.7
Richmond, Fifth.....	128	85	50.6	4,269,453	1,692,840	152.2
Atlanta, Sixth.....	120	125	— 4.0	2,765,041	2,328,764	18.7
Chicago, Seventh.....	212	179	18.4	3,863,884	6,777,026	— 43.0
St. Louis, Eighth.....	100	80	25.0	2,417,725	2,383,404	1.4
Minneapolis, Ninth.....	50	57	—12.3	575,947	980,471	— 41.3
Kansas City, Tenth.....	66	61	8.2	738,243	1,042,641	— 29.2
Dallas, Eleventh.....	70	104	—32.7	1,480,222	2,872,281	— 48.5
San Francisco, Twelfth.....	137	153	—10.5	2,152,387	1,984,635	8.5
Totals .....	1,566	1,466	6.8%	\$ 36,908,126	\$ 37,020,837	— 0.3%

In the Fifth District specifically, September, 1922 shows 128 insolvencies compared with 85 in September, 1921, an increase this year of 50.6%, but the 128 reported in September is the lowest number reported for any month since October, 1921. In liabilities, however, the total of \$4,269,453 reported for September in the Fifth District is the largest amount involved in any month since February of this year.

The average liability per failure in the Fifth District was \$33,355 during September, 1922 compared with \$14,346 in September, 1921, and the average liability in the United States was \$23,568 during September, 1922 compared with \$25,253 in September, 1921.

**COAL**—The United States Geological Survey, in its report on the production of bituminous and anthracite coal issued on October 14, 1922, states that “during the five weeks just closed the weekly output of soft coal has been at an almost uniform rate varying little from an average of about 9,780,000 tons.” The report further says, “Since the first of September coal has been offered for shipment up to the ability of the carriers to handle it.” The entire production of bituminous coal during 1922 to October 7th is estimated at 280,719,000 net tons, compared with 304,574,000 net tons produced during the same period in 1921.

September witnessed a settlement of the anthracite miners’ strike, and production has been steadily increasing each week. Production of anthracite during the second week of October (the fourth week after the strike) is estimated at 1,959,000 net tons, and preliminary reports for the period October 9-14 indicate a probable production of 2,000,000 tons. During 1922 to October 7th, the total production of anthracite amounted to 29,137,000 net tons, compared with 71,366,000 net tons produced during the same period in 1921.

The figures given in the preceding paragraphs show that the shortage of coal is much greater in anthracite than in bituminous varieties, a condition, of course, due to the steady operation of the non-union fields during the months of the strike. Many of the non-union mines are located in the Fifth District, in West Virginia, and to these and the other non-union mines in other districts the entire country largely owes its comparative freedom from actual danger of serious suffering during the coming winter, and from widespread shut-downs in industry while the strike was in progress.

**TEXTILES**—The demand for the product of the Fifth District textile mills continues good, and our correspondents say that most of the mills are sold up ahead until the end of the year. Orders have been offered for 1923 delivery, and a few mills have accepted some business that far ahead, but most of them are reluctant in signing contracts for delivery next spring. The mills are buying cotton more freely than they did a few weeks ago, and there are some indications that mills using cotton more than an inch long in fibre are beginning to find some difficulty in securing adequate supplies of that grade of cotton. Many of the mills are running both day and night shifts. Prices have tended to advance as orders came in more freely, but as yet the advances have been moderate.

In September the cotton growing states consumed 327,263 bales of cotton, compared with 295,198 bales used in the same states in September, 1921. Of the September, 1922 consumption, North Carolina used 104,336 bales, South Carolina consumed 78,629 bales, and Virginia used 10,342, a total consumption of 193,307 bales in the three textile manufacturing states of the Fifth District. The September consumption in the two Carolinas and Virginia was 59.1% of the total consumption in cotton growing states and was 39.0% of the total national consumption for that month.

Spindles active during September in the cotton growing states numbered 15,724,568, compared with 15,283,366 in September, 1921.

**COTTON**—A reduction of 440,000 bales during September in prospective cotton production was shown in the Department of Agriculture's forecast issued on October 3, giving estimates based on the September 25 condition of the crop. The condition was placed at 50% of a normal, indicating a probable yield of 10,-135,000 bales, compared with a condition of 57% reported as of August 25 this year and of 42.2% as of September 25 last year. The average condition for the years 1912-1921 as of September 25 was 59.5% of a normal. In Virginia the September 25 condition was 63%, in North Carolina 59%, and in South Carolina 38%. The South Carolina condition figure is the lowest reported for any state in the country except Georgia, which was one point lower. The combined yield for the three cotton growing states in the Fifth District, based on the September 25 report, is expected to be 1,372,000 bales compared with a production of 1,547,000 bales in 1921, a loss this year of 175,000 bales.

As was the case last month, the release of the Department of Agriculture's report had little influence upon the cotton market. The condition figures were closely in line with the average of several private reports that had previously been issued, and therefore the traders found nothing new in the figures.

The first ginning report of the season showed 3,883,006 bales ginned prior to September 25 this year, in comparison with 2,920,392 bales ginned before the same date last year. The figures show that the crop is opening faster than usual this year, and indicate that picking will be completed earlier even than last year, when the crop was gathered several weeks ahead of normal time. Nearly all crop reports state that the top crop this year will be very small, which further increases the probability of an unusually early completion of gathering.

During September and the first two weeks in October spot prices swung back and forth between an average of 20.47 cents and 21.84 cents per pound, middling basis. For the week ending September 2, the average price for middling paid in the Carolinas was 21.84 cents per pound, but the following week, ending September 9, the average declined to 20.90 cents. The week ending September 16 witnessed a partial recovery, the average reaching 21.27 cents, but again there followed a reaction to 20.87 cents for the week ending September 23, and a still lower swing to 20.47 for the period ending September 30. From that date, however, the movement has been upward, the average being 20.88 cents for the week ending October 7 and 21.32 cents for the week which closed October 14. Exact figures for the week ending October 21 are not yet available, but indications are that the rising tendency continued during that period. With prices ruling above twenty cents, farmers who are not pledged to sell through the co-operative association have been disposed to sell a considerable part of their cotton as fast as it was ginned, and it is likely that most of this year's crop will soon be either in the hands of co-operative associations or in secondary hands, which will tend to reduce the pressure of excessive spot offerings on the market.

The Census Bureau on October 14 gave out figures showing cotton consumption for September. American mills used 495,344 bales of lint and 59,833 bales of linters, compared with 484,718 bales of lint and 60,710 bales of linters in September last year. Cotton spindles active during September numbered 33,-296,513, compared with 33,874,620 in September 1921.

The South Carolina Cotton Growers Co-operative Association is functioning this year in that state, and many bales are being turned over to the Association on advances. For example, the Association officials have announced that on Saturday, October 7, they received and paid advances on 2,704 bales. This was the largest number of bales received during any one day up to that time, but it indicates the extent to which cotton is being turned over to the Association.

**TOBACCO**—All of the bright tobacco markets in the Carolinas and Virginia are now open, and the crop is being sold rapidly. The South Carolina crop has been about cleaned up. Weather has been favorable for marketing, and many warehouses have been hard pushed to clear their floors at the daily sales. During September the Virginia markets sold for producers a total of 1,585,313 pounds for an average of \$20.84 per hundred pounds, in comparison with 1,719,206 pounds sold in September 1921 at an average of \$16.69 per hundred. The Martinsville market reported a September average of \$27.58 per hundred, due chiefly to a subnormal amount of common grades in the receipts during the month. The sales mentioned above were made this year in 15 warehouses, compared with sales in 57 warehouses last year. A large number of warehouses that operated last year have been taken over by the Tobacco Growers' Co-operative Association, and receipts in them are not included in the sales figures.

Since the opening of the markets prices have been steadily rising as better grades came on the auction floors, and even the commoner grades have been more sought after than is usually the case. The Co-operative Association officials have announced a number of sales, though they have not given out any figures showing the number of pounds sold or the prices received. A recent statement was to the effect that a very large sale made by the Association to one of the largest tobacco companies had taken practically all of the tobacco received by the Association in South Carolina this year.

As we go to press, the price paid for all grades is averaging around \$30 per hundred pounds, with many sales running well above that figure.

**BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER, 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							
<b>MARYLAND</b>												
1	Baltimore.....	682	358	1,183	1,229	\$ 3,025,980	\$ 2,074,600	\$ 622,560	\$ 500,000	\$ 1,073,940	41.7%	1
2	Cumberland.....	25	27	13	21	63,585	125,305	6,520	11,630	— 66,830	— 48.8	2
3	Frederick.....	2	1	0	0	900	1,300	0	0	— 400	— 30.8	3
<b>VIRGINIA</b>												
4	Lynchburg.....	19	16	33	15	86,530	26,425	9,428	4,300	65,233	212.3	4
5	Norfolk.....	64	28	64	72	645,225	1,495,202	108,599	37,828	— 779,206	— 50.8	5
6	Richmond.....	153	126	120	120	1,261,465	687,111	99,682	99,786	574,250	73.0	6
7	Roanoke.....	107	*140	55		200,845	*392,315	22,710		— 168,760	— 43.0	7
<b>WEST VIRGINIA</b>												
8	Charleston.....	77	81	20	16	257,326	404,289	12,415	8,750	— 143,298	— 34.7	8
9	Clarksburg**.....	24		17		52,340		4,765				9
10	Huntington.....	84	*125	18		194,330	*157,434	9,090		45,986	29.2	10
11	Parkersburg.....					75,000	25,000	50,000	15,000	85,000	212.5	11
<b>NORTH CAROLINA</b>												
12	Asheville.....	49	62	38	38	205,520	229,406	12,000	20,312	— 32,198	— 12.9	12
13	Charlotte.....	*60	54		5	* 413,000	309,495		5,000	98,505	31.3	13
14	Durham.....	25	35	8	8	102,650	53,910	14,160	5,625	57,275	96.2	14
15	Greensboro.....	36	42	18	19	157,500	296,675	28,800	15,825	— 126,200	— 40.4	15
16	High Point.....	45	32	11	4	117,050	62,675	4,535	575	58,335	92.2	16
17	Wilmington.....	15	23	3	6	81,000	87,200	5,600	11,100	— 11,700	— 11.9	17
18	Winston-Salem.....	69	57	71	80	372,325	133,245	22,440	21,501	240,019	155.1	18
<b>SOUTH CAROLINA</b>												
19	Charleston.....	9	21	15	14	194,952	173,302	14,430	8,405	27,675	15.2	19
20	Columbia.....	23	35	112	11	70,250	135,192	23,365	21,492	— 63,069	— 40.3	20
21	Greenville.....	23	38	18	26	39,745	114,325	4,520	12,530	— 82,590	— 65.1	21
22	Spartanburg.....	38	34	31	27	55,988	84,365	5,283	3,948	— 27,042	— 30.6	22
<b>DIST. OF COLUMBIA</b>												
23	Washington.....	303	369	457	162	4,232,580	1,634,660	656,887	207,284	3,047,523	165.5	23
<b>Totals.....</b>		<b>1,908</b>	<b>1,704</b>	<b>2,288</b>	<b>1,873</b>	<b>\$11,853,746</b>	<b>\$8,703,431</b>	<b>\$1,733,024</b>	<b>\$1,010,891</b>	<b>\$ 3,872,448</b>	<b>39.9%</b>	

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

Building permit figures received from twenty-three of the leading cities of the Fifth Federal Reserve District for September show that for the second time in succession the record has been broken in the number of permits issued for the month of the year reported upon. June 1919 and May, June and August 1922 witnessed a larger number of permits for new construction, but the number issued in September is the largest number ever issued during that month of the year. Twenty-two cities for which comparative figures are available for former years, show 1,908 permits for new work issued in September 1922, in comparison with 1,704 permits for new construction in September 1921, 1,000 in September 1920, and 1,317 in September 1919. Total Valuation reported for new work in September amounted to \$11,853,746, compared with \$8,703,431 in September 1921, \$5,036,887 in September 1920, and \$6,344,650 in September 1919. The greater increase in total valuation in proportion to the number of permits issued indicates that large projects are being more frequently undertaken now than was the case during the past three years, when building construction costs were higher than they are at present. Including permits for alterations and repairs, the total valuation for all work for which permits were issued in September of this year amounted to \$13,586,770, compared with a total of \$9,714,322 in September 1921, an increase during the current month of \$3,872,448, or 39.9%.

Of the twenty-two cities for which comparative figures are available, eleven reported higher valuation figures for September 1922 than for September 1921, and nine reported a larger number of new construction permits. Most of the cities that reported lower figures for either total valuation or number of permits issued than during the corresponding month last year showed small decreases, the losses being more than made up by the large volume of work undertaken in Baltimore, Richmond and Washington, in which cities there appears to be no sign of any slump in the building activity that has been in evidence during the past spring and summer.

As a natural result of the continuation of construction work on an extensive scale in the District, dealers in every type of building material are continuing to receive many orders, and are pushed to keep up with their customers' demands. Traffic conditions are not all that might be desired, and are proving a handicap to some dealers in building materials.

## FIGURES ON RETAIL TRADE

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during September, compared with September, 1921..	10.6	21.6	7.3	8.8	10.6
Percentage increase in net sales from July 1, through September 30, compared with sales during the same three months of 1921.....	2.9	16.5	— 1.4	— 3.3	2.0
Percentage increase in net sales during Sept., 1922, over sales in August, 1922.....	29.8	19.1	16.7	12.8	21.9
Percentage increase in stocks on hand at the end of September, 1922, over stocks on hand at the end of September, 1921.....	— 6.1	— 7.6	4.9	— 8.2	— 3.2
Percentage increase in stocks on hand at the end of September, 1922, over stocks on hand at the end of August, 1922.....	15.7	11.6	12.0	11.3	13.4
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, three months.....	466.9	371.2	509.9	567.6	483.0
Percentage of outstanding orders at the end of September, 1922, to total purchases of merchandise during the year 1921.....	8.4	13.4	6.5	7.0	8.0

—Denotes decrease.

Confidential reports received from twenty-five department or general stores located in thirteen of the leading cities in the Fifth District show a distinct revival in retail trade circles during September in comparison with earlier months of this year and with the corresponding month a year ago. Part of the increase over previous months this year is seasonal, of course, as fall trade gets under way, but the gain over last year represents a real expansion in the volume of business now being done. Of the reporting stores, twenty showed larger sales in actual dollar value than in September 1921, the average increase for the District being 10.6%. Combining sales made in July, August and September, the District as a whole shows a gain this year of 2.0% over the corresponding three months of 1921. Of the cities which send us three or more reports, enabling us to make individual averages for those cities, Richmond leads in percentage of gain during September over September 1921 with an increase of 21.6%, Baltimore is second with an increase of 10.6%, and Washington is third with a gain of 7.3%. The Miscellaneous Cities, from each of which less than three reports are received, show an average increase of 8.8%. The seasonal expansion of retail trade is seen in the figures showing the increases in sales during September 1922 over sales in August of this year. Baltimore shows a gain of 29.8%, Richmond a gain of 19.1%, Washington a gain of 16.7%, the Miscellaneous Cities a gain of 12.8%, and the District averaged together a gain of 21.9%.

Average stocks on hand at the end of September 1922, in actual selling value, were 3.2% less than stocks on hand in the same stores a year ago, but were 13.4% larger than stocks on hand at the close of the previous month, August of this year. The percentage of average stock on hand at the end of each month this year since July 1, to average monthly net sales during the same three months, was 483.0%, and outstanding orders for merchandise at the end of September 1922 amounted to 8.0% of total purchases of merchandise during the calendar year 1921.

Betterment in economic conditions in agricultural sections is reflected in the increase of 8.8% in sales made by the reporting stores composing the Miscellaneous Cities group, in comparison with sales made by the same stores during September 1921. This is the first month since April 1921 in which the stores included in this group showed larger sales than for the corresponding month of the previous year.

Notes on expected developments made on the reports received from the co-operating stores this month indicate that nearly all of the owners or managers are confidently expecting a satisfactory volume of business during the coming season, some of the reason given for this belief being the great improvement in employment conditions, good prices for tobacco and cotton, and a generally improved psychological attitude on the part of consumers.

## WHOLESALE TRADE

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

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	45	15	19	19	10	13
Net sales (selling price) during Sept., 1922, compared with August, 1922.....	2.9	2.1	13.5	9.8	11.0	8.0
Net sales (selling price) during Sept., 1922, compared with September, 1921.....	- 0.2	- 8.5	- 8.5	9.2	45.3	3.5

—Denotes Decrease.

Reports received at the end of September from wholesale firms handling six leading lines do not show quite as much improvement over previous months of this year and the corresponding month last year as is shown by retail trade reports, treated elsewhere in this Review, but on the whole the showing is not unsatisfactory. For September we received figures from 45 grocery firms, 15 dry goods jobbers, 19 shoe jobbers, 19 hardware jobbers, 10 furniture factories, and 13 drug houses, a total of 121 reports.

All of the lines reported upon show increases in the dollar value of sales made in September over sales made in August of this year, though of course every individual firm that reported did not make gains. Groceries and dry goods reported small increases of 2.9% and 2.1%, respectively, but the other four lines made larger gains, shoe sales increasing 13.5%, hardware sales 9.8%, furniture sales 11.0%, and drug sales 8.0%.

In comparison with September 1921, three lines show gains in September 1922, while three lines fell under the 1921 figures. Grocery sales dropped 0.2% during the 1922 month under discussion, dry goods sales fell 8.5%, and shoe sales declined 8.5%. Hardware sales increased 9.2%, furniture jumped upward 45.3%, and drugs gained 3.5%.

One hundred and twenty-one firms classified their collections for September as Good, Fair, Slow or Poor. Of this number, 87.6% stated that their collections were either Good or Fair, compared with 82.4% so classified by practically the same firms in August and 81.7% so classified in July. The increase shows a distinct upward trend in collections, and since the classifications were made each month by the same firms the figures have value in spite of the general terms in which the classifications are made. We give below the classified reports by lines for September, and we have added the totals for August and 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	8	1	43
Dry Goods .....	3	11	2	0	16
Shoes .....	2	18	0	0	20
Hardware .....	5	12	2	0	19
Furniture .....	1	9	0	0	10
Drugs .....	4	7	2	0	13
September Totals .....	19	87	14	1	121
August Totals .....	14	84	17	4	119
July Totals .....	12	82	19	2	115

(Compiled October 21, 1922)