

# FEDERAL RESERVE BANK OF RICHMOND

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

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RICHMOND, VIRGINIA, NOVEMBER 29, 1922.

### NATIONAL SUMMARY\*

Substantial increases of productive activity are reported by basic industries during October. Due principally to increased activity in anthracite coal mining, mineral output was nineteen percent larger than in September. Production of pig iron and consumption of cotton were the largest in two years. The total number of railroad cars loaded was nearly at a maximum, yet car shortage on November first was the largest ever reported. Increased production in October has been accompanied by continued increase in the volume of employment. Average pay per worker was larger in many industries, due in most cases to an increase in hours of work. Steel mills, metal mines and building contractors still report a shortage of skilled laborers. Wholesale trade showed comparatively little change during October. Retail trade continued to be greater than a year ago and also larger than in September. Total payments by check for one hundred forty cities, not including New York, was eleven percent larger in October than in September and thirteen percent larger than in October 1921. The wholesale price index of the Bureau of Labor Statistics was 154 in October as compared with 153 in September and 142 in October 1921. Prices of farm products and clothing showed particularly large increases during October, while fuel prices continued to decline. The increased business activity has not been reflected in the movement of total loans of member banks in leading cities. There were slight increases in the Southern and Western districts and also in New England, but these increases were more than offset by reductions in other districts, especially in New York and Chicago. Rates on various classes of loans have remained firm or have shown a slight upward tendency. Demand and time deposits both decreased during the four weeks, though again Southern and Western districts recorded slight increases.

### DISTRICT SUMMARY

The outstanding development in business circles in the Fifth Reserve District during October and early November was the steady and substantial rise in cotton prices, the spot quotations in the two Carolinas advancing from an average of 20.88 cents per pound during the first week in October to 25.50 cents per pound during the week ending November 11th, a gain of approximately \$25 a bale in six weeks. Tobacco prices have also moved upward, and averaged \$30.41 per hundred pounds for bright leaf on Virginia markets during October. The influence of the improvement in the farmer's position is reflected in practically every line of commerce and industry in the District, and while it cannot be said that conditions are normal, it is clear that distinct progress toward a sound and safe volume of trade is being made. Reports received from member banks show that the majority of them are emerging from the toils in which they came involved by conditions arising out of the war, and are now in position to care for their customers' needs without excessive strain. Increases in both demand and time deposits show a healthy betterment in the economic status of the banking public, and increased debits to individual accounts reflect a growing volume of business transactions. Business failures in the Fifth District numbered 91 in October, compared with 109 during the same month last year. Labor is almost normally employed, and wages no longer show a declining tendency. Coal is being produced in sufficient quantities to meet current needs, and transportation facilities are gradually catching up with the demand for cars. Fifth District textile mills are leading the country in the number of active spindle hours, and tobacco factories are operating full time. Building operations continue to break records for this season of the year, and retailers and wholesalers are sharing in the generally increased trade activities. Reports from many sources indicate that the fall marketing of crops is distinctly improving the credit situation, and collections are becoming better throughout the District.

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

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

ITEMS	November 1, 1922	October 4, 1922	November 2, 1921
1. Total Loans and Discounts (exclusive of rediscounts) .....	\$ 431,136,000	\$ 427,204,000	\$ 417,053,000
2. Total Investments in Bonds and Securities .....	128,727,000	125,048,000	122,690,000
3. Total Loans and Investments .....	559,863,000	552,252,000	539,743,000
4. Reserve Balance with Federal Reserve Bank .....	36,523,000	36,162,000	29,750,000
5. Cash in Vaults .....	13,484,000	13,527,000	13,748,000
6. Demand Deposits .....	335,671,000	334,222,000	295,943,000
7. Time Deposits .....	147,784,000	145,999,000	128,186,000
8. Discounted with Federal Reserve Bank .....	18,280,000	17,490,000	58,292,000

Comparative figures giving the principal items of condition in seventy-eight regularly reporting member banks are shown in the accompanying table as of the close of business November 1st and October 4th, 1922, and November 2nd, 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 the figures for the three dates are comparable although the number of banks reporting is less at present than was the case a month and a year ago, the decrease being due to several consolidations of reporting banks.

A comparison of the figures reported for November 1st with those as of October 4th, both this year, shows normal seasonal changes. Within the month Total Loans and Discounts (exclusive of rediscounts) have increased moderately, and Rediscounts with the Reserve bank have also increased. At this season sales of agricultural products tend to reduce outstanding loans, but merchants set up a counter demand for funds with which to discount bills for fall merchandise, the mercantile borrowing exceeding the agricultural liquidation, as a rule. The past month also witnessed increases in Total Investments in Bonds and Securities, and in both Demand and Time Deposits, and as a consequence an increase in Reserve Balances with the Federal Reserve Bank. The only decrease shown in the above table during the past month is a small decline in Cash in Vaults, amounting to little more than a daily fluctuation.

A more interesting and instructive comparison is that between the November 1st, 1922, figures and those reported for November 2nd, 1921. If we combine the Total Loans and Discounts (exclusive of rediscounts) and the volume of Rediscounts, show in Items 1 and 8 respectively, we see that the reporting banks have reduced their loans to customers approximately \$25,000,000 within the year. In addition to this, the reporting banks have at present a smaller amount borrowed from other commercial banks than they had last year, which reflects the increased liquidation that has been secured above the \$25,000,000 mentioned previously. Further improvement in the position of the banks is reflected in the year's increase in Investments in Bonds and Securities, in Reserve Balances with the Federal Reserve Bank, in Demand Deposits and in Time Deposits. The increase in Time Deposits is especially striking in view of wide-spread unemployment that existed during most of the year under review.

### SAVINGS BANK DEPOSITS

The reports from fifteen mutual savings banks in Baltimore giving total deposits at the end of October, 1922, show the same upward trend mentioned in the preceding paragraph, in which substantial growth in time deposits in reporting member banks was pointed out. The Baltimore savings institutions had total deposits amounting to \$130,293,419 at the close of business October 31, 1922. This amount compares with \$122,881,047 on deposit in the same banks on October 31, 1921, and \$121,411,012 reported for October 31, 1920. Out of the fifteen reporting savings banks, eleven report larger deposits this year than on October 31, 1921, and in two of the remaining four institutions the decreases were very small.

### FEDERAL RESERVE BANK OPERATIONS

During the month from October 18, 1922 to November 15, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$114,968,994.86 to \$119,977,150.56. Total Bills on Hand varied only slightly during this period. Federal Reserve Notes in Actual Circulation show an increase from \$95,262,575 on October 18th to \$97,101,195 on November 15th, a regular seasonal expansion to meet the increased activity of business during the early winter. Member Bank Reserve Deposits increased from \$58,582,289.16 on October 18th to \$59,254,931.78 on November 15th, further reflecting the increase of deposits in the member banks, upon which percentage reserves have to be carried. The ratio of Total Reserves to Deposit and Federal Reserve Note Liabilities combined was 74.34% on October 18th, but increased to 75.64% on November 15th.

A year ago, on November 16, 1921, the reserve of the Federal Reserve Bank of Richmond had declined to 41.34%, and in addition it had rediscounted or sold \$5,000,000 of its paper to other Reserve banks. On November 16, 1921, our Cash Reserves were \$68,008,417.52; our Bills on Hand (exclusive of the \$5,000,000 rediscounted or sold) amounted \$104,077,801.36; Federal Reserve Notes in Actual Circulation totaled \$109,-

224,185; and Member Bank Reserve Deposits amounted to \$51,001,097.24. Although the demands for accommodation from our member banks had lessened by November, 1921, calls upon us were still sufficiently heavy to necessitate rediscounting with other Reserve banks to keep our reserve percentage up to the legal requirement.

### DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	DEBITS FOR THE WEEK ENDING		
	November 1, 1922	October 4, 1922	November 2, 1921
Asheville, N. C.....	\$ 4,277,000	\$ 4,655,000	\$ .....
Baltimore, Md.....	93,331,000	93,702,000	115,282,000
Charleston, S. C.....	4,891,000	5,841,000	5,899,000
Charleston, W. Va.....	8,265,000	9,190,000	.....
Charlotte, N. C.....	8,334,000	8,955,000	6,565,000
Columbia, S. C.....	5,539,000	6,692,000	5,357,000
Cumberland, Md.....	1,901,000	2,159,000	.....
Danville, Va.....	4,862,000	2,421,000	.....
Durham, N. C.....	4,738,000	4,361,000	.....
Greensboro, N. C.....	5,177,000	4,844,000	.....
Greenville, S. C.....	5,300,000	4,700,000	3,700,000
Hagerstown, Md.....	2,069,000	2,985,000	.....
Huntington, W. Va.....	5,671,000	5,315,000	6,873,000
Lynchburg, Va.....	4,295,000	5,478,000	.....
Newport News, Va.....	1,608,000	1,709,000	.....
Norfolk, Va.....	15,273,000	16,832,000	14,827,000
Raleigh, N. C.....	8,500,000	5,900,000	3,700,000
Richmond, Va.....	34,293,000	31,943,000	30,033,000
Roanoke, Va.....	5,819,000	5,418,000	.....
Spartanburg, S. C.....	3,597,000	2,871,000	.....
Washington, D. C.....	41,440,000	47,149,000	37,904,000
Wilmington, N. C.....	5,838,000	5,623,000	5,482,000
Winston-Salem, N. C.....	6,874,000	6,533,000	.....
Totals for 11 cities.....	\$ 228,410,000	\$ 232,652,000	\$ 235,622,000
Totals for 23 cities.....	281,892,000	285,276,000	.....

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 November 1st and October 4th, 1922, and comparative figures are also shown from eleven of the reporting cities for the week ending November 2nd, 1921. A comparison of the figures from the eleven cities for the week ending November 1st, 1922, with those reported for the corresponding week of 1921 shows a total decline this year of \$7,212,000, or 3.1%, but this decrease is partly due to the dates of the month upon which the two weeks closed. The week ending November 1st, 1922, does not include as large a volume of first of the month payments as the week ending November 2nd, 1922, many checks being given or mailed on the first that would not be deposited or cashed until the following day. But even with this unfavorable element operating against the figures for this year's week, only three of the eleven cities show decreases, these being Baltimore, Charleston, S. C., and Huntington, W. Va. Baltimore's figures are steadily running below last year's figures, chiefly due probably to a decline in foreign trade this year at that port, but excluding Baltimore the other ten cities show a gain in debits during the 1922 week of \$14,739,000, or 12.2%. This increase shows the healthy growth of domestic business during the past year, and reflects a greater confidence in the soundness of fundamental conditions.

Debits reported by the twenty-three cities for the week ending November 1, 1922, show a slight decrease under debits reported for the week ending October 4, 1922, but the decrease is accounted for by the difference in dates upon which the weeks ended, as explained in the preceding paragraph. The explanation given there applies even more forcibly in this case, however, since the week ending October 4th included practically all end-of-month items, even checks sent out of town having for the most part reached the banks upon which they were drawn by the close of that day.

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

The figures on business failures given in the table herewith, furnished to us by Dun's Review, show a total of 1,708 bankruptcies in the United States during October, 1922, compared with 1,713 in October last year, a decrease of three-tenths of one percent. The total of liabilities involved in the October, 1922 failures was \$34,647,438 compared with a total of \$53,058,659 involved in the October, 1921 insolvencies, a decrease this year of 34.7%. The total for October, 1922 is the lowest amount involved in any month's bankruptcies since June 1921. Five of the twelve Federal Reserve Districts show fewer failures in October 1922 than in October 1921, and eight districts report lower liabilities involved this year.

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1922	1921		1922	1921	
Boston, First.....	154	135	14.1	\$ 3,950,610	\$ 1,550,137	154.9
New York, Second.....	364	350	4.0	6,239,259	17,525,697	— 64.4
Philadelphia Third.....	76	77	— 1.3	2,122,521	7,890,928	— 73.1
Cleveland, Fourth.....	151	177	—14.7	5,653,108	2,613,018	116.3
Richmond, Fifth.....	91	109	—16.5	2,317,926	1,511,141	53.4
Atlanta, Sixth.....	119	153	—22.2	1,716,140	5,271,140	— 67.4
Chicago, Seventh.....	232	230	0.9	5,185,636	5,853,226	— 11.4
St. Louis, Eighth.....	91	88	3.4	1,661,606	1,117,815	48.6
Minneapolis, Ninth.....	86	70	22.9	1,496,211	1,833,103	— 18.4
Kansas City, Tenth.....	92	76	21.1	1,272,345	2,000,108	— 36.4
Dallas, Eleventh.....	91	109	—16.5	1,014,291	2,455,126	— 58.7
San Francisco, Twelfth.....	161	139	15.8	2,017,785	3,437,220	— 41.3
Totals.....	1,708	1,713	— 0.3%	\$ 34,647,438	\$ 53,058,659	— 34.7%

In the Fifth District specifically, October shows up well in comparison with recent months. The total number of failures reported in the District during October 1922 numbered 91, compared with 109 reported during October 1921, a decrease of 16.5% this year, but total liabilities involved in October of this year amounted to \$2,317,926 compared with \$1,511,141 in October 1921, an increase this year of 53.4%. In the number of failures, the October record is the best made in the Fifth District since September 1921, and in total valuation involved the October amount is lower than any other months since October of last year except June and August, 1922.

The average liability per failure in the Fifth District was \$25,471 during October 1922, compared with \$13,864 in October 1921, and the average liability in the United States was \$20,285 during October 1922, compared with \$30,974 in October 1921.

**LABOR**—Since our last paragraph on labor conditions was written, for inclusion in our September 30th issue of this Review, conditions have steadily improved, and there is now no unemployment problem in the Fifth District other than that of taking care of the usual number of floaters and unfortunates who never seem to fit in anywhere, no matter how much labor may be in demand or how many different openings there are for efficient workers. All of the railroads have either restored their striking shopmen or have filled their vacancies with new men. Coal mines are operating as fully as possible under existing traffic conditions. Textile mills in the Fifth District are operating on practically full schedules, and are employing their usual quota of operatives. Tobacco factories are busy, and the same is true of lumber plants, brick yards, and numerous other industries. Road and street work continues to give employment to many unskilled laborers, and building construction is holding up remarkably well for this season of the year, thus giving employment to hundreds of skilled men. In some lines shortages of labor are beginning to be noticed from time to time, and some wage advances have been made during the past two or three months as good men become increasingly hard to secure. It is interesting to note that employment agencies report that a much larger number of men are refusing work offered them than was the case during the first half of this year, it being possible for workers to exercise more choice at present in the type of employment they will accept than was previously the case. In Richmond, seventy-nine firms reported 16,879 persons on their pay rolls at the end of August, but by the end of October this number had increased to 17,833, a gain in two months of 954 persons.

**COAL**—The solution of the country's coal problem for the winter seems dependent upon the coal carrying ability of the railroads, as we stated in our Review last month in a quotation from a Geological Survey report. The mines are capable of mining more coal than the roads can haul, but the roads have been steadily increasing their car supply through repairs to old equipment and the purchase of new cars, and the weekly output of bituminous coal has reached a weekly average of approximately 11,000,000 tons. Indications are that this rate of production is sufficiently large to care for the country's actual needs, and perhaps to allow a small tonnage to go into storage against greater needs later in the winter, but it is clear that the supply of fuel for this winter will be largely a hand to mouth affair. Anthracite production is running somewhat above 1,800,000 tons a week. Prices of both bituminous and anthracite coal have advanced sharply to consumers, the advance in Richmond amounting to something like \$1.50 to \$2 a ton over last year's prices.

The United States Geological Survey, in its report of November 18th, gives the following figures on production of soft coal during the first 266 working days of the past six years:

1917.....	476,524,000 tons	1920.....	470,053,000 tons
1918.....	510,202,000 tons	1921.....	354,209,000 tons
1919.....	410,402,000 tons	1922.....	332,668,000 tons

The year's production of anthracite coal to date is far below the bituminous production, in comparison with other years. The Geological Survey estimates the output for 1922 during the first 266 working days as 38,845,000 net tons, compared with 79,917,000 net tons produced during the same period in 1921.

**TEXTILES**—Every sign indicates that the textile mills in the Fifth District are experiencing a revival of profitable business after the slump during 1921 and early 1922. Mill authorities report plenty of orders to take their output, and most of the mills are operating to capacity. The prices of mill stocks have advanced quite generally and materially during the past two or three months, and this has strengthened banks that had taken stocks as collateral on loans. Mills are buying cotton more freely than they did earlier in the season, and are advancing prices on manufactured goods as the raw materials advance. While some of our correspondents among mill operators fear that advancing prices made necessary by the restricted supply of cotton may tend to reduce the demand for cotton fabrics, all of them agree that the outlook in the trade is good, and is much better than at this time last year or the year before.

In October the cotton growing states consumed 346,435 bales of lint, compared with 297,101 bales used in October 1921, an increase of nearly 50,000 bales. Of the 346,435 bales consumed in October of this year, the two Carolinas and Virginia used 200,460 bales, or 57.9% of the total consumption in the cotton growing states. The Fifth District consumption in October was 37.5% of the entire national consumption, a remarkable evidence of the activity of the mills in our territory in view of the fact that the number of spindles in the Fifth District is only 29.7% of the total number of spindles in the United States.

Active spindles during October 1922 in the cotton growing states numbered 15,831,959, compared with 15,391,979 in October 1921 and 15,724,568 in September of this year. Active spindle hours in the cotton growing states averaged 284 per spindle in October compared with 270 in September, and in all other states the average was 177 in October compared with 163 in September. In North Carolina the average spindle hours per spindle in place in October was 298, in South Carolina 284, and in Virginia 239. The national average was 233.

**COTTON**—Since the October 31st issue of this Review was written, in which we discussed spot cotton prices through October 14th, there has been a steady upward movement in the market. As we stated last month, the average price actually paid for middling short staple cotton in the two Carolinas during the week ending October 14th was 21.32 cents per pound, but the following week, ending October 21st, the average rose to 22.70 cents, and further increased to an average of 23.50 cents during the last week of the month, ending October 28th. The first week in November, ending on the fourth, averaged 24.35 cents, and the week ending November 11th witnessed an average of 25.50 cents.

The Census Bureau's ginning report showing the number of bales ginned prior to November 1st was given out Wednesday, November 8th, and was received by cotton interests as decidedly bullish. The report stated that total ginnings to November 1st had been 8,139,839 bales, compared with a rather wide-spread expectation of a total of about 8,300,000 bales. Following the release of the report, trade buying picked up distinctly, and has absorbed all offerings on sporadic breaks in the market.

On November 14th the Census Bureau gave out October's cotton consumption figures. The report showed the largest monthly consumption since June 1920, a total of 533,950 bales of lint having been used by American manufacturers during October, compared with 494,317 bales used during the same month last year. Cotton spindles active during October numbered 33,859,076, compared with 34,206,179 in October last year.

Early in the season cotton growers sold their cotton freely as it was ginned but most of the farmers' distress cotton having been disposed of, the growers are now showing a strong inclination to hold the remainder of the crop for higher prices. A considerable percentage of the crop in South Carolina is going into the co-operative warehouses, and the Commissioner in charge of the State Warehouse system states that many thousands of bales are being stored in addition to the cotton turned over to the Co-operative Association.

**TOBACCO**—October witnessed the opening of dark tobacco markets in Virginia, and a continuation of the brisk sales in bright markets. Unfavorable weather held down sales to some extent but the warehouses had about all the offerings they could handle. During October the Virginia markets sold for producers a total of 19,153,008 pounds of bright tobacco at an average of \$30.41 per hundred, and 1,850,109 pounds of dark tobacco at an average of \$17.36. The highest average for bright leaf was reported from Danville, the figures being \$33.30 per hundred, and Lynchburg led the dark markets with an average of \$19.00 per hundred. October prices were somewhat higher than those realized in September as the grade of tobacco sold was somewhat better. October prices averaged \$3.24 per hundred higher than prices for bright tobacco in October last year, and \$5.57 per hundred higher in the dark markets. As in last month's figures, given in our Review released October 31st, the figures presented for October do not include receipts or sales made by the Tobacco Growers' Co-Operative Association.

Reports from various warehouses indicate that practically all grades of tobacco are in good demand this year, and with a relatively large crop for sale the farmers, especially in Virginia, are recovering from last year's disaster. The 1922 crop in Virginia is officially estimated at 161,975,000 pounds compared with total sales last year of 96,634,000 pounds, and with continued higher prices this year the growers will receive more than twice the amount of money gotten for their 1921 crop.

## BUILDING OPERATIONS FOR THE MONTHS OF OCTOBER, 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.....	456	425	1,176	1,219	\$ 3,214,560	\$ 1,170,000	\$ 595,920	\$ 606,000	\$ 2,034,480	114.6%	1
2	Cumberland.....	25	28	17	13	133,532	138,875	3,790	8,120	— 9,673	— 6.6	2
3	Frederick.....	4	4	3	0	1,150	28,435	6,250	0	— 21,035	— 74.0	3
<b>VIRGINIA</b>												
4	Lynchburg.....	17	17	34	17	15,010	41,650	32,739	36,300	— 30,201	— 38.7	4
5	Norfolk.....	94	71	58	39	314,730	214,800	38,110	55,330	82,710	30.6	5
6	Richmond.....	157	105	110	98	733,525	464,515	121,400	89,368	301,042	54.4	6
7	Roanoke.....	77	*170	47		147,585	*262,318	10,251		— 104,482	— 39.8	7
<b>WEST VIRGINIA</b>												
8	Charleston.....	80	86	26	14	152,963	160,873	13,562	9,425	— 3,773	— 2.2	8
9	Clarksburg.....	31	31	15	27	163,865	75,025	6,605	12,100	83,345	95.7	9
10	Huntington.....	106	*153	18		365,670	*423,193	5,055		— 52,468	— 12.4	10
11	Parkersburg.....					50,000	25,000	20,000	15,000	30,000	75.0	11
<b>NORTH CAROLINA</b>												
12	Asheville.....	35	64	38	17	112,235	95,268	17,000	11,268	22,699	21.3	12
13	Charlotte.....	36	38	8	6	245,335	250,320	11,500	64,680	— 58,165	— 18.5	13
14	Durham.....	25	26	2	6	95,167	66,800	2,850	4,850	26,367	36.8	14
15	Greensboro.....	35	31	35	12	224,330	208,620	19,461	5,115	30,056	14.1	15
16	High Point.....	39	23	4	9	161,150	67,550	2,150	4,575	91,175	126.4	16
17	Wilmington.....	19	13	4	5	70,500	62,000	13,500	8,500	13,500	19.1	17
18	Winston-Salem.....	56	50	109	95	483,451	124,380	45,067	31,695	372,443	238.6	18
<b>SOUTH CAROLINA</b>												
19	Charleston.....	14	27	13	26	42,875	113,231	4,600	20,327	— 86,083	— 64.5	19
20	Columbia.....	27	27	110	96	82,075	80,900	26,854	36,239	— 8,210	— 7.0	20
21	Greenville.....	27	24	20	28	64,005	254,560	5,525	14,650	— 199,680	— 74.2	21
22	Spartanburg.....	34	58	51	24	40,690	77,321	8,950	4,400	— 32,081	— 39.3	22
<b>DIST. OF COLUMBIA</b>												
23	Washington.....	451	259	426	500	3,209,636	3,128,315	156,617	256,293	— 18,355	— 0.5	23
<b>Totals.....</b>		<b>1,845</b>	<b>1,730</b>	<b>2,324</b>	<b>2,251</b>	<b>\$10,124,039</b>	<b>\$7,533,949</b>	<b>\$1,167,756</b>	<b>\$1,294,235</b>	<b>\$ 2,463,611</b>	<b>27.9%</b>	

\*Includes both new work and repairs. —Denotes Decrease.

Building permit figures received from twenty-three of the leading cities of the Fifth Federal Reserve District for October show that for the third time in succession the record for the month of the year reported upon has been broken in the number of permits for new construction, October's total being higher than the number for any other October since comparative figures have been kept. The twenty-three cities report 1,845 permits for new work issued in October, with estimated valuation of \$10,124,039, compared with 1,730 permits issued in October, 1921, with estimated valuation of \$7,533,949. October of this year witnessed 2,324 permits for alterations or repairs, valued at \$1,167,756, compared with 2,251 permits issued during the corresponding month last year, valued at \$1,294,235. In combined valuation of both new work and alterations or repairs, October, 1922 totals amounted to \$11,291,795, compared with \$8,828,184 in October, 1921, a gain this year of \$2,463,611, or 27.9%.

Of the twenty-three cities, nine report a larger number of permits for new work than in October, 1921, four report exactly the same number, and ten report a lower number. In total valuation, twelve of the reporting cities show lower figures this year while eleven report higher figures. The gains in both number of permits and total valuation more than counter balance the losses, however, as the totals quoted in the preceding paragraph show clearly. In Maryland two of the three reporting cities show lower total valuation figures this year, two of the four Virginia cities report losses, two of the four West Virginia cities fell under the October, 1921 figures, and all four of the South Carolina cities fell under last year's totals. Washington also shows a loss this year in combined valuation of new work and repairs, but in new work alone shows a large gain in the number of permits issued and a small increase in the valuation. In North Carolina, the record is the best, with only one of the seven reporting cities showing a decline under valuation figures for October, 1921.

Business in all types of building material continues good, and the winter slump in this field is now expected to be less noticed this year than usual. By the time projects just getting under way are completed the beginning of the seasonal revival for spring will be felt, and therefore the outlook in the construction material field is brighter than might be expected at this time of the year.

## FIGURES ON RETAIL TRADE

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during October, compared with October, 1921 .....	4.1	5.7	— 5.1	— 2.0	0.6
Percentage increase in net sales from July 1, through October 31, compared with sales during the same four months of 1921.....	3.3	12.9	— 2.7	— 2.9	1.5
Percentage increase in net sales during October, 1922, over sales in Sept., 1922.....	36.1	16.9	32.1	24.5	30.9
Percentage increase in stocks on hand at the end of October, 1922, over stocks on hand at the end of October, 1921.....	2.5	— 6.4	11.7	— 8.4	2.6
Percentage increase in stocks on hand at the end of October, 1922, over stocks on hand at the end of September, 1922.....	11.4	12.6	6.9	4.4	8.3
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, four months.....	425.2	357.0	478.3	535.3	448.6
Percentage of outstanding orders at the end of October, 1922, to total purchases of merchandise during the year 1921.....	8.6	10.6	7.0	6.7	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 big gain in the volume of business done in October compared with September, the increase in the dollar amount of sales being 36.1% in Baltimore, 16.9% in Richmond, 32.1% in Washington, 24.5% in the Miscellaneous Cities, and 30.9% average for the entire District. This increase is of course largely seasonal, but it proves that fall business is developing normally. In comparison with sales made in October, 1921, the current month this year does not show as great an increase as September showed over the corresponding month a year ago, October, 1922 showing an increase of only six-tenths of one per cent in sales over those reported for October, 1921. Baltimore reported a gain this year of 4.1% and Richmond a gain of 5.7%, but Washington lost 5.1% and the Miscellaneous Cities fell 2.0% under October, 1921. In cumulative sales from July 1 through October 31, 1922, Baltimore reports a gain of 3.3% over sales during the same four months of 1921, Richmond shows a gain of 12.9%, Washington a decrease of 2.7%, and the Miscellaneous Cities a loss of 2.9%. The District as a whole shows a gain of 1.5%.

The amount of stock on hand, selling value, for the District as a whole was 2.6% greater at the end of October, 1922 than at the end of October, 1921, and 8.3% greater than at the end of September of this year. Richmond and the Miscellaneous Cities show lower stock totals than a year ago, but Baltimore and Washington show increases. In the rapidity of stock turn-over during the past four months, the reporting stores in Richmond are distinctly in the lead, the percentage of stock on hand at the end of each month since July 1 this year to average monthly net sales during the same period being 357.0%, compared with 425.2% in Baltimore, 478.3% in Washington, and 535.3% in the group of Miscellaneous Cities. The average for the District is 448.6%.

Outstanding orders for merchandise at the end of October were approximately the same as at the end of September, averaging for the District 8.0% of total purchases of merchandise during the calendar year 1921.

## WHOLESALE TRADE

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

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	45	15	20	16	7	12
Net sales (selling price) during Oct., 1922, compared with September, 1922.....	3.2	— 6.7	— 3.5	— 0.5	13.0	1.7
Net sales (selling price) during Oct., 1922, compared with October, 1921.....	0.3	— 7.1	—17.9	3.8	66.8	3.5

—Denotes Decrease.

At the end of October we received reports from 45 wholesale grocers, 15 dry goods jobbers, 20 shoe jobbers, 16 hardware jobbers, 7 furniture factories, and 12 wholesale drug firms, a total of 115 reports. These showed net sales in October, 1922 in comparison with sales made by the same firms in October of last year and September of this year.

Comparing October, 1922 sales with those made in September, 1922, groceries show a gain during the more recent month of 3.2%, dry goods a decline of 6.7%, shoes a loss of 3.5%, hardware a decrease of 0.5%, furniture an increase of 13.0%, and drugs a gain of 1.7%. Compared with sales in October, 1921, sales in October, 1922 show a gain in grocery lines of 0.3%, losses of 7.1% in dry goods and 17.9% in shoes, and increases of 3.8% in hardware, of 66.8% in furniture, and of 3.5% in drugs.

One hundred and seventeen firms classified their collections for October as Good, Fair, Slow or Poor. Of this number, 88.9% stated that their collections were either Good or Fair, compared with 87.6% so classified by practically the same firms in September, 82.4% so classified in August, and 81.7% in July. For the first time in many months, no firm reported collections definitely Poor, and the sharp increase in the number of firms that moved from the Fair to the Good classification is evidence of improving conditions in the credit field. We give below the classified reports by lines for October, to which we have added the totals for September, 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 .....	7	28	10	0	45
Dry Goods .....	4	10	1	0	15
Shoes .....	4	16	1	0	21
Hardware .....	6	10	0	0	16
Furniture .....	2	6	0	0	8
Drugs .....	4	7	1	0	12
October Totals .....	27	77	13	0	117
September Totals .....	19	87	14	1	121
August Totals .....	14	84	17	4	119
July Totals .....	12	82	19	2	115

(Compiled November 20, 1922)