

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, DECEMBER 30, 1922.

DISTRICT SUMMARY

In comparison with the previous months this year, and with the corresponding month last year, November 1922 stands out as a distinctly favorable business month in the Fifth Federal Reserve District. Almost without exception reports reaching us this month indicate at least normal activity for this season of the year, and many lines reported considerably greater activity than customary during this winter month.

Condition reports of member banks in leading cities show improvement in every item over those of a year ago, and indicate ample ability to meet the needs of customers. The increased deposits and decreased loans in the reporting banks also indicate that the customers of the institutions are in much better shape than they were in November 1921. Reserve bank statements show of course greatly increased reserves and decreased rediscounts in comparison with last year, and the Richmond Reserve bank's reserve ratio has increased from 46.15% as of December 14, 1921, to 71.56% as of December 13, 1922. Debits to individual accounts, representing the volume of commercial transactions made by check, indicate a larger volume of business during November of this year than during the same month last year. Finally, the business failure record in the District was distinctly better during November 1922 than in November 1921, the number of failures declining 15.4% and the amount of total liabilities involved decreasing 23.2%.

In addition to these improvements, all of which were chiefly of a financial character, other indications of steady progress are visible in many directions. Labor is almost normally employed now, in contrast with the widespread unemployment that was a serious problem a year ago, and wages appear to be reacting from the low point reached last winter and spring. Costs of living are considerably lower than during 1919 and early 1920, and are on the whole probably no higher than a year ago. Coal is con-

siderably higher to consumers than in November 1921. Notwithstanding the long strike during the past summer, soft coal is available in sufficient quantities to meet the needs of householders and industries. The Fifth District textile mills are securing practically all the forward orders they care to accept at present price levels, and in November these mills consumed 211,136 bales of cotton out of a national consumption of 577,561 bales. Cotton and tobacco prices are much above those of last year, and with larger cotton yields in North Carolina and Virginia and a much larger tobacco crop than in 1921, the farmers' purchasing power is greatly improved, except in South Carolina where this year's cotton crop is less than half of that state's normal production. Building operations continue in record breaking volume for this season of the year, and all industries dependent upon construction work are enjoying an unusual prosperity for winter time, when building normally shows a far more decided slump than has been experienced this year. Retail trade, as indicated by reports from department and general stores located in thirteen of the leading cities of the District, shows that the public is buying more goods than was bought last year, and the stores are operating on slightly less capital represented in stocks on the shelves. Every reporting line of wholesale trade shows larger sales in November 1922 than in November 1921, the retailers being forced to place a large number of refilling orders to keep their stocks complete. Wholesalers also report a greater willingness on the part of retailers to anticipate their needs, indicating a growing feeling of confidence in the near future. On the whole, business in the Fifth Reserve District appears to have turned distinctly upward from the depression of late 1920 and 1921, and is now going forward steadily and confidently.

The National Summary, previously carried on this page, has been considerably expanded and will be found on pages 10 and 11.

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

ITEMS	December 6, 1922	November 1, 1922	December 7, 1921
1. Total Loans and Discounts (exclusive of rediscounts)	\$ 435,245,000	\$ 431,136,000	\$ 413,703,000
2. Total Investments in Bonds and Securities	129,432,000	128,727,000	119,356,000
3. Total Loans and Investments	564,677,000	559,863,000	533,059,000
4. Reserve Balance with Federal Reserve Bank	35,242,000	36,523,000	32,064,000
5. Cash in Vaults	15,161,000	13,484,000	14,559,000
6. Demand Deposits	336,539,000	335,671,000	300,329,000
7. Time Deposits	146,022,000	147,784,000	125,523,000
8. Discounted with Federal Reserve Bank	24,387,000	18,280,000	53,103,000

Comparative figures giving the principal items of condition in seventy-eight regularly reporting member banks are shown in the above table as of the close of business December 6th and November 1st, 1922, and December 7th, 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, representing all sections of the Fifth District. The figures for the three dates are comparable, although in December, 1921 eighty-two banks were reporting, but the decrease in the number of banks this year is due to consolidations and therefore does not materially affect the comparisons presented in the table.

A comparison of the figures reported for December 6th, 1922, with those reported as of November 1st this year shows the usual seasonal changes. Within the month Total Loans and Discounts (exclusive of rediscounts) increased from \$431,136,000 reported on November 1st to \$435,245,000 on December 6th, and Rediscounts with the Reserve Bank also increased, rising from \$18,280,000 on November 1st to \$24,387,000 on December 6th. As we stated last month, at this season mercantile borrowing for the discounting of bills usually overbalances agricultural liquidation, and probably the volume of cotton and tobacco held in co-operative warehouses is tending to make the liquidation caused by the sales of agricultural products somewhat slower this year than heretofore. The past month also witnessed increases in Total Investments in Bonds and Securities, and in Demand Deposits, but for the first time in many months Time Deposits show a decrease, this decline being due to seasonal withdrawals at the approach of Christmas, and to transfers of Christmas savings from time to demand deposits on the books of the banks. Cash in Vaults shows a natural increase during the month, the banks carrying more cash at this season than usual in order to supply the heavy demands for cash for shopping purposes. Reserves with the Federal Reserve Bank show a decrease between November 1st and December 6th, but the decline is comparatively small, and is due to an increased use of credit.

A comparison of the December 6th, 1922 figures with those reported a year ago, on December 7th, 1921, shows important changes, and all of them reflect improvement in the position of the banks. If we combine Total Loans and Discounts (exclusive of rediscounts) and the volume of Rediscounts with the Federal Reserve Bank only shown in Items 1 and 8 respectively, a decrease is shown of \$7,174,000 in outstanding loans during the year, but there has been a greater liquidation than that figure indicates, since most of the reporting banks were carrying last year considerably larger rediscounts with other commercial banks than they are carrying this year. Further strength 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 Cash in Vaults, and in both Demand and Time Deposits.

SAVINGS BANK DEPOSITS

The reports from fifteen mutual savings banks in Baltimore giving total deposits at the end of November 1922 show the same seasonal decline mentioned in the preceding paragraph, in which withdrawals from time deposits for Christmas shopping was pointed out, but the decrease is comparatively small, amounting to only three-tenths of one percent of total deposits held by the fifteen reporting institutions on October 31st, 1922. These Baltimore savings banks had deposits totaling \$129,871,328 at the close of business November 29th, 1922, the last business day of that month. This amount compares with \$122,701,287 on deposit in the same banks on the corresponding date in 1921, and \$121,573,303 reported for November 30th, 1920.

FEDERAL RESERVE BANK OPERATIONS

During the month from November 15, 1922 to December 13, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond declined from \$119,977,150.56 to \$113,945,084.36, and Member Bank Reserve Deposits decreased from \$59,254,931.78 to \$57,893,851.51. On the other hand, Total Bills on Hand increased from \$44,043,404.81 on November 15th to \$51,164,318.96 on December 13th, and Federal Reserve Notes in Actual Circulation rose between the same dates from \$97,101,195 to \$99,044,900. The ratio of Total Reserves to Deposit and Federal Reserve Note Liabilities combined was 75.64% on November 15th, but declined to 71.56% on December 13th, since which date the ratio has further declined.

A year ago, on December 14, 1921, the reserve of the Federal Reserve Bank of Richmond stood at 46.15%, but we had paid off all rediscounts with other Reserve Banks and were operating entirely on our own resources. On December 14, 1921, our Cash Reserves were \$74,933,805.12; our Bills on Hand amounted to \$96,231,775.28; Federal Reserve Notes in Actual Circulation totaled \$108,310,645 and Member Bank Reserve Deposits amounted to \$50,615,378.57. That general business now exhibits an expanding tendency in contrast with a contracting tendency that was still visible a year ago is evidenced by the changes noted in the Reserve Bank's operations in November 1922 in comparison with the November, 1921 developments. Last year liquidation was greater than new borrowing in November, and our reserve ratio rose, but this year greater mercantile activity has caused borrowing to exceed the volume of agricultural liquidation, and our reserve position shows a decline during the 1922 month under discussion. This expansion is a usual development at this season of the year, however, and would seem to indicate that business is moving along the regular seasonal channel more smoothly than in recent years.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	December 6, 1922	November 8, 1922	December 7, 1921
Asheville, N. C.....	\$ 18,087,000	\$ 18,279,000	\$
Baltimore, Md.....	334,784,000	336,080,000	421,647,000
Charleston, S. C.....	28,175,000	19,553,000	21,284,000
Charleston, W. Va.....	37,519,000	34,863,000	.....
Charlotte, N. C.....	35,166,000	34,602,000	26,110,000
Columbia, S. C.....	21,053,000	23,650,000	19,247,000
Cumberland, Md.....	7,767,000	7,528,000	.....
Danville, Va.....	13,144,000	15,255,000	.....
Durham, N. C.....	20,637,000	20,528,000	.....
Greensboro, N. C.....	22,309,000	19,728,000	.....
Greenville, S. C.....	22,198,000	20,000,000	15,256,000
Hagerstown, Md.....	8,309,000	8,531,000	.....
Huntington, W. Va.....	22,798,000	22,303,000	18,438,000
Lynchburg, Va.....	18,499,000	17,254,000	.....
Newport News, Va.....	7,467,000	6,233,000	.....
Norfolk, Va.....	71,410,000	65,780,000	64,017,000
Raleigh, N. C.....	26,100,000	28,850,000	13,550,000
Richmond, Va.....	129,966,000	133,282,000	128,343,000
Roanoke, Va.....	23,352,000	23,235,000	.....
Spartanburg, S. C.....	10,565,000	12,339,000	.....
Washington, D. C.....	167,751,000	169,907,000	149,608,000
Wilmington, N. C.....	22,876,000	24,148,000	19,861,000
Winston-Salem, N. C.....	26,721,000	31,604,000	.....
Totals for 11 cities.....	\$ 882,277,000	\$ 878,155,000	\$ 897,361,000
Totals for 23 cities.....	1,096,653,000	1,093,532,000	.....

This month we are changing the method of presenting debits to individual accounts figures in the banks located in twenty-three leading trade centers of the Fifth Federal Reserve District. Heretofore we have shown figures in our Review for the first week of each month, and for comparative purposes have also included figures from the same cities during the corresponding week of the previous year and the previous month. Realizing that our former method of presentation did not offer an opportunity for readers of the Review to calculate total annual debits for comparisons between cities, we will hereafter show each month totals covering four or five weeks instead of totals for a single week. This will enable any interested person to add together the twelve figures published in our issues for any year, and get the approximate total of debits for any city shown in the table during the period of time covered. Figures used in this table are wired to us each week by clearing house managers in the reporting centers, and include debits from Thursday morning through the following Wednesday. In selecting the four weeks to combine for the figures shown in the accompanying table, an effort was made to get the latest figures that could be included in the Review, and also to have the periods covered represent as nearly the same days during the months reported upon as possible.

In the accompanying table, total debits in twenty-three cities of the Fifth District are given for the four weeks ending December 6, 1922 and also for the four weeks ending November 8, 1922. In addition, figures for the four weeks ending December 7, 1921, are given for eleven of the reporting cities. Comparing the four weeks ending December 6th with the period ending November 8th, both this year, an increase of slightly more than \$3,000,000 is shown, total debits having increased from \$1,093,532,000 during the four weeks ending November 8th to \$1,096,653,000 during the four weeks ending December 6th.

Comparing the totals reported by the eleven cities for which 1921 figures are available, a decrease is shown from \$897,361,000 during the four weeks ending December 7, 1921 to \$882,277,000 for the four weeks ending December 6, 1922. Excluding Baltimore, the other ten cities average a gain during the four weeks of this year amounting to 15%, a very gratifying indication of the larger volume of business being done

throughout the District this year in comparison with last year. Debits to individual accounts figures apparently indicate that revival in business has been more pronounced in the smaller cities than in the larger ones, which is probably due to the fact that the smaller cities depend more largely upon prosperity among the farmers for their trade. In spite of tremendous boll weevil damage on the farms in the southern part of the Fifth District, the average condition of farmers in the Fifth District is much better than it was a year ago, due chiefly to the large increase in tobacco and fruit production this year, to a large cotton crop in North Carolina, and to higher prices received for both cotton and tobacco during the present season than during the fall of 1921.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS NOVEMBER, 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.....	149	132	12.9	\$ 2,652,701	\$ 2,302,167	15.2
New York, Second.....	344	368	— 6.5	9,548,910	7,672,732	24.5
Philadelphia Third.....	81	102	—20.6	2,945,345	2,944,372	0.03
Cleveland, Fourth.....	122	141	—13.5	6,395,906	10,689,437	— 40.2
Richmond, Fifth.....	121	143	—15.4	2,938,562	3,825,412	— 23.2
Atlanta, Sixth.....	122	204	—40.2	1,928,165	3,711,252	— 48.1
Chicago, Seventh.....	236	238	— 0.8	5,928,921	7,651,665	— 22.5
St. Louis, Eighth.....	120	98	22.4	2,060,085	2,028,340	1.6
Minneapolis, Ninth.....	82	120	—31.7	1,270,805	3,413,504	— 62.8
Kansas City, Tenth.....	74	100	—26.0	753,984	2,373,700	— 68.2
Dallas, Eleventh.....	83	145	—42.8	1,361,108	3,484,803	— 60.9
San Francisco, Twelfth.....	203	197	3.0	2,480,805	3,372,455	— 26.4
Totals.....	1,737	1,988	—12.6%	\$ 40,265,297	\$ 53,469,839	— 24.7%

The figures on business failures given in the table herewith, furnished to us by Dun's Review, show a total of 1,737 bankruptcies in the United States during November 1922, compared with 1,988 in November last year, a decrease this year of 12.6%. The total of liabilities involved in the November 1922 failures was \$40,265,297, compared with a total of \$53,469,839 involved in the November 1921 insolvencies, a decrease this year of 24.7%. Nine of the twelve Federal Reserve Districts show fewer failures in November 1922 than in November 1921, and eight districts report lower liabilities involved this year.

In the Fifth District specifically, November 1922 witnessed 121 failures, compared with 143 in November last year, a decrease this year of 15.4%, a somewhat better record of improvement than the average for the nation. In total liabilities involved in the insolvencies, November 1922, shows a total of \$2,938,562 compared with \$3,825,412, a decrease this year of 23.2%, a slightly smaller decline than the national average. The number of failures in the Fifth District during November compares favorably with earlier months this year, the number being smaller than any other month except October, in which 91 bankruptcies were reported.

The average liability per failure in the Fifth District was \$24,286 during November, 1922, compared with \$26,751 in November, 1921, and the average liability in the United States was \$23,181 during November, 1922, compared with \$26,896 in November, 1921.

LABOR—There has been little change in the labor situation in the Fifth District during the past month. On the whole, the changes that have taken place have favored the laborers, the tendency toward a scarcity of efficient workers mentioned in our Review last month having broadened to some extent. A number of letters received from manufacturers in various lines mention recent wage advances, made necessary by the ability of good workmen to choose the lines of work in which they desire employment. All of the large employers of labor are steadily working toward full time operations, and a large number of them have already reached this goal. Textile mills are quite generally operating full time, and some mills are running day and night. Tobacco factories are busy keeping up with their orders, and one large manufacturer in Richmond is running street car advertisements for labor. The mild weather of November enabled outdoor work of all kinds to proceed without interruption, and there is little let-up in the volume of street, sewer, road and construction work under way. There is no real unemployment in the District at this time, but reports of serious conditions among the tenant farmers of lower and central South Carolina are reaching us. Most of these tenant farmers are negroes, and usually at this season of the year they have some money from their cotton crops, but this year the damage done to cotton by the boll weevil was so serious that few of the tenants have surplus funds after paying rent, fertilizer bills, and supply bills. In a great many instances these bills have been only partly paid. Living in a purely agricultural section, these farmers are unable to secure work to tide them over until planting time again, and in many cases their landlords are unable to "carry" them through the winter. As a result, many negroes are leaving the farms for Northern cities where they hope to secure work for the winter.

Some of them will return South in the spring, but many of the younger ones will doubtless find the cities to their liking and will remain there permanently. An important effect of the migration is a possible shortage of tenant labor on the cotton plantations next year.

COST OF LIVING—Both retail and wholesale food prices increased 2% or more during November, according to figures made public on December 17th by the Department of Labor. Notwithstanding this increase, the Department said there was a decrease of 5% in the country for the year ending November 15th in retail food prices, but wholesale food prices increased about 2½% during the year.

As compared with 1913, retail food costs in November were given as 56% higher in Richmond, 54% higher in Washington, 50% higher in Baltimore, and 44% higher in Charleston, S. C. Retail food prices were higher in relation to 1913 prices in Richmond during November than in any other city for which the Department of Labor compiled statistics.

Costs for other living expenses, in addition to food, have on the whole changed very little during the past year. In the cities one of the chief items of expense is rent, but except for rentals asked for the new apartments, in which some reductions have been allowed, there have been no material changes in the past year. In Richmond, prices of board and room rent have not declined at all during the past year, and few changes have been made from the high charges of 1919 and 1920. Clothing prices are approximately the same now as they were last fall, and merchants are not so much inclined to cut prices to get business as they were a year ago. Miscellaneous expenses, such as transportation on street cars, illuminating and cooking gas, telephone charges, taxes, laundry, and the hundred and one other small items that enter into the cost of living, have all remained about stationary during 1922, while fuel is higher than it was a year ago. On the whole, living costs for the average family are probably little changed at present from the levels of a year ago, but because of a recently discernible upward trend in wages in many branches of industry many earners are better off now than they were last Christmas. Also, as pointed out in our paragraph on Labor, there is now plenty of work for all workers, which was not the case a year ago.

COAL—In its weekly report on the production of bituminous and anthracite coal, issued December 16, 1922, the United Geological Survey states that "production of soft coal continues at a daily rate of approximately 1,900,000 tons. The total output for the week ending December 9th is estimated at 11,389,000 tons, including lignite, coal coked, mine fuel and local sales." The same report says further, "The estimated cumulative production of bituminous coal this year to December 9th inclusive, stands at 376,826,000 tons, which is 7,772,000 tons, or 2%, less than production in the corresponding period of 1921; 141,352,000 tons, or 27% less than in 1920; 53,523,000 tons, or 12%, less than in 1919; 174,213,000 tons, or 32%, less than in 1918; and 142,786,000 tons, or 28%, less than in 1917. The cumulative production of soft coal during the first 289 working days of the past six years has been as follows:

1917.....	519,612,000 tons	1920.....	518,178,000 tons
1918.....	551,039,000 tons	1921.....	384,598,000 tons
1919.....	430,349,000 tons	1922.....	376,826,000 tons

Anthracite coal production for the week ending December 9th is estimated at 2,038,000 net tons. This was 22% more than production in the corresponding week of 1921. Final returns on anthracite production in November indicate that the total output was 8,385,000 net tons. This was only 93,000 tons less than in October, notwithstanding fewer full working days, and was greater by 18% and 11% respectively than in the corresponding months of the two years preceding. Cumulative production from January 1st to the end of November was 44,055,000 net tons, which was 51% of the average output during the same period in the preceding nine years.

From the consumer's standpoint, soft coal is available in sufficient quantities to supply the public's needs, but anthracite is scarce and is procurable on a hand to mouth basis only. Mine prices are reported as showing some decreases during November, but consumers are still paying considerably higher prices than last year.

TEXTILES—Evidence of prosperity among the textiles mills of the Fifth District is abundant. The mills are running full time, and many of them have orders as far ahead as they care to commit themselves. Mill stocks have risen in price during recent months, and a few mills are building additions or are making extensive alterations. Many of them are building additional houses for operatives. Nearly all of the mills appear to be paying their regular dividends.

In November the cotton growing states consumed 363,813 bales of lint cotton, compared with 346,435 bales used in October of this year and 322,539 bales consumed in November 1921. Of the 363,813 bales consumed in November of this year, North Carolina used 113,416 bales, South Carolina 86,928 bales, and Virginia 10,792 bales, a total of 211,136 bales for the three textile manufacturing states of the Fifth District.

The consumption in the District in November was 58% of total consumption in the cotton growing states, and 37% of the national consumption for the month under review.

Active spindles during November 1922 in the United States numbered 34,664,639 and in the cotton growing states numbered 15,859,962, compared with 34,428,339 active spindles in the nation and 15,489,965 in the cotton growing states during November last year. The yearly gain is thus seen to have been entirely in the cotton producing states, the other sections of the country showing a decrease of 133,706 active spindles. Of the 15,859,962 active spindles in the cotton growing states, North Carolina reported 5,261,953, South Carolina reported 5,058,351, and Virginia reported 609,537, a total of 10,929,841 spindles, or 68.9%, reported for the Fifth District.

COTTON—In the November 29th issue of this Review, we quoted average weekly prices paid for spot cotton on the Carolina markets through November 11th. After that date, prices showed a downward trend, declining from an average of 25.50 cents per pound during the week ending November 11th to an average of 24.49 cents during the week ending December 9th, a fall of one cent in four weeks. However, the week ending December 16 witnessed a recovery of nearly half a cent, or \$2.50 a bale, the average for that week being 24.93 cents, and since December 16th prices have further recovered. All quotations are for middling, seven-eighths of an inch staple. The upward turn in the market appears to be based upon a greater confidence in the statistical position of cotton in the light of the Government's final crop estimate of the year, current consumption figures, and improvement in the value of sterling exchange, together with a generally better business outlook in all lines of industry.

On December 12th, the Department of Agriculture gave out its final estimate of the year on the cotton crop, placing it at 9,964,000 bales. This final estimate is smaller by 171,000 bales than any of the government's forecasts of the season made from condition reports on the growing crop, but it was not lower than close observers of the crop had expected. However, the official figures dispelled a vague hope that a larger top crop would be gathered than earlier reports seemed to indicate. In the Fifth District, North Carolina has made a crop of 852,000 bales, one of the largest crops in the history of the state, but South Carolina suffered severely from boll weevil ravages and from unseasonable weather last spring, the result being that in South Carolina only 530,000 bales were grown this year, less than half of the state's usual pre-weevil production. Up to 1921, South Carolina usually grew about 9% of the South's cotton, but this year her crop is only a little more than 5% of the total national production.

On December 14th, the Census Bureau gave out November's cotton consumption figures. The report showed the largest consumption during a single month since January 1920, a total of 577,561 bales of lint having been used by American manufacturers during November, compared with 527,940 bales used during the corresponding month last year. Cotton on hand November 30th in consuming establishments amounted to 1,721,425 bales of lint, compared with 1,655,359 bales on November 30th, 1921. In public storage and at compresses the number of bales amounted to 4,198,095 on November 30th, compared with 5,292,941 on November 30th last year. Cotton exported in November totalled 858,337 bales, compared with 798,664 bales exported in October of this year.

TOBACCO—Tobacco sales in Virginia during November were cut down by unfavorable weather for stripping and ordering, but better weather about the first of December changed this condition, and during the past two weeks sales have been brisk. The independent Virginia markets sold 13,476,616 pounds of bright tobacco during November, at an average price of \$30.18 per hundred pounds, compared with an average of \$24.49 per hundred in November 1921. Last year total bright sales were larger than during the month this year, sales in November 1921 amounting to 22,729,808 pounds, but the comparison between the number of pounds sold is misleading because the receipts and sales this year of the Co-operative Association are not included. The Association has given out no figures on receipts or sales up to this time. Dark tobacco sales in Virginia during November totaled 3,154,192 pounds, at an average price of \$18.90 per hundred pounds, compared with an average of \$18.59 per hundred last year during the same month. In the number of pounds sold during November, Danville was far in the lead with a total of 6,198,828 pounds, but South Boston paid the highest prices, averaging \$32.36 per hundred in comparison with Danville's average of \$32.05 per hundred. November bright tobacco prices averaged \$5.69 per hundred higher than November 1921 prices, but dark prices were only 31 cents per hundred higher this year.

North Carolina markets sold 35,465,132 pounds of producers' tobacco during November, at an average price of \$30.72 per hundred pounds, compared with an average of \$27.02 per hundred during November 1921. Winston-Salem led in the volume of sales with 6,702,098 pounds, but two warehouses at Varina paid the highest prices, averaging \$36.98 for the month. The average price paid for all tobacco sold in North Carolina this season, through November, was \$27.66 per hundred, compared with \$24.57 per hundred paid during the corresponding period last year. Total sales for producers previous to December 1, 1922, are estimated at 166,600,589 pounds, about 51% of the estimated production of the year.

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

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1922	1921	1922	1921			
		1922	1921	1922	1921							
MARYLAND												
1	Baltimore.....	674	403	836	966	\$ 2,166,000	\$ 1,076,300	\$ 352,200	\$ 497,640	\$ 944,260	60.0%	1
2	Cumberland.....	25	18	7	9	48,340	38,408	1,880	3,000	8,812	21.3	2
3	Frederick.....	5	3	2	0	18,140	24,600	750	0	5,710	23.2	3
VIRGINIA												
4	Lynchburg.....	18	9	25	17	21,448	17,275	9,865	19,200	5,162	14.2	4
5	Norfolk.....	27	25	85	41	230,407	127,500	90,151	34,907	158,151	97.4	5
6	Richmond.....	113	90	90	84	805,979	381,901	88,061	218,951	293,188	48.8	6
7	Roanoke.....	65	* 85	40		177,185	* 79,682	13,555		111,058	139.4	7
WEST VIRGINIA												
8	Bluefield.....	14	27	2	4	26,460	65,815	8,100	96,300	127,555	78.7	8
9	Charleston.....	74	69	25	21	329,629	257,576	73,815	13,343	132,525	48.9	9
10	Clarksburg.....	15	19	9	4	87,220	52,085	4,300	1,425	38,010	71.0	10
11	Huntington.....	128	*106	22		322,625	*115,987	7,865		214,503	184.9	11
12	Parkersburg.....					80,000	100,000	25,000	30,000	25,000	19.2	12
NORTH CAROLINA												
13	Asheville.....	68	75	24	30	370,733	153,019	3,245	6,015	214,944	135.2	13
14	Charlotte.....	56	29	7	3	397,380	137,216	26,950	1,725	285,389	205.4	14
15	Durham.....	27	35	9	7	80,975	86,066	8,825	4,000	266	0.3	15
16	Greensboro.....	23	28	22	10	214,825	63,935	6,528	4,455	152,963	223.7	16
17	High Point.....	37	24	5	6	71,200	42,077	9,150	4,750	33,523	71.6	17
18	Wilmington.....	10	15	5	4	55,000	61,700	7,000	22,500	22,200	26.4	18
19	Winston-Salem.....	69	47	82	91	272,410	148,410	27,080	19,720	131,360	78.1	19
SOUTH CAROLINA												
20	Charleston.....	9	19	17	26	25,675	60,250	10,795	31,345	55,125	60.2	20
21	Columbia.....	24	28	98	87	73,625	59,850	15,727	25,240	4,262	5.0	21
22	Greenville.....	21	31	11	10	44,950	61,250	3,035	2,610	15,875	24.9	22
23	Spartanburg.....	26	45	21	33	33,795	107,640	3,425	4,520	74,940	66.8	23
DIST. OF COLUMBIA												
24	Washington.....	237	220	439	408	2,925,956	2,009,884	405,715	318,243	1,003,547	43.1	24
Totals.....		1,765	1,450	1,883	1,861	\$8,879,957	\$5,328,426	\$1,203,020	\$1,359,889	\$ 3,394,662	50.8%	

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

Building permit figures continue to break all records for this season of the year, the number of permits for new work issued in the Fifth District during November 1922 being greater than the number issued during any previous November. Twenty-four leading cities in the Richmond Reserve District reported 1,765 permits for new work issued in November 1922, with estimated valuation of \$8,879,957, compared with 1,450 permits for new work issued in the same cities during November of last year, with estimated valuation of \$5,328,426, an increase this year of 315 permits, or 21.7%, and of \$3,551,531 in total valuation, or 66.7%. November of this year witnessed 1,883 permits for alteration or repairs, estimated to cost \$1,203,020, compared with 1,861 permits for alterations or repairs issued in November 1921, with estimated valuation of \$1,359,889. In combined valuation of both new work and alterations or repairs, November 1922 totaled \$10,082,977, compared with a total of \$6,688,315 in November last year, a gain for the current month of \$3,394,662, or 50.8%.

During 1922, every month has shown a substantial increase in both the number of permits issued for new construction and in the total valuation of the work in comparison with the same month of 1921 except the month of March. Last year the high point of the year in new work was reached in March, but this year the crest of the wave was not reached until May. The building inspector in Richmond states that 1922 promises to be the record year for construction in his city, permits totaling more than \$13,000,000 having been issued previous to the first of December, and he further states that the first fifteen days of December witnessed the issuance of a larger total valuation than was issued during the entire month of December last year. The weather during the fall has been ideal for construction work, and the seasonal let-up has been much less noticeable than in previous years throughout the entire Fifth District. Building during the entire year has been very active in Baltimore, Washington and Richmond, and many of the smaller cities have been equally as busy in proportion to their population and needs. On the whole, the reporting cities in North Carolina have made the greatest gains during the year in comparison with recent years, but the activity has been so general that comparisons between different sections are difficult to draw.

Attention is called to the inclusion of Bluefield, W. Va., in our table for the first time. Figures from Bluefield are now available for both 1921 and 1922, and the city will be carried regularly on our reporting list hereafter.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during November, compared with November, 1921	8.1	12.8	— 0.4	5.9	5.7
Percentage increase in net sales from July 1, through November 30, compared with sales during the same five months of 1921.....	4.6	12.9	— 2.1	— 0.9	2.6
Percentage increase in net sales during November, 1922, over sales in Oct., 1922.....	3.5	3.4	1.0	4.4	2.9
Percentage increase in stocks on hand at the end of November, 1922, over stocks on hand at the end of November, 1921.....	1.8	— 10.3	— 1.9	— 7.7	— 2.1
Percentage increase in stocks on hand at the end of November, 1922, over stocks on hand at the end of October, 1922.....	— 2.8	4.6	— 6.4	1.1	— 2.6
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, five months.....	399.1	350.3	454.6	514.2	426.0
Percentage of outstanding orders at the end of November, 1922, to total purchases of merchandise during the year 1921.....	6.5	9.7	6.5	5.5	6.6

—Denotes decrease.

Retail sales during November 1922, as reflected by the dollar value of business done in twenty-five leading stores in the Fifth Reserve District, amounted to 5.7% more than the business done in November of last year, and was 2.9% greater than the volume of business in October 1922. Shopping for Christmas is always heavier in November than in October, but during October more buying of fall clothing is done as a rule than in November, the two classes of buying pretty well off-setting each other. The reporting stores in Richmond gained 12.8% in sales during November 1922 over sales in November 1921, the Baltimore stores gained 8.1%, the group of stores located in Miscellaneous Cities gained 5.9%, but the Washington stores lost four-tenths of one percent. In comparison with cumulative sales during the five months from July 1, 1921, through November 30, 1921, this year the reporting stores show a gain of 2.6% during the corresponding five months, Richmond leading with a gain of 12.9% and Baltimore ranking second with an increase of 4.6%.

Stocks on hand in the reporting stores, at selling values, were 2.1% smaller at the end of November 1922 than at the end of November 1921, and 2.6% smaller than at the end of October of this year. In the rate of turnover, Richmond shows the best record for the five months since July 1st, the percentage of average stock on hand at the end of each of the five months to average net sales each month during the period being 350.3%, compared with an average of 399.1% in Baltimore, 454.6% in Washington, and 514.2% in the Miscellaneous Cities. The average for the District is 426.0%. Outstanding orders in the District at the end of November 1922 amounted to an average of 6.6% of total purchases during the calendar year 1921, Richmond having the highest average, 9.7%, with Baltimore and Washington reporting 6.5%, and the Miscellaneous Cities 5.5%.

This month eleven of the reporting stores commented upon collections, three rating them as fair, two as better than usual, and six as excellent or good. Nine of the reports showed comments on expected trends in prices, seven of the firms writing that they expect higher prices, one stating that no material change was expected in the near future, and another writing that prices are temporarily stable, but they expect prices to eventually move downward. Several firms state that shoppers are doing Christmas buying somewhat

earlier this year than usual, but two firms said that unseasonably warm and pleasant weather had delayed the regular fall trade.

WHOLESALE TRADE

Percentage Increase (or Decrease) in Net Sales During Nov., 1922, as Compared With Oct., 1922 and November, 1921.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	47	16	20	17	9	14
Net sales (selling price) during Nov., 1922, compared with October, 1922.....	— 0.4	—13.0	— 9.8	— 2.0	1.6	1.1
Net sales (selling price) during Nov., 1922, compared with November, 1921.....	7.2	21.0	6.0	19.0	27.1	16.2

—Denotes Decrease.

At the end of November we received reports from 47 wholesale grocers, 16 dry good jobbers, 20 shoe jobbers, 17 hardware jobbers, 9 furniture factories, and 14 wholesale drug houses, a total of 123 reports. These showed net sales in November 1922 in comparison with sales made by the same firms in November last year and October this year.

Comparing November 1922 sales with those for October 1922, the usual seasonal decline is noticed in dry goods, shoes and hardware, and groceries also show a very slight loss, but furniture and drugs show gains during the more recent month. The table given herewith shows that in November grocery sales were four-tenths of one percent less than sales in October, dry goods sales were 13.0% lower, shoe sales declined 9.8%, and hardware sales dropped 2.0%, while furniture gained 1.6% and drug sales increased 1.1%.

Compared with sales in November 1921, sales in November 1922 show gains in every line reported upon, groceries gaining 7.2%, dry goods 21.0%, shoes 6.0%, hardware 19.0%, furniture 27.1%, and drugs 16.2%. These material gains are indicative of the greater freedom with which consumers are buying this fall, making refill orders necessary if the stores are to keep their shelves filled.

One hundred and twenty-four firms classified their collections during November as Good, Fair, Slow or Poor. Of this number, 89.5% stated that their collections were either Good or Fair, compared with 88.9% so classified by practically the same firms in October, 87.6% so classified in September, 82.4% in August, and 81.7% in July. However, comments on collections in November indicate that there was some slight slowing up from the previous month, the number of firms reporting collections Good having declined at the end of November. For the second month no firm reported collections definitely Poor, and it is probable that the tendency of the Good firms to decline to the Fair classification is merely a seasonal and temporary condition. We give below the classified reports by lines for November, to which we have added the totals for October, 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.....	6	32	9	0	47
Dry Goods.....	4	11	1	0	16
Shoes.....	4	16	1	0	21
Hardware.....	4	12	1	0	17
Furniture.....	2	7	0	0	9
Drugs.....	6	7	1	0	14
November Totals.....	26	85	13	0	124
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 December 20, 1922)

(See Next Page)

Summary of Business Conditions in the United States.

Beginning with this issue we publish a National Summary of Business and Credit Conditions, which is to be prepared each month by the Statistical Services of the Federal Reserve Board and the Federal Reserve Banks. This summary will deal with the latest available facts regarding production, prices, trade and bank credit, and will be presented in both textual and chart forms. The figures for banking will be those of the current months but the other figures will necessarily relate to the preceding month. The index of production includes the following 22 series: pig iron, steel ingots, cotton, wool, wheat flour, sugar, hogs slaughtered, cattle slaughtered, calves slaughtered, sheep slaughtered, lumber, bituminous coal, anthracite coal, copper, zinc, leather, newsprint, cement, petroleum, cigars, cigarettes, and manufactured tobacco. In combining these series in a single index the different items have been weighed in accordance with their relative importance. Allowance has been made for seasonal variations so that the index does not reflect changes due to seasonal causes. The combined production index compares current output with the production in 1919. The wholesale prices index is that of the Bureau of Labor Statistics, which uses average prices in 1913 as a base.

PRODUCTION.

Contrary to the usual trend at this season of the year, production in basic industries in November continued to increase. Since July 1921, when production was lower than at any time in recent years, there has been an almost uninterrupted rise month by month. The index, illustrated in the chart given on a later page, in which allowance has been made for seasonal changes, shows that production in basic industries during November was 52% higher than in July 1921, and 7% higher than in October 1922. The chief advances from October to November were in mill consumption of cotton, which reached a monthly total exceeded only once since 1917, and in the production of pig iron which was larger than at any time in the past two years. Building operations were maintained on a large scale despite the approach of winter. Final estimates for the year placed the yields of all principal crops ahead of 1921, except that of corn which was unusually large in 1921. As a result of these larger yields and the higher prices as well the total farm value of crops grown in 1922, based on prices received at the farm as of December 1st, is estimated to be 25% larger than in 1921, but 17% less than in 1920. Increased production was accompanied by continued heavy freight movements. The total number of railroad cars loaded during November was substantially larger than in the corresponding month of the previous year, although 5% less than in October 1922. The decline in the demand for cars and a further decrease in the proportion of cars out of repair have resulted in a considerable reduction in the freight car shortage. Demand for labor continued to increase as shown by the volume of employment at industrial establishments. Local shortages of labor were reported by steel mills, textile mills, and building contractors in Eastern districts, but some surplus of common labor was reported from agricultural districts.

WHOLESALE PRICES.

Wholesale prices advanced during November and reached the highest level since March 1921. The rise of two points in the Bureau of Labor Statistics index to 156 was due chiefly to advances in the prices of farm products, food and clothing, which rose to the highest point of the year. These advances more than offset the decline in prices of fuels and metals.

VOLUME OF TRADE.

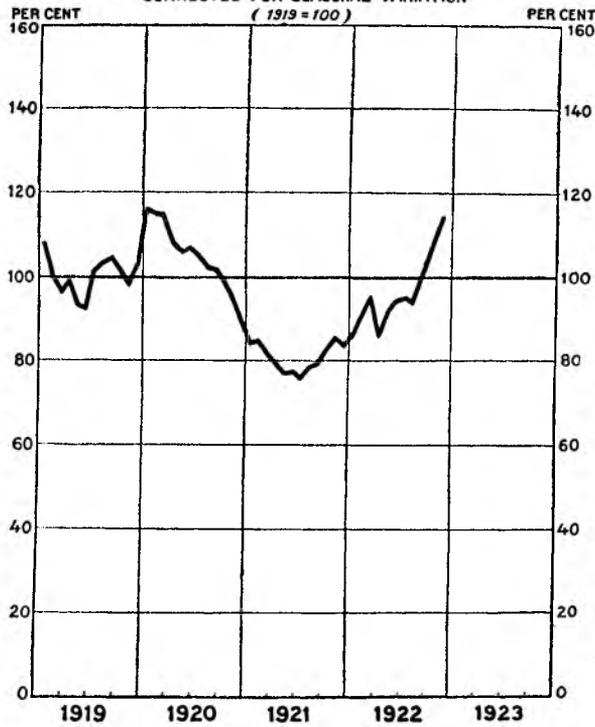
Wholesale trade in lines reported to Federal Reserve Banks was substantially larger during November than in the corresponding month last year. Sales of department stores and mail order houses during November were also larger than a year ago, and reports of Christmas trade thus far received indicate sales larger than in either 1920 or 1921. The volume of payments by check was 7% smaller in November than in October, due partly to the smaller number of business days, but was 10% larger than in November 1921.

BANK CREDIT.

During the period between November 22 and December 20, 1922, Federal Reserve Banks have been called upon to supply the extra currency needs for holiday trade, and this demand is reflected in an increase of \$157,000,000 in Federal Reserve Note Circulation, bringing the total to the highest point for the year. A decline of \$43,000,000 in Gold Reserve was also largely due to increased use of gold for currency purposes. The total earning assets of the Federal Reserve Banks rose during the period \$145,000,000, partly in response to the demand for currency, and partly in consequence of heavy Government operations on December 15th. In the four weeks prior to December 13th, the loans and investments of member banks in leading cities were little changed, though in the latter part of the period a renewed demand was manifested for commercial loans, offset to some extent by a decline in investments.

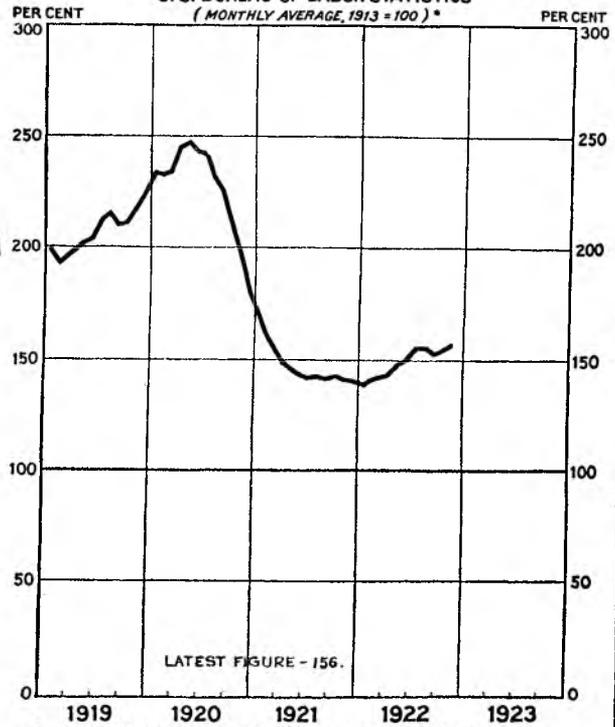
INDEX OF PRODUCTION IN BASIC INDUSTRIES

COMBINATION OF 22 INDIVIDUAL SERIES
CORRECTED FOR SEASONAL VARIATION
(1919 = 100)



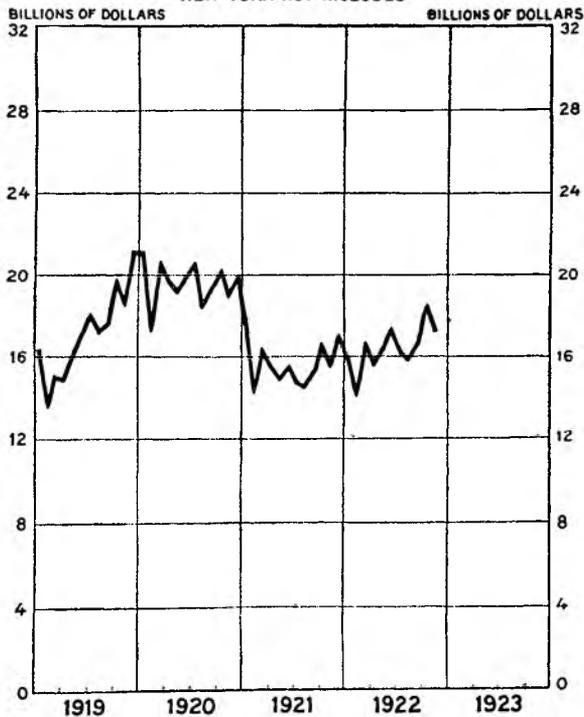
PRICES

INDEX NUMBERS OF WHOLESALE PRICES
U. S. BUREAU OF LABOR STATISTICS
(MONTHLY AVERAGE, 1913 = 100)*



VOLUME OF PAYMENTS BY CHECK

CHECKS DRAWN ON BANKS IN 140 CENTERS.
NEW YORK NOT INCLUDED



BANK CREDIT

800 MEMBER BANKS IN LEADING CITIES

