

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

JULY 31, 1923

Midsummer is usually dull in business circles in comparison with the preceding spring months, and this year June witnessed the normal slackening in trade, but on the whole the developments of the month were not unfavorable. June trade was not more below that of May than is normal at this season. In comparison with June of last year, the current month this year shows up well in practically every industry for which information is available.

Reviewing briefly the important factors entering into an analysis of current conditions, reports made weekly by member banks to the Reserve Bank show comparatively few changes during the past month. Some increase is noticed in outstanding loans to customers, and borrowings at the Reserve Bank are slightly higher than they were last month, but on the other hand the member banks' investments have risen, and demand deposits have increased. In comparison with June 1922, the condition of the reporting banks is much improved this year. Savings bank deposits increased more in June than in any other June in recent years. A moderate increase in loans to members was made by the Federal Reserve Bank during June and early July. Debits to individual account were considerably greater during the four weeks ending July 11th than during the preceding four weeks, the increase being largely seasonal, but the increase this year was 13.2% over debits in the same cities during the corresponding four weeks of 1922. Business failures in the Fifth District were 33.6% fewer in number in June than in June last year, but liabilities were greater this year. Employers have been able to secure labor to meet their pressing needs, except in some rural sections where laborers for farm work are insufficient, and there is no

need for any able-bodied person being unemployed. Textile mills continue to find difficulty in securing forward orders, but there have been very few cancellations of orders previously placed, and the Fifth District mills have been, and still continue, running full time on orders received in the spring. Meanwhile the textile authorities believe that the present recession is temporary, and are not worried over prospects. The growing cotton crop made considerable improvement during the last few days of June and early July, due to more favorable weather for development, and the prospects in Virginia and North Carolina are far better than the national average. The outlook for this year's tobacco crop is disappointing, due to lack of moisture, but the fields are clean and well cultivated, and it is quite possible that a fair crop may be made if good seasons occur during the balance of the year. The South Carolina crop is being harvested, and promises a fair yield. Other crops are spotted, being excellent in localities where sufficient rain has fallen but poor in other sections. On the whole, the average of all crops is perhaps a little below normal. Building operations have slowed down considerably from the record volume reported during the first four months of the year, but most of the curtailment has been in the erection of business buildings, residence construction continuing in large volume. Retail trade as reflected in department store sales was 14.7% greater in June this year than last, and was 6.5% greater than the June average in 1920, 1921 and 1922. Wholesale trade was reported as good as the season justified, and exceeded the volume of business reported in June 1922 in every line reported upon. Combined figures for the first half of 1923 show greatly increased sales in all wholesale lines over sales during the first half of 1922, the increases ranging from 13.7% for groceries to 76.7% for furniture. Collections showed a tendency during June to slow up somewhat, but the slowness was not particularly noticeable, and is seasonal.

The National Summary will be found on pages 10 and 11.

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

ITEMS	July 11, 1923	June 13, 1923	July 12, 1922
1. Total Loans and Discounts (including all rediscounts)	\$ 456,347,000	\$ 455,621,000	\$ 415,873,000*
2. Total Investments in Bonds and Securities	133,262,000	131,103,000	118,624,000
3. Total Loans and Investments	589,609,000	586,724,000	534,497,000
4. Reserve Balance with Federal Reserve Bank	33,873,000	33,779,000	35,057,000
5. Cash in Vaults	14,697,000	13,910,000	13,850,000
6. Demand Deposits	330,290,000	324,356,000	327,463,000
7. Time Deposits	152,994,000	154,878,000	144,005,000
8. Borrowed from Federal Reserve Bank	37,744,000	35,993,000	10,103,000

*Does not include Rediscounts.

Weekly condition reports of seventy-seven member banks in thirteen of the Fifth District's leading cities show few changes of importance during the month between June 13 and July 11, 1923. The financing of agricultural operations for this season having been arranged earlier in the spring, there has of late been only the customary mercantile demands for money, and consequently the volume of outstanding Loans and Discounts fluctuated little, the figures given in the table above showing an increase of only \$726,000 during the month under review. Item 2, Total Investments in Bonds and Securities, increased \$2,159,000 between June 13th and July 11th; Item 4, Reserve Balance with Federal Reserve Bank, gained \$94,000; Item 5, Cash in Vaults, gained \$787,000; and Item 6, Demand Deposits, increased \$5,934,000. Item 7, Time Deposits, shows a decline of \$1,884,000 during the month, and the reporting banks increased their rediscounts with the Reserve Bank by \$1,751,000. The changes enumerated are chiefly daily fluctuations, the only changes of importance being the gains in investments and demand deposits, and the decrease in time deposits.

Comparing the July 11, 1923 figures with those reported a year ago, some substantial changes in certain items are noted. The figures given under Item 1, Total Loans and Discounts, are not comparable because the amount reported last year under that head was exclusive of rediscounts, but Item 2, Total Investments in Bonds and Securities, shows a gain during the year of \$14,638,000. Item 5, Cash in Vaults, increased \$847,000, and Item 6, Demand Deposits, gained \$2,827,000, both relatively slight changes, but Item 7, Time Deposits, shows a material gain of \$8,989,000, and Item 8, Borrowed from Federal Reserve Bank, increased \$27,641,000, the amount borrowed on July 11th showing an increase of 273.6% over the amount borrowed from the Reserve Bank a year ago, on July 12, 1922. A decrease of \$1,184,000 is shown in Item 4, Reserve Balance with Federal Reserve Bank, but this decrease is little more than a daily fluctuation.

SAVINGS BANK DEPOSITS

The regular monthly reports from fifteen mutual savings banks in Baltimore show that the steady increase in deposits which has been going on since the summer of 1920 continued during June, total deposits in the fifteen institutions at the end of that month being \$494,749 more than deposits at the end of May 1923 and \$10,182,577 more than deposits on June 30, 1922. The increase during June in comparison with May of this year was greater than the June increase during 1920, 1921 or 1922, perhaps indicating that a larger number of people are now able to finance vacation expenses and semi-annual bills out of current income without the necessity of drawing on savings. Total deposits in the fifteen reporting banks at the end of June 1923 amounted to \$137,357,514, compared with aggregate deposits of \$127,174,937 on June 30, 1922, \$123,707,759 on June 30, 1921, and \$120,349,929 on June 30, 1920. Only one of the reporting institutions, and that a small one, shows lower deposits this year than last. The total deposits in the fifteen banks on June 30th this year represent an increase of 14.1% over deposits on June 30, 1920, and a gain of 8.0% within the past year.

FEDERAL RESERVE BANK OPERATIONS

A comparison of the statements of condition of the Federal Reserve Bank of Richmond as of June 13 and July 18, 1923, show a gradual expansion in credit extended to member banks during the month. Between the two dates, Cash Reserves declined from \$77,870,111.30 to \$74,340,747.29; Member Bank Reserve Deposits declined from \$58,430,229.67 to \$58,123,638.03; and the volume of Federal Reserve Notes in Actual Circulation declined from \$78,222,615 to \$78,124,250. Total Bills on Hand, however, rose from \$66,439,206.04 to \$68,949,410.48. The ratio of Total Reserves to Deposit and Federal Reserve Note Liabilities combined declined from 56.70% on June 13th to 54.03% on July 18th.

At the close of business July 19, 1922, the Cash Reserves held by the Federal Reserve Bank of Richmond amounted to \$105,921,341.13; Total Bills on Hand amounted to \$38,439,101.32; Federal Reserve Notes in Actual Circulation totaled \$82,569,057; and Member Bank Reserve Deposits amounted to \$57,708,326.10. The reserve ratio on July 19, 1922 was 76.13%. During June and July last year credits contracted somewhat, whereas expansion occurred during the corresponding period this year, as mentioned in the preceding paragraph.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	July 11, 1923	June 13, 1923	July 12, 1922
Asheville, N. C.....	\$ 19,822,000	\$ 18,347,000	\$ 16,043,000
Baltimore, Md.....	376,461,000	344,200,000	360,268,000
Charleston, S. C.....	29,338,000	25,269,000	22,908,000
Charleston, W. Va.....	35,736,000	36,158,000	29,752,000
Charlotte, N. C.....	40,945,000	35,331,000	28,973,000
Columbia, S. C.....	21,003,000	19,802,000	19,252,000
Cumberland, Md.....	8,912,000	8,057,000	8,177,000
Danville, Va.....	8,680,000	7,167,000	6,907,000
Durham, N. C.....	16,456,000	16,227,000	17,052,000
Greensboro, N. C.....	20,062,000	17,837,000	13,790,000
Greenville, S. C.....	19,164,000	18,922,000	13,916,000
Hagerstown, Md.....	11,127,000	9,909,000	8,185,000
Huntington, W. Va.....	24,493,000	25,197,000	19,653,000
Lynchburg, Va.....	21,707,000	17,731,000	18,187,000
Newport News, Va.....	7,044,000	6,811,000	7,703,000
Norfolk, Va.....	62,638,000	62,257,000	62,509,000
Raleigh, N. C.....	28,753,000	27,750,000	15,000,000
Richmond, Va.....	119,064,000	107,666,000	99,186,000
Roanoke, Va.....	22,762,000	22,585,000	21,099,000
Spartanburg, S. C.....	10,567,000	8,889,000	8,425,000
Washington, D. C.....	194,019,000	193,896,000	175,246,000
Wilmington, N. C.....	17,907,000	16,794,000	17,345,000
Winston-Salem, N. C.....	30,857,000	25,542,000	24,492,000
Totals for 23 cities.....	\$ 1,147,517,000	\$ 1,072,344,000	\$ 1,014,068,000

In the accompanying table, shown above, we give in tabular form figures showing the total of all debits to individual, firm and corporation accounts in the banks of twenty-three of the chief trade centers of the Fifth District, totals for the four weeks ending July 11, 1923 and June 13, 1923 being included. In addition to the 1923 statistics, we present figures for the four weeks ending July 12, 1922 for comparison with this year's totals. Durham, N. C., is included this month in the 1922 figures for the first time.

Debits in the twenty-three reporting cities aggregated \$1,147,517,000 during the four weeks ending July 11, 1923, compared with a total of \$1,072,344,000 during the four weeks ending June 13, 1923, an increase during the more recent period of \$75,173,000, or 7.0%. All of the reporting centers show increases except two cities in West Virginia. The increase during the period ending July 11th in comparison with the preceding four weeks is seasonal, and is caused by the large volume of end-of-quarter and semi-annual payments that fall due on July 1st.

The total reported by the twenty-three cities for the four weeks ending July 11, 1923 is considerably larger than the total reported for the corresponding period a year ago, ending July 12, 1922, only two of the cities failing to show larger figures this year. Durham, N. C. and Newport News, Va. report small decreases under the 1922 totals reported from those cities. The total of all debits during the period ending July 11th this year was \$1,147,517,000, as previously mentioned, compared with \$1,014,068,000 reported by the same cities for the corresponding four weeks last year, an increase this year of \$133,449,000, or 13.2%. This substantial increase clearly reflects the greater volume of business being done this year in comparison with the corresponding season in 1922.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS JUNE, 1923 AND 1922.

The usual figures on business failures in the twelve Federal Reserve Districts are included in the table herewith, the figures being furnished each month by Dun's Review. These statistics show both the number of insolvencies and the total of liabilities involved for June 1923 in comparison with June 1922, each Reserve District being shown individually.

For the country as a whole, the table shows that June 1923 witnessed 1,358 bankruptcies, with total liabilities aggregating \$28,678,276, in comparison with 1,740 bankruptcies reported in June 1922, with liabilities of \$38,242,450, a decrease of 22.0% in the number of failures and a decline of 25.0% in the aggregate of liabilities involved. The New York and Philadelphia Districts were the only ones reporting a larger number of failures in June 1923 than in June 1922, but increased liabilities were reported for the current month by the New York, Richmond, St. Louis and Minneapolis Districts. Both the number of failures and the total of liabilities involved were slower in June than in May of this year.

In the Fifth District, June 1923 shows a total of 91 failures in comparison with 137 failures reported in June 1922, a decline this year of 33.6%, but in the aggregate of liabilities involved June 1923 figures totaled \$3,488,755 compared with \$2,183,739 reported for June 1922, an increase during the current month of 59.8%. In the number of insolvencies, the decrease reported for the Fifth District is greater than the decrease reported for the nation, but in the total of liabilities the showing of this District is next to the poorest among the twelve Districts. In both number of failures and total of liabilities involved, however, the record of the Fifth District in June is better than the May record.

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1923	1922		1923	1922	
Boston, First.....	104	150	-30.7	\$ 1,261,171	\$ 4,888,902	- 74.2
New York, Second.....	288	273	5.5	8,276,970	7,642,247	8.3
Philadelphia, Third.....	60	57	5.3	1,074,915	1,573,360	- 31.7
Cleveland, Fourth.....	105	136	-22.8	2,466,216	3,521,377	- 30.0
Richmond, Fifth.....	91	137	-33.6	3,488,755	2,183,739	59.8
Atlanta, Sixth.....	91	147	-38.1	1,294,943	2,041,013	- 36.6
Chicago, Seventh.....	159	230	-30.9	2,854,809	6,369,831	- 55.2
St. Louis, Eighth.....	68	125	-45.6	2,450,239	1,525,233	60.6
Minneapolis, Ninth.....	76	79	- 3.8	1,390,396	1,307,894	6.3
Kansas City, Tenth.....	63	86	-26.7	1,274,881	2,149,987	- 40.7
Dallas, Eleventh.....	97	114	-14.9	1,293,018	2,481,679	- 47.9
San Francisco, Twelfth.....	156	206	-24.3	1,551,963	2,557,188	- 39.3
Totals.....	1,358	1,740	-22.0%	\$ 28,673,276	\$ 38,242,450	- 25.0%

The average liability per failure in June 1923 was \$38,338 in the Fifth District and \$21,118 in the nation as a whole, compared with average liabilities in June 1922 of \$15,940 in the Fifth District and \$21,978 in the nation.

LABOR—The Public Employment Bureau of the city of Richmond reports that June was the most active month in the history of the Bureau, a larger number of persons having been placed in positions than during any previous month. The monthly Employment Bulletin issued by the Bureau referred to says that during June there were 1,028 positions open for men and 1,147 men registered for employment. A surplus of workers appears to exist in clerical and semi-skilled lines, and orders for male hospital and domestic workers can be filled, but there is a shortage in the ranks of skilled workers and common labor. The report states, however, that the calls received for common laborers during the last ten days of the month indicate that the peak of the labor shortage has been reached and is now on the downward trend. There is a shortage of women workers for all kinds of domestic service and for factory operators.

Labor agents continue recruiting labor for steel plants and other industries in the North, and competition among them is said to be very keen. The migration of colored laborers from Southern states still continues, and lumber plants, road and street work, and farming have all suffered from the loss of needed workers. In numerous cases farmers have been forced to restrict the acreage planted, especially in the tobacco sections of Virginia, because of the scarcity of labor, and if the movement continues much longer some of the acreage actually planted will doubtless be abandoned before the crops are gathered. The early movement of laborers from the farms to Northern industrial centers was made up largely of colored men, but railroad agents report that many of the men who went North several months ago are beginning to send for their wives and children, and this will hurt the cotton farmers later in the year, since women and half grown children are usually about as efficient cotton pickers as men.

COAL—In its report under date of July 7, 1923, the United States Department of the Interior, through the Geological Survey, released the following on the production of bituminous coal during the month of June: "Preliminary estimates based on railroad shipments, place the output of soft coal in June at 45,644,000 net tons, a decrease of 432,000 tons when compared with the output in May. One factor in the decline was the lesser number of working days in June.

The test of the adequacy of production to meet requirements is the condition of consumers' stocks. A recent canvass of commercial consumers of coal showed that stocks on June 1, 1923 totaled approximately 41,000,000 net tons against 36,000,000 tons on March 1. This increase of 5,000,000 tons during the three months' period, March 1 to June 1, was possibly largely because of a considerable decrease in the rate of consumption. If there was no considerable increase in consumption during June, it seems probable that stocks on July 1 were larger than on June 1.

Production of bituminous coal during the first 154 working days of 1923 was 273,423,000 net tons. During the corresponding periods of the six years preceding it was as follows:

<i>Years of Activity</i>	<i>Years of Depression</i>
1917.....274,986,000 net tons	1919.....219,050,000 net tons

1918.....283,057,000 net tons
1920.....263,599,000 net tons

1921.....200,896,000 net tons
1922.....187,850,000 net tons

Thus it is seen from the viewpoint of soft coal production in 1923 stands slightly ahead of the average for the three years of industrial activity and 35 per cent ahead of that for the three years of depression."

In its July 14th report, the Geological Survey carried the following on the production of anthracite during June:

"Estimates based on revised reports of shipments place the total anthracite output in June at 8,665,000 net tons. Comparison with the output in the corresponding month of the nine years preceding shows that in June 1917 and 1918 only was this figure exceeded. During those years the production of coal was stimulated by the demands of war-time activities. The cumulative production for the first six months of the present calendar year stands at 51,169,000 net tons, a new high record for such period, and 14 per cent greater than the average for the corresponding periods of the eight years 1914 to 1921."

The retail coal situation remains unchanged from recent months. Coal is available in practically any desired quantity, but prices to ultimate consumers remain unchanged from those announced about the first of April. At that time retail prices were reduced about \$1.50 a ton under the high prices of the winter, and some attempts have been made by advertising to persuade householders to stock up their bins and basements during the summer months, but the price reductions were so nominal that it is doubtful if very much stocking for next fall has been done.

TEXTILES—Conditions in the textile industry of the Fifth District have changed very little since our last month's Review was written. The trade continues reluctant in placing forward orders, but the mills are operating full time on orders received during the first three months of the year, and most of them have sufficient orders in hand to keep them running until the new cotton crop is far enough advanced to enable experts to judge the year's production with fair accuracy. The Southern mills have thus far curtailed operations very little, and no material reduction in operations appears to be contemplated. Labor for textile work is available as desired in the cotton manufacturing states of the Fifth District, and no labor disturbances have arisen during recent months, though several mills have made voluntary wage advances as profits justified the increase. There has been much talk recently of efforts of Northern capitalists to buy one of the largest textile mill groups in the Fifth District, but as yet no final action has been taken in the matter.

During June cotton consumption totaled 109,668 bales in North Carolina, 86,206 bales in South Carolina, and 9,611 bales in Virginia, a total for the three textile manufacturing states of the Fifth District of 205,485 bales. This number represents a decrease of 25,529 bales under the consumption in the same states during May of this year, but May contained about a day and a half more working time than June. In comparison with total consumption in the cotton growing states and in the nation, the 205,485 bales consumed in the Fifth District represent 58.5% of the former and 37.9% of the latter. Total consumption in the cotton growing states, amounting to 350,967 bales, represented 64.7% of the national consumption of 542,166 bales.

COTTON—In our June 30th Review, we traced the course of spot cotton prices in the Carolinas down through the week ending June 16th, at which time the market stood at 27.76 cents per pound for middling short staple. Since that date the market has been exceedingly nervous, and has fluctuated widely nearly every day. The world's visible supply of cotton is small, and all eyes are focused on the growing crop. Every rumor of rain or dry weather affects the daily quotations, but reports during the past month have seemed rather favorable for a larger crop than was gathered last year, and the trend of prices has been downward. During the week ending June 23rd the average paid in the Carolinas was 27.06 cents per pound, and the average for the week ending June 30th showed no change, the price again being 27.06 cents. The first week in July, however, witnessed a fall in the average price to 26.23 cents per pound, partly perhaps as a result of the acreage report issued during the week by the Department of Agriculture. During the week ending July 14th the market reacted slightly from the fall of the previous week, and the average price paid reached 26.43 cents.

On July 2nd the Department of Agriculture issued its monthly report on the condition of the growing cotton crop, placing the condition on June 25th at 69.9% of normal, in comparison with a ten year average of 76.0% of normal on the corresponding date, but to counterbalance this condition report the Department stated that the acreage for this year amounted to 38,287,000 acres, the largest acreage on record. The acreage and condition of the new crop in Virginia was estimated at 83,000 acres and 90% of normal; the estimates given for North Carolina were 1,704,000 acres and 80%; and the figures for South Carolina were 2,049,000 acres and 64%. The percentage condition of the crop in Virginia and North Carolina gained during June, but the condition in South Carolina remained unchanged from the previous month. In view of the difficulty many farmers have had in securing labor for planting during the spring, and for other reasons, many people in close touch with the cotton growing industry express the opinion that the estimate of acreage planted this year is too high. It is worth while to call attention again to the danger of attaching too much importance to acreage figures, no matter how accurate they may be. With the boll weevil present in all the

cotton growing states except Virginia and with many farmers strangely slow in adopting scientific measures of weevil control, it is easily possible that a large acreage might actually tend to reduce the yield by preventing intensive and careful cultivation of the new crop.

The cotton consumption report covering June 1923, issued on July 14th by the Census Bureau, showed a decline under the May figures but an increase over the June 1922 consumption. Total consumption during June 1923 was 542,166 bales, compared with 620,965 bales consumed in May 1923 and 509,218 bales used in June 1922. Cotton on hand in consuming establishments on June 30th aggregated 1,345,066 bales compared with 1,330,903 bales on hand June 30, 1922, but cotton in public storage and at compresses June 30th totaled only 1,232,888 bales compared with 1,953,478 bales stored on June 30th last year. Imports of cotton during June totaled 13,367 bales, while 214,851 bales were exported.

As the condition reports quoted above show, the cotton crop in Virginia and North Carolina is considerably above the national average, but South Carolina's crop is below. The Virginia crop is excellent, with good stands, and the crop is making satisfactory progress. In North Carolina the month of June was very favorable for cotton development, sufficient rains having fallen to furnish the necessary moisture, and the weevil has as yet done very little damage. The weevil is present in the southern cotton counties in considerable numbers, but the farmers are attempting to control the pest. In South Carolina the crop held its own during June, the estimate of condition at the end of that month being the same as at the end of May. The weevil is present in large numbers over the entire state, and is very active in the unpoisoned fields. In all of the cotton growing areas of the Fifth District the fields are clean and well cultivated, and favorable weather would enable the crop to make rapid progress.

TOBACCO—In Maryland the tobacco acreage is smaller than last year, and the condition of the crop on July 1st was 15% below the July 1, 1922 condition. June weather was hot and dry, and the plants made little progress. The outlook for the crop in Virginia is very discouraging. Plants were scarce, the season at transplanting time was so dry that many farmers had to transplant with water, and the drought since the fields were set has prevented growth, and in many cases killed the plants before they took root. The acreage is about 20% less than last year, and the expected yield is estimated 38% below the 1922 crop. Conditions are best in the Burley district and poorest in the Bright district. The North Carolina crop has been injured by dry weather and the stands are irregular. The growth is stocky and the leaves close together. The fields have a good color in the southern half of the state, but are yellowish, small and sickly in the main, or old belt, area, where the acreage has been slightly reduced. The crop in South Carolina is in fair condition, and harvesting has begun. On July 17th the Tobacco Growers Co-operative Association opened their warehouses in South Carolina for the receipt of the new crop, but the auction houses will not open until around the first of August.

Tobacco manufacturers report a continuation of satisfactory business from both domestic and export sources. Supplies needed in the manufacture of tobacco products are quoted at prices somewhat lower than prices prevailing a few months ago, and wholesale prices of cigars and cigarettes have recently declined in keeping. Labor has been available in sufficient quantity to meet demands of manufacturers and factories are quite generally operating with full forces.

AGRICULTURAL NOTES—In Maryland the weather during June was for the most part hot and dry. The harvesting of wheat and rye continued in full swing, and threshing was in progress. Good yields are reported. Oats are ripening, but the crop will be short as a result of drought. The hay crop is very short, clover hay being especially poor. The fruit crop has suffered keenly from dry, hot weather, but some orchardists report good prospects. The corn crop is in good to excellent condition, but the acreage is smaller than in 1922.

Dry weather retarded most crops in Virginia during June. The wheat yield will be greater than had been expected as the heads are well filled, and an average production is now estimated. The wheat condition on July 1st was 86% of normal, and indicated a crop of 10,450,000 bushels, compared with 10,375,000 bushels last year. The corn acreage in Virginia is estimated at 1,847,000 acres, which is 3% less than in 1922. The scarcity of farm labor and the unfavorable season are the principal causes for this decrease. The condition of the crop is good in the southwest and in a few eastern counties, but generally growth is backward. Fields are unusually clean, however, and the crop will make rapid improvement if favorable seasons come. The July 1st condition of 81% indicates a production of 46,378,000 bushels compared with 53,312,000 bushels last year. The average farm price on July 1st was \$1.03 per bushel as compared with \$.85 last year. The white potato acreage is 152,000 acres, or 2% less than last year. Both the commercial and farm acreages have been reduced. Unfavorable weather caused the low July 1st condition of 68%, indicating a production of 13,230,000 bushels as compared with 16,585,000 bushels last year, but prices are better this year. The forecast for apples is slightly less than last month owing to the heavy drop during the first part of June. The quality of fruit promises to be unusually good. The July 1st condition of 41% indicates a total crop of 9,020,000 bushels compared with 8,360,000 bushels in 1922. The commercial crop is now estimated to be 1,654,000 barrels. Prospects for peaches and pears are rather poor, these fruits having been more seri-

ously damaged by frosts last spring. Virginia's peanut acreage is 129,000, or 1% less than last year. The crop is somewhat late, but the stand is good, and fields are well cultivated and free from grass. Present conditions indicate a probable yield of approximately 121,905,000 pounds, compared with 78,000,000 last year and 125,460,000 pounds in 1920.

North Carolina crops have experienced very dry conditions which are showing most effect along the northern border. Crops are remarkably clean as a result of excessive drought and frequent cultivation. Corn is late, small, and in some sections badly stunted. Many sections show curled blades. In the southern half of the state the crop is looking fine. The North Carolina wheat crop is the best for several years. The harvesting season was favorable for saving the grain, and it is remarkably well cured and dry. Apples are short and seriously damaged by insects, but peaches in the Sand Hill area will probably yield better than was expected unless the dry weather continues. Truck is in poor condition, especially in the Northern Coastal Belt where rain is greatly needed. Melons over the whole area are suffering severely from dry weather.

South Carolina grain crops are good. Early corn is poor, and intermediate plantings only fair. In this state a large percent of the acreage is late. Hay crops and pastures are excellent. Truck crops have been good this year, and melons are now being shipped at profitable prices.

BUILDING OPERATIONS FOR THE MONTHS OF JUNE, 1923 AND 1922.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1923	1922	1923	1922			
		1923	1922	1923	1922							
MARYLAND												
1	Baltimore.....	390	564	1,193	1,481	\$ 2,019,240	\$ 1,621,000	\$ 693,900	\$ 594,400	\$ 497,740	22.5%	1
2	Cumberland.....	43	33	12	16	291,753	131,341	6,785	17,315	149,882	100.8	2
3	Frederick.....	8	9	6	8	35,400	143,150	3,750	14,100	— 118,100	— 75.1	3
VIRGINIA												
4	Lynchburg.....	18	20	30	43	18,759	166,400	27,116	25,797	— 146,322	— 76.1	4
5	Norfolk.....	117	127	83	32	786,356	544,337	145,065	58,071	329,013	54.6	5
6	Richmond.....	139	166	91	97	905,976	1,592,066	118,485	211,565	— 779,170	— 43.2	6
7	Roanoke.....	80	121	49	52	124,080	470,275	39,065	34,005	— 341,135	— 67.6	7
WEST VIRGINIA												
8	Bluefield.....	13	42	3	15	30,975	240,593	1,880	9,885	— 217,623	— 86.9	8
9	Charleston.....	101	83	36	25	273,895	388,058	45,517	21,860	— 90,506	— 22.1	9
10	Clarksburg.....	47	22	39	24	111,765	33,675	15,028	17,390	75,728	148.3	10
11	Huntington.....	117	103	41	26	215,790	252,594	20,725	10,475	— 26,554	— 10.1	11
12	Parkersburg.....	*20	* 5	175,000	100,000	75,000	25,000	125,000	100.1	12
NORTH CAROLINA												
13	Asheville.....	39	34	59	25	614,422	249,830	114,243	8,732	470,103	181.8	13
14	Charlotte.....	68	28	12	15	311,100	482,675	27,300	73,275	— 217,550	— 39.1	14
15	Durham.....	27	32	6	5	120,225	100,550	7,850	4,875	22,650	21.5	15
16	Greensboro.....	63	43	22	19	255,649	2,332,980	6,270	7,015	—2,078,076	— 88.8	16
17	High Point.....	47	32	14	6	89,465	304,250	15,900	2,050	— 200,935	— 65.6	17
18	Wilmington.....	13	17	2	0	67,000	77,500	5,000	0	— 5,500	— 7.1	18
19	Winston-Salem.....	74	60	70	85	285,100	245,737	31,607	29,015	41,955	15.3	19
SOUTH CAROLINA												
20	Charleston.....	8	26	16	29	9,250	215,911	40,274	11,165	— 177,552	— 78.2	20
21	Columbia.....	45	41	80	69	117,770	100,375	13,146	18,285	12,256	10.3	21
22	Greenville.....	26	24	21	18	85,415	58,175	29,275	113,050	— 56,535	— 33.0	22
23	Spartanburg.....	27	27	24	34	37,440	71,415	6,772	9,640	— 36,843	— 45.5	23
DIST. OF COLUMBIA												
24	Washington.....	358	350	311	705	3,544,841	4,987,337	409,829	923,448	—1,956,115	— 33.1	24
Totals.....		1,868	2,004	2,220	2,829	\$10,526,666	\$14,910,224	\$1,899,782	\$2,240,413	\$—4,724,189	— 27.5%	

*Not included in totals. — Denotes decrease this year.

Building permit statistics from twenty-four of the leading cities in the Fifth District show 1,868 permits issued for new construction during June 1923, with estimated valuation of \$10,526,666, compared with 2,004 permits for new work issued in June 1922, with estimated valuation of \$14,910,224. Alteration and repair permits totaled 2,220 in June of this year, with valuation figures of \$1,899,782, compared with 2,829 permits for similar work in June last year, with a valuation of \$2,240,413. Combined valuation of both new work and alterations or repairs amounted to \$12,426,448 in June 1923 compared with a total of \$17,150,627 in June 1922, a decrease this year of 27.5%. In permits issued for new construction, there was a decline of 29.4% in estimated valuation during June of this year in comparison with the valuation in June 1922, but the decline in the number of permits issued was only 6.8%, which appears to indicate that the decrease in

building activity which has developed during the past three months applies more to large projects than to residence building. The detailed reports from building inspectors bear out this supposition.

During the six months from January 1st through June 30th, construction work this year far exceeded the volume of work undertaken during the first half of 1922. The number of permits for new work issued in the twenty-four reporting cities during the first half of 1922 totaled 12,504, with estimated valuation of \$81,712,798, compared with 10,156 permits for new work issued in the same cities during the first half of 1923, with estimated valuation of \$62,822,160. The first four months of the year 1923 witnessed a greater percentage gain over 1922 than is shown in the above figures, since the figures for May and June of this year fell under those for the corresponding months last year. The crest of the building activity was reached in April this year, when 3,012 permits were issued, with estimated valuation of \$23,549,759. In 1922 the high point of the year's construction record was not reached until May, when 2,475 permits were issued for new work, estimated to cost \$12,548,712.

WHOLESALE TRADE

Percentage Increase (or Decrease) in Net Sales During June, 1923, as Compared With May, 1923 and June, 1922.

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	46	15	18	17	7	14
Net sales (selling price) during June, 1923, compared with May, 1923.....	— 2.7	8.8	—25.8	—11.7	1.5	— 3.4
Net sales (selling price) during June, 1923, compared with June, 1922.....	10.9	14.7	15.9	18.9	76.4	12.1

—Denotes decrease.

The regular monthly reports from 117 wholesale firms show that June 1923 business, measured in dollars, was considerably ahead of the June 1922 business in every line reported upon, the increases shown in the accompanying table ranging from a gain of 10.9% in grocery sales to 76.4% in furniture lines. In comparison with May 1923 business, however, four of the six reporting lines registered declines in June, but most of the decreases were seasonal. June is naturally a between-seasons month, the retailers not entering the markets to any considerable extent until later in the summer.

We have totaled sales by the reporting wholesale firms during the first six months of 1923 and 1922, and calculated the increases shown this year, all reporting lines showing gains. Grocery sales during the first six months of 1923 were 13.7% larger than during the first half of 1922, measured by dollars. Dry goods jobbers gained 32.1% this year, shoe jobbers increased their business 25.5%, hardware jobbers sold 32.3% more than in 1922, furniture manufacturers increased their business 76.7%, and drug wholesalers gained 14.5%.

The usual midsummer dullness affected collections during June, a distinct but not serious slowness being reported. One hundred and sixteen firms classified their collections in June as *Good*, *Fair*, *Slow* or *Poor*, and of these 86.3% reported collections either *Good* or *Fair* compared with 91.5% so reporting in May. We give herewith the classifications made by the 116 firms for June, together with the classifications made during the earlier months this year and for June of last year:

<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	33	4	0	44
Dry Goods	3	9	2	1	15
Shoes	1	14	4	0	19
Hardware	3	12	2	0	17
Furniture	2	4	1	0	7
Drugs	5	8	1	0	14
June 1923 Totals.....	21	80	14	1	116
May 1923 Totals.....	28	79	10	0	117
April 1923 Totals.....	28	82	8	1	119
March 1923 Totals.....	25	83	12	0	120
February 1923 Totals.....	25	81	9	2	117
January 1923 Totals.....	29	81	9	0	119
June 1922 Totals.....	14	79	15	1	109

FIGURES ON RETAIL TRADE

As Indicated by Reports from Twenty-seven Department Stores in the Fifth Reserve District
for the first Six Months of 1923

Percentage of increase (or decrease) in net sales during the month named, 1923, over same month last year:						
	January	February	March	April	May	June
Baltimore	14.8	7.1	28.9	-4.6	7.0	12.4
Richmond	29.1	15.7	32.9	12.5	16.4	24.2
Washington	4.8	-1.2	14.5	-4.2	11.4	12.1
Other Cities	15.7	11.9	37.7	2.9	16.5	24.7
District Average	12.2	4.8	24.5	-2.1	10.6	14.7
Percentage of increase (or decrease) in net sales from January 1st, through month named, 1923, over net sales during same period last year:						
	January	February	March	April	May	June
Baltimore	14.8	11.1	17.9	10.9	10.0	10.4
Richmond	29.1	22.4	26.7	22.6	21.1	21.7
Washington	4.8	1.7	6.6	3.5	5.3	6.5
Other Cities	15.7	13.8	23.2	16.9	16.8	18.3
District Average	12.2	8.5	14.7	9.7	9.9	10.8
Percentage of increase (or decrease) in net sales during the month named, 1923, over average sales during the corresponding months of 1920, 1921 and 1922:						
	January	February	March	April	May	June
Baltimore	-2.7	-2.9	7.0	-5.2	0.9	5.3
Richmond	7.3	9.9	23.0	12.3	18.3	19.6
Washington	-2.9	-6.5	1.8	-8.0	10.6	2.8
Other Cities	-0.8	-1.5	12.2	-4.3	6.4	8.5
District Average	-1.4	-2.5	7.8	-4.1	6.3	6.5
Percentage of increase (or decrease) in stocks at close of month named, 1923, over stocks at same date last year:						
	January	February	March	April	May	June
Baltimore	2.6	9.2	9.8	11.4	11.9	10.1
Richmond	7.0	9.6	13.2	17.0	18.3	24.8
Washington	8.1	6.1	6.9	10.1	9.5	7.3
Other Cities	1.4	7.1	6.3	11.4	10.9	9.4
District Average	4.8	7.8	8.5	10.1	11.4	10.1
Percentage of increase (or decrease) in stocks at close of the month named, 1923, over stocks at close of preceding month this year:						
	January	February	March	April	May	June
Baltimore	-3.4	13.0	10.4	-0.4	-3.9	-6.2
Richmond	-7.0	18.7	8.2	1.1	-2.8	-0.9
Washington	-2.8	10.0	8.3	2.1	-4.4	-5.7
Other Cities	-0.5	13.3	7.4	5.5	-2.5	-5.2
District Average	-3.1	12.4	9.0	1.5	-3.8	-5.4
Percentage of average stocks at close of each month since January 1st, to average monthly net sales during the same period:						
	January	February	March	April	May	June
Baltimore	381.9	437.9	404.8	404.6	398.0	388.0
Richmond	356.0	413.0	372.1	373.3	368.0	358.1
Washington	451.5	471.0	434.2	438.3	420.1	404.7
Other Cities	518.8	583.6	514.5	517.9	500.9	485.9
District Average	419.8	464.1	425.1	427.0	415.4	402.8
Percentage of outstanding orders at the end of each month named, 1923, to total purchases of merchandise during 1922:						
	January	February	March	April	May	June
Baltimore	8.2	9.9	8.0	6.6	7.4	9.5
Richmond	12.5	10.1	8.8	8.1	5.6	7.6
Washington	8.7	7.8	7.0	5.3	5.7	7.2
Other Cities	10.0	10.4	9.2	9.7	11.0	11.7
District Average	9.2	9.0	7.7	6.4	6.7	8.4

-Denotes decrease-

It has been our custom during the past three years to publish retail trade averages in our July and January *Reviews* for the first and second half year periods, in addition to the regular monthly figures published in other issues. We do this in order that our readers may have percentages for six months before them in convenient form for study. In accordance with that custom, we present herewith complete figures from twenty-seven identical stores for the first six months of this year. The most striking figures in the six months' record are those showing sales in the Miscellaneous Cities. The slump that accompanied the general depression during 1921 and part of 1922 hit the stores located in the smaller cities much harder than it hit the large city establishments, because of the importance of rural trade to the country stores, but the

splendid gains reported during the first half of this year in comparison with last year indicate that there has been a great improvement of conditions in the rural districts.

Reviewing the averages for June, the only month not previously reported upon, a substantial increase in sales over sales in June 1922 is noticed, the gain amounting to 14.7% for the District, the group of Miscellaneous Cities leading with an increase of 24.7%. Cumulative sales from January 1st through June 30th this year show an increase of 10.8%, and sales during June 1923 were 6.5% greater than average sales during June of the three years 1920, 1921 and 1922. The reporting stores were carrying stocks 10.1% more valuable, at selling price, at the end of June this year than a year ago, but their stocks were 5.4% less than stocks on hand at the end of the previous month, May 1923. The percentage of average stocks on hand at the end of each month since January 1st to average monthly sales during the same period was 402.8%, indicating a rate of turnover of approximately three times a year. Outstanding orders for merchandise at the end of June 1923 amounted to 8.4% of total purchases of merchandise during the calendar year 1922.

(Compiled July 20, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production of basis commodities declined in June, but employment was maintained at last month's high level, freight shipments were exceptionally large, and the volume of wholesale and retail trade continued heavy. Wholesale prices showed a further decrease.

PRODUCTION. The Federal Reserve Board's index of production in basic industries, which makes allowance for seasonal variations, was four per cent lower in June than in May, and stood at about the level of the late winter. Mill consumption of cotton, steel ingot output, and sugar meltings showed particularly large reductions. The value of permits for new buildings and of contracts awarded declined in June more than is usual at that season. The Department of Agriculture forecasts, on the basis of July 1st conditions, a large increase in the cotton crop, a slight reduction in the corn crop, a winter wheat crop of about the same size as last year, and a spring wheat crop which will possibly be about forty million bushels below 1922. The number of factory employees at work in June in the country as a whole was about as large as in May, though a reduction is reported by New England establishments. The proportion of factories reporting full time operations decreased and consequently average earnings per employee were smaller. Wage advances continued to be reported in June, but they were not nearly so numerous as in April or May.

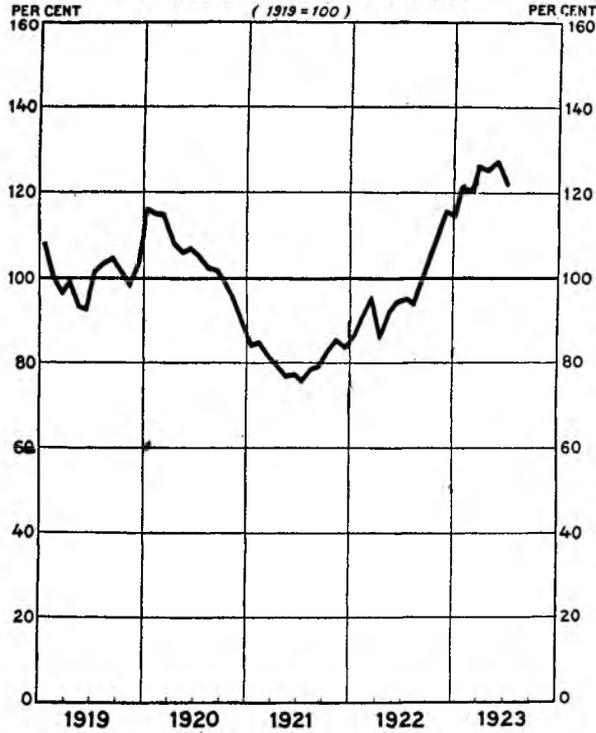
TRADE. Distribution of commodities, as measured by railroad freight shipments, was active throughout June. The number of cars loaded exceeded one million in each of four successive weeks, and in the week ended June 30 was the largest on record. The volume of wholesale and retail trade in June was about the same as in May and continued to be substantially larger than in 1922. Sales of groceries and dry goods were much larger in June and this increase was reflected in an advance of 4 per cent in the Federal Reserve Board's index of wholesale trade. This index, which makes no allowance for seasonal changes, was 9 per cent above the June, 1922, level. Department store and mail order sales were smaller, as is usual at this season, while sales of reporting chain stores were at about the same high level as in May. Stocks of merchandise in department stores were reduced about 6 per cent.

WHOLESALE PRICES. The decline in commodity prices, which began late in April, continued during June and the first two weeks of July, and the index of the Bureau of Labor Statistics for June was 2 per cent less than in May. The largest decline, amounting to 4 per cent, occurred in the prices of building materials, and decreases were shown also for all other commodity groups except house furnishings, which remained unchanged. During the first half of July price declines were shown for wheat, sugar, petroleum and lead, while the price of corn and hides advanced.

BANK CREDIT. Banking developments between the middle of June and the middle of July largely reflected the payment of income taxes on June 15, dividend and interest payments at the turn of the half year, the demand for additional currency for the July 4 holiday, and the return flow of currency after that date. At the end of the period the volume of member bank and Federal Reserve Bank credit in use was approximately at the same level as a month earlier. At the Federal Reserve Bank the amount of discounts for member banks on July 18 was about \$100,000,000 larger than on June 13, but this increase was practically balanced by a decline in holdings of acceptances and Government securities. During the month of June gold and gold certificates in circulation increased by over \$40,000,000, and this increase is reflected in an equivalent decline of gold held by the Federal Reserve Banks. Money rates were slightly firmer, as is usual at this season of the year.

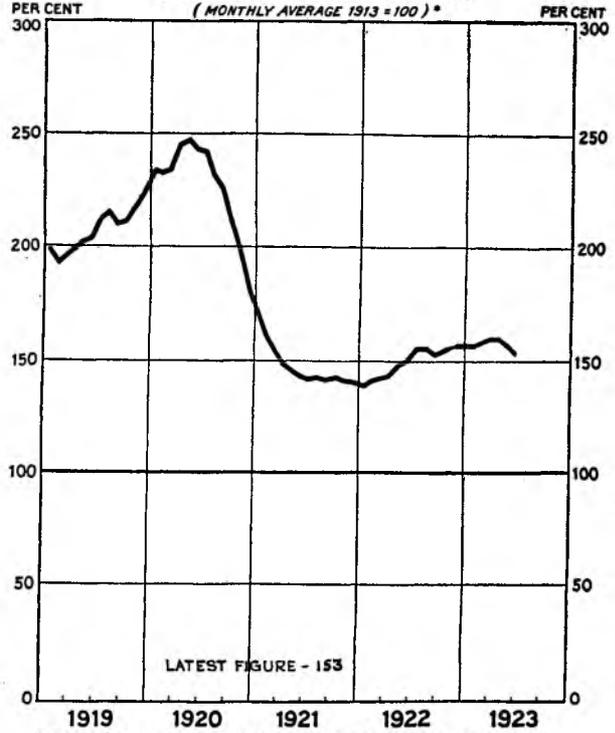
INDEX OF PRODUCTION IN BASIC INDUSTRIES

COMBINATION OF 22 INDIVIDUAL SERIES
CORRECTED FOR SEASONAL VARIATION
(1913 = 100)



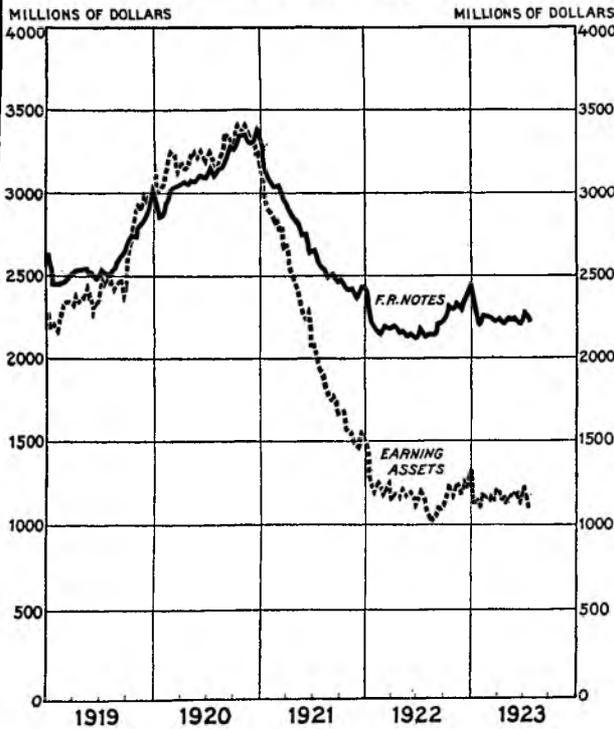
PRICES

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



* Base adopted by the United States Bureau of Labor Statistics.

BANK CREDIT ALL FEDERAL RESERVE BANKS



BANK CREDIT 800 MEMBER BANKS IN LEADING CITIES

