

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



RICHMOND, VIRGINIA

SEPTEMBER 29, 1923

The volume of business done in the Fifth District during August and early September compared favorably with the seasonal average, and all signs indicate satisfactory prospects for fall and winter. Trade has broadened out in all lines, manufacturers are busy, wholesalers and retailers are selling more goods than a year ago, agricultural prospects are comparatively good for both yields and economic returns, and labor is fully and profitably employed. Credit is being used much more extensively than last year, partly because of a general expansion in business activity and partly as a result of higher prices this year for agricultural products, which makes it necessary to use a larger volume of money in moving the crops. The banks of the District are on the whole in shape to grant the necessary accommodations, and no legitimate business appears to be suffering from any lack of credit facilities. The volume of bank debits is running higher than a year ago, evidencing the greater volume of business now being done in all sections of the District. Business failures are less numerous than in 1922. Labor is not only fully employed, as previously mentioned, but the relations between employers and employees appear to be more harmonious than they have been in several years, and no signs of threatening disturbances are visible. Coal mines are operating normally, assuring all the fuel for householders and industrial plants that the railroads can transport. Textile mills, after several months of unsatisfactory business, are experiencing

a revival of interest in their products and are receiving important orders for immediate and future delivery. Cotton prospects are short if compared to average years before the advent of the boll weevil in this District, but prospects are better than in most other cotton growing sections, and cotton prices are very satisfactory. Tobacco yields are somewhat short in Virginia, but the Carolinas have fine crops, and prices are considerably higher than a year ago, probably enough higher to compensate growers for the short crop in Virginia. Other crops, such as corn, wheat, oats, potatoes, peanuts, truck, etc., are promising, on the average, and nearly all prices are remunerative. Building construction is holding up remarkably well for this season of the year, and several important projects are on the point of being started. The weather is favorable for fall trade in retail circles, and merchants are proving their confidence in the future by placing orders for a large volume of merchandise. Collections are up to seasonal expectations, and good returns to the farmers for their year's work appears to indicate the probability of a general liquidation of indebtedness during the fall. While all classes are optimistic on the near future, conservatism is quite generally in evidence throughout the District, and there appears little of the reckless, speculative activity that marked the years immediately following the war. On the whole, business appears to be resting upon about as solid a basis as is possible until European conditions improve sufficiently to take a larger volume of exports of raw materials from the United States.

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

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

ITEMS	Sept. 12, 1923	August 8, 1923	Sept. 13, 1922
1. Total Loans and Discounts (including all rediscounts)	\$ 464,513,000	\$ 458,170,000	\$ 423,414,000*
2. Total Investments in Bonds and Securities	131,495,000	132,886,000	123,895,000
3. Total Loans and Investments	596,008,000	591,056,000	547,309,000
4. Reserve Balance with Federal Reserve Bank	33,999,000	33,681,000	34,491,000
5. Cash in Vaults	13,507,000	13,732,000	13,556,000
6. Demand Deposits	330,205,000	325,731,000	329,351,000
7. Time Deposits	151,053,000	151,950,000	142,718,000
8. Borrowed from Federal Reserve Bank	40,011,000	36,488,000	9,449,000

*Does not include Rediscounts.

Seventy-seven member banks, located in thirteen of the Fifth District's leading cities, send weekly condition reports to the Federal Reserve Bank of Richmond, the purpose of the reports being to give the Reserve Bank and the Reserve Board an indicator of credit and financial conditions and trends throughout the District. For the information of our readers, we publish in the table herewith figures showing the principal items on the reports from the seventy-seven institutions, figures being shown as of the close of business September 12 and August 8, 1923, and September 13, 1922, thus affording an opportunity for comparisons between the figures for the latest available date with those reported a month ago and a year ago.

The figures in the table this month show that some expansion of credit took place between August 8th and September 12th, which is a normal occurrence at this season of the year. Credit is needed by merchants in discounting bills incurred for fall merchandise, and buyers of agricultural products also require funds with which to begin the season's operations. Between August 8th and September 12th, Total Loans and Discounts to customers rose from \$458,170,000 to \$464,513,000, while Total Investments in Bonds and Securities dropped from \$132,886,000 to \$131,495,000. During the same period, Reserve Balance with the Federal Reserve Bank rose from \$33,681,000 to \$33,999,000, but Cash in Vaults declined from \$13,732,000 to \$13,507,000, the decline in cash probably being due to withdrawals by correspondent banks in agricultural districts for use in paying farmers for farm products. Demand Deposits show an increase from \$325,731,000 on August 8th to \$330,205,000 on September 12th, but Time Deposits decreased from \$151,950,000 to \$151,053,000 during the same time. Borrowings by the reporting banks from the Reserve Bank show an increase from \$36,488,000 on August 8th to \$40,011,000 on September 12th.

A comparison of the figures reported for September 12, 1923, with those reported a year ago, September 13, 1922, shows clearly the increased degree in which credit is being used this year. Exact comparison is not possible because the figures shown this year and last under Item 1, Total Loans and Discounts, are arrived at by a different method of calculating, but Item 8, Borrowed from Federal Reserve Bank, tells the story, an increase being shown in Borrowings from \$9,449,000 on September 13, 1922 to \$40,011,000 on September 12, 1923. Item 2, Investments in Bonds and Securities, and Item 7, Time Deposits, show noticeable increases during the year, but all other items show unimportant fluctuations.

SAVINGS BANK DEPOSITS

The monthly reports from fifteen mutual savings banks in Baltimore show a slight decrease in the total of deposits at the close of business August 31st in comparison with deposits at the end of July, but a large increase over deposits on August 31, 1922. Total deposits in the fifteen reporting banks at the end of August 1923 amounted to \$137,116,328, compared with aggregate deposits of \$127,653,146 on August 31, 1922, \$122,833,151 on August 31, 1921, and \$120,195,124 on August 31, 1920. The total deposits in the fifteen banks on August 31st this year represent an increase of 14.1% over deposits on August 31, 1920, and a gain of 7.4% within the past year. All of the banks except one show increased deposits over August 1922.

FEDERAL RESERVE BANK OPERATIONS

The past month has witnessed a considerable expansion in the amount of credit extended by the Federal Reserve Bank of Richmond to its member banks, the increase being seasonal. In anticipation of crop moving demands member banks have called for a large amount of cash, thus increasing the Reserve Bank's volume of Federal Reserve notes in actual circulation from \$79,453,255 on August 15th to \$85,338,435 on September 15th. During the same period, the Cash Reserves of the Richmond Bank declined from \$79,215,105.54 to \$74,412,086.64. Member Bank Reserve Deposits rose from \$59,693,747.74 on August 15th to \$63,089,293.45 on September 15th. The increases in note circulation and reserve deposits having been provided for largely by loans and rediscounts with the Reserve Bank, Total Bills on hand increased from \$68,715,101.21

on August 15th to \$79,522,868.77 on September 15th, and the increases in note circulation and reserve deposits, with the decrease in cash reserves, lowered the ratio of cash to deposit and Federal Reserve note liabilities combined from 56.23% on August 15th to 49.08% on September 15th.

At the close of business September 15, 1922, the Cash Reserves held by the Federal Reserve Bank of Richmond amounted to \$107,786,522.13; Total Bills on Hand amounted to \$39,911,749.24; Federal Reserve Notes in Actual Circulation totaled \$84,135,700; and Member Bank Reserve Deposits amounted to \$59,998,259.85. The reserve ratio on September 15, 1922, was 74.09%.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FIVE WEEKS ENDING		
	Sept. 12, 1923	August 8, 1923	Sept. 13, 1922
Asheville, N. C.....	\$ 26,381,000	\$ 28,260,000	\$ 20,801,000
Baltimore, Md.....	380,600,000	454,900,000	358,317,000
Charleston, S. C.....	27,360,000	32,633,000	24,284,000
Charleston, W. Va.....	39,003,000	42,189,000	32,908,000
Charlotte, N. C.....	39,275,000	40,914,000	33,154,000
Columbia, S. C.....	22,815,000	23,659,000	17,243,000
Cumberland, Md.....	9,048,000	11,849,000	8,434,000
Danville, Va.....	8,899,000	10,383,000	8,483,000
Durham, N. C.....	20,594,000	21,117,000	21,806,000
Greensboro, N. C.....	20,383,000	25,187,000	18,259,000
Greenville, S. C.....	26,308,000	23,289,000	16,428,000
Hagerstown, Md.....	10,333,000	12,310,000	8,783,000
Huntington, W. Va.....	28,158,000	30,309,000	21,881,000
Lynchburg, Va.....	20,892,000	23,488,000	17,903,000
Newport News, Va.....	7,850,000	9,265,000	8,172,000
Norfolk, Va.....	70,497,000	77,084,000	66,775,000
Raleigh, N. C.....	34,350,000	34,945,000	19,674,000
Richmond, Va.....	142,094,000	134,451,000	123,407,000
Roanoke, Va.....	25,760,000	27,955,000	24,183,000
Spartanburg, S. C.....	10,135,000	11,341,000	7,913,000
Washington, D. C.....	187,613,000	215,552,000	178,408,000
Wilmington, N. C.....	17,385,000	20,144,000	21,139,000
Winston-Salem, N. C.....	29,700,000	38,005,000	26,617,000
Totals for 23 cities.....	\$ 1,205,433,000	\$ 1,349,229,000	\$ 1,084,972,000

The accompanying table shows 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 Reserve District, totals being included for the five weeks ending September 12, 1923, August 8, 1923 and September 13, 1922, thus affording an opportunity for comparing the latest five weeks period with the preceding period this year and the corresponding period last year.

During the five weeks ending September 12, 1923 twenty-one of the twenty-three reporting cities showed decreased debits in comparison with the five weeks period ending August 8, 1923, Greenville, S. C., and Richmond alone reporting gains. Aggregate debits reported by all of the cities amounted to \$1,205,433,000 for the period ending September 12th, compared with \$1,349,229,000 reported for the period ending August 8th, a decrease of \$143,796,000, or 10.7%, during the more recent period. There does not appear to be any significance in this decline at this season of the year.

The five weeks ending September 12, 1923 with total debits amounting to \$1,205,433,000, show a substantial increase over the corresponding five weeks last year, ending September 13, 1922, during which the reporting cities had aggregate debits amounting to \$1,084,972,000, the gain being \$120,461,000, or 11.1%. Twenty of the twenty-three reporting centers show higher figures this year, the exceptions being a small Virginia city and two North Carolina centers.

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

Dun's statistics on business failures in the United States are shown in the table herewith, figures on the number of insolvencies and the total liabilities involved being given for each of the twelve Federal Reserve Districts for both August 1923 and August 1922.

Taking the nation as a whole, the table shows a distinct decline in both the number of failures and in liabilities involved during August 1923 compared with August a year ago. The current month this year witnessed 1,319 insolvencies, with aggregate liabilities amounting to \$34,334,722, compared with 1,714 insolvencies in August 1922, with liabilities of \$40,279,718, declines during August this year of 23% in the number of

failures and 14.8% in the volume of liabilities involved. In comparison with the previous month, July 1923, the August record was not so favorable, failures in July having been fewer in number than in August, but July's liabilities were greater than those of August. Of the twelve Reserve Districts, eight reported fewer failures in August this year than last, one district reported the same number, and three reported more. In the total of liabilities involved, all districts show decreased figures this year except Philadelphia, Richmond, Atlanta and Minneapolis, the Philadelphia and Minneapolis districts also being included in the list having a larger number of bankruptcies this year.

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1923	1922		1923	1922	
Boston, First.....	118	118	0.0	\$ 966,830	\$ 1,556,039	— 37.9
New York, Second.....	273	269	1.5	5,734,168	7,364,329	— 22.1
Philadelphia, Third.....	80	76	5.3	5,027,408	2,735,637	83.8
Cleveland, Fourth.....	116	156	—25.6	1,870,656	3,574,148	— 47.7
Richmond, Fifth.....	94	134	—30.0	2,907,919	2,253,748	29.0
Atlanta, Sixth.....	92	152	—39.5	5,598,050	2,890,891	93.6
Chicago, Seventh.....	168	243	—30.9	6,163,449	6,776,867	— 9.1
St. Louis, Eighth.....	45	135	—66.7	694,960	2,347,687	— 70.4
Minneapolis, Ninth.....	82	69	18.8	1,314,746	888,750	47.9
Kansas City, Tenth.....	68	95	—28.4	1,083,184	1,963,119	— 44.8
Dallas, Eleventh.....	68	85	—20.0	1,020,596	5,198,294	— 80.4
San Francisco, Twelfth.....	115	182	—36.8	1,952,756	2,730,209	— 28.5
Totals.....	1,319	1,714	—23.0%	\$ 34,334,722	\$ 40,279,718	— 14.8%

In the Fifth District, the August 1923 record of 94 failures compares favorably with the August 1922 total of 134 failures, showing a decline of 30% this year, but August 1923 liabilities amounted to \$2,907,919, compared with liabilities of \$2,253,748 in August 1922, an increase this year of 29%. Both the number of insolvencies and the total of liabilities reported for August 1923 exceeded those reported during the previous month, July, 1923.

The average liability per failure in August 1923 was \$30,935 in the Fifth District and \$26,031 in the nation as a whole, compared with average liabilities in August 1922 of \$16,819 in the Fifth District and \$23,500 in the nation.

LABOR—In the Fifth District the labor situation may be classed as satisfactory on the whole. In the cities the supply of and the demand for workers appear to be practically balanced, with sufficient work available to give every one employment and sufficient workers available to do the desired work. In the rural districts labor is scarce in spots, but the farmers have been able to secure enough help to make out. The migration of negroes to Northern and Eastern industrial centers appears to be slowing down very materially, and some reports indicate that some of the negroes who went North several months ago are returning to the South. Labor conditions in the textile centers are good, the employees being employed full time and at satisfactory wages, and sufficient labor being available to meet the needs of the mills. Construction work continues unabated, enough new work getting under way to absorb the labor released by the completion of work begun in the spring, and in addition to the new work, many of the projects started during the spring and summer were business structures that will give employment to many workmen well into the winter. All lines of industry appear to be expanding operations to some extent, thus assuring full employment for some time. The approach of winter will doubtless slow down road building and some other outside work, thus releasing a considerable number of unskilled workmen, many of whom may secure indoor work in factories, foundries, coal yards, etc.

COAL—The United States Geological Survey, in its weekly report on coal production dated September 15, 1923, states that "Revised estimates place the total output of soft coal in August at 48,864,000 net tons, including lignite, coal coked, mine fuel, and local sales. This was an increase of 3,738,000 tons over the July production, due partly to a slight increase in the average daily rate, but chiefly to the occurrence of more working days in August. The total production of soft coal in the first eight months of 1923 was 367,260,000 net tons, which was 18 per cent ahead of the average production during corresponding periods of the nine years 1914-1922." The year 1918 is the only year among the nine mentioned in which production during the first eight months exceeded production during the corresponding period this year.

From September 1st to the present, September 18th, all anthracite mines have been shut down as a result of a strike in the industry, but a basis of settlement has been reached and the miners will return to work within a day or two. Production of hard coal down to September 1st was at a high rate, and a comparatively large surplus is available. The prompt settlement of the strike appears to remove all probability of a coal shortage this winter.

Locally throughout the Fifth District the coal situation remains unchanged from recent months. Retailers have full stocks, especially of soft coal, and householders have been able to secure their winter's supply when they desired it. Few price changes have yet been made in anticipation of the fall demand, but dealers have served notice through their advertisements of probable increases in the near future.

TEXTILES—Since the first of August conditions in the textile industry of the Fifth District have improved materially. The cotton condition report as of July 25th was distinctly bullish, and the condition report as of August 25th proved even more of a stimulant to the market. As a result of these reports, which appear to indicate another short cotton crop this year, buyers have come into the market for cotton goods, and the mills have received many new orders. Curtailment is very limited at present, and the increased demand has apparently enabled many mills to liquidate a large part of the surplus stocks accumulated during the dull period of the past three or four months. Opinions among mill men differ as to surplus stocks of textiles on hand, but the majority of our correspondents think that reserve stocks are comparatively low. Authorities in the trade now expect a good volume of business at profitable prices for the next six months, the only danger being a possibility that cotton prices may rise so high that consumers of cotton goods will refuse to buy at the figures the high costs of raw material might make necessary, but on the other hand with people fully employed the consumptive power is of course increased. During August the mills in North Carolina consumed 100,293 bales of cotton, South Carolina mills used 81,441 bales, and Virginia mills used 11,668 bales, a total consumption of 193,402 bales in comparison with 184,802 bales used in July.

The Census Bureau states that cotton spindles active during August were 33,708,667 as compared with 34,237,887 in July this year and 32,491,857 during August last year. The cotton growing states reported 15,858,075 spindles active during August, compared with 15,871,805 in July this year and 15,609,596 in August 1922.

COTTON—The latter half of August and the first half of September witnessed a number of interesting developments in the cotton market. During August prices for both futures and spots moved upward steadily, the rise being stimulated by an unexpectedly low condition report as of July 25th. During the week ending August 18th, spot cotton prices in the Carolinas, middling basis, averaged 24.18 cents per pound and the following week, ending August 25th, averaged 24.15 cents. The average for the week ending September 1st rose to 24.56 cents. On August 31st the Department of Agriculture issued its report on the August 25th condition of the cotton crop, and the bullish nature of the report sent average spot prices for the week ending September 8th up to 25.90 cents. The following week, ending September 15th, witnessed a continuation of the rise, the average price being 27.13 cents.

The Department of Agriculture's report on the August 25th condition of the cotton crop was lower than the trade had expected, the condition being given as 54.1 percent in comparison with a condition of 67.2 percent on July 25th. The same report lowered the estimate of production from 11,516,000 bales on the July 25th condition to 10,788,000 bales on the August 25th condition, and later news on weather and weevil activity in the cotton states has led the traders to believe that even the reduced estimate may be too high. During August Virginia's cotton condition rose from 88 percent to 93 percent, but North Carolina's condition fell from 82 percent to 71 percent, and South Carolina's condition dropped from 64 percent to 57 percent. The losses were considerably greater in some other cotton producing states than in those of the Fifth District, and consequently prospects in this District are comparatively better than elsewhere.

The cotton consumption report covering August 1923, issued on September 14th by the Census Bureau, showed a gain of approximately 30,000 bales over July consumption. Total consumption during August was 491,604 bales, compared with 461,575 bales consumed in July 1923 and 527,404 bales used in August 1922. Statistics for the cotton growing states show an August consumption of 329,162 bales, compared with 308,181 bales used in July and 338,588 bales used in August last year. Cotton on hand in consuming establishments on August 31st aggregated 806,671 bales compared with 1,024,874 bales on the same date last year, and cotton in public storage and at compresses August 31st totaled 1,179,204 bales compared with 1,530,141 bales a year previously. Imports of cotton during August totaled 3,420 bales, while 244,415 bales were exported.

This year's cotton crop is generally retarded in growth, but it is opening very early, especially in the southwest. The Ginners' report issued on September 8th showed a total of 1,141,337 bales ginned previous to September 1st, a record figure for the first month of the season. More than a million bales of the total were reported from Texas, where prolonged drought has caused the crop to open before attaining full development. The lateness of the crop, coupled with the activity of boll weevils, will probably make the top crop very small.

TOBACCO—Nearly all of the tobacco in the Fifth District has been gathered, and farmers are rushing the cutting and housing of the remainder as much as possible. The month of August was favorable for the maturing of the crop in Virginia, and the condition improved from 69 percent of a normal on August 1st to 83 percent on September 1st, indicating a production of 123,413,000 pounds this year. There has been some

damage from "wildfire" but the crop is generally above the average and many growers have remarkably fine prospects. The Virginia markets will not open until about October 1st.

In North Carolina some of the markets were open in August, and 11,408,915 pounds were sold for producers, compared with 18,159,580 pounds sold in August 1922. The average price paid in North Carolina in August was \$22.50 per hundred, compared with an average of \$21.60 paid during the corresponding month last year. The quality of tobacco being marketed at present is only fair, most of it being lugs and common grades. North Carolina's crop condition on September 1st was 86 percent of normal, with an expected yield of 355,266,000 pounds, an increase of about 48,000,000 pounds over the 1922 crop. The greatest quantity of tobacco sold on any market in North Carolina in August was sold at Fairmont, 3,903,624 pounds, and the highest prices were paid on that market, averaging \$24.79 per hundred pounds.

The South Carolina Commissioner of Agriculture has issued a report showing that independent tobacco warehouses in that state sold 25,710,383 pounds during August at an average of \$23.80 per hundred pounds. Lake City led all reporting markets with sales totaling 5,447,222 pounds.

The September 1st condition of tobacco in West Virginia was good, averaging 89 percent of normal. The forecasted production was 7,529,000 pounds, compared with 7,425,000 pounds produced last year.

Figures given herein on sales in North and South Carolina do not include receipts at Co-operative Association warehouses. The Association does not give out monthly reports of receipts and sales.

AGRICULTURAL NOTES—"Virginia crops have made wonderful improvement during the 'past month,'" to quote the September 13th report of the Virginia Crop Reporting Service. The report states further that on August 1st the condition of practically all crops was below the ten year average, but frequent rains and warm weather during late August and early September were favorable to crop growth. On September 1st conditions were good, and farmers are now more optimistic over the season's out-turn. The combined average of all crops is the same as the ten year average and is 12 percent higher than on August 1st. The corn crop improved 10 percent during August, and excellent yields are now indicated. Based on a September 1st condition of 90% the forecast for the state is 52,695,000 bushels. The price of corn has been gradually increasing and is higher than at this time last year, farm prices now averaging \$1.09 per bushel in comparison with 84 cents last year. Late hay crops, such as cowpeas, soybeans and millet, have made heavy growth and will help to make up the deficiency in feed crops that resulted from the light yields of clover and timothy. The September 1st condition of 63 percent for all hay indicates a production of 791,000 tons compared with 1,220,000 tons last year. Pastures have made a remarkable recovery from the poor conditions of early summer and are now reported at 90 percent of normal. The prospects for apples have improved, the sizes are large, and the commercial crop is now estimated at 1,750,000 barrels compared with 1,100,000 barrels last year. The quality of the fruit is unusually good. The condition figures of other crops on September 1st compared with the ten year average, are as follows: oats 78 (82), barley 83 (87), buckwheat 89 (85), white potatoes 64 (80), sweet potatoes 85 (85), apples 46 (58), alfalfa 75 (89), pastures 90 (90), cowpeas 91 (86), soybeans 90 (84), pears 35 (53), grapes 75 (80), sorghum 86 (86), peanuts 93 (82), watermelons 84, tomatoes 78, cabbage 80, and onions 83.

North Carolina crops made good progress during August, and on September 1st the condition of nearly all crops was above the national average. On that date the condition of the corn crop was 89 percent of normal, the condition of the oat crop was 87 percent, Irish potatoes 82 percent, sweet potatoes 83 percent, tobacco 86 percent, apples 34 percent, pastures 90 percent, cowpeas 85 percent, and soybeans 89 percent.

The Agricultural Statistician of South Carolina states that all leading crops in that state, except sweet potatoes and rice, show increased yields over last year, substantial increases being noted in wheat, oats, peanuts and tobacco. Corn production is forecasted at 30,690,000 bushels compared with 29,908,000 bushels in 1922, tobacco at 66,700,000 pounds compared with 57,600,000 pounds last year, sweet potatoes 8,930,000 bushels compared with 9,568,000 bushels, Irish potatoes 2,816,000 bushels compared with 2,552,000 bushels, peanuts 33,820,000 pounds compared with 27,887,000 pounds, rice 1,700,000 bushels compared with 1,744,000 bushels, wheat 1,920,000 bushels compared with 1,321,000 bushels, and oats 11,232,000 bushels compared with 9,743,000 bushels. Rains in August were highly beneficial to late planting of corn, cowpeas, velvet beans, soybeans, and other late growing crops, but were unfavorable for late tobacco, seriously hurting the quality.

West Virginia's crop prospects on September 1st indicate a production of 20,152,000 bushels of corn, 5,040,000 bushels of white potatoes, 705,000 bushels of buckwheat, 7,714,000 bushels of apples, 4,563,000 bushels of oats, 362,000 bushels of sweet potatoes, and 786,000 gallons of sorghum syrup. The commercial apple crop is estimated at 1,157,000 barrels.

BUILDING OPERATIONS FOR THE MONTHS OF AUGUST, 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.....	475	486	808	1,125	\$ 4,656,240	\$ 2,782,850	\$ 289,080	\$ 837,240	\$ 1,325,230	36.6%	1
2	Cumberland.....	20	37	16	21	29,650	123,845	67,185	7,055	— 34,065	— 26.0	2
3	Frederick.....	6	3	1	0	4,550	3,468	850	0	1,932	55.7	3
VIRGINIA												
4	Lynchburg.....	17	17	32	40	8,160	49,525	21,050	15,101	— 35,416	— 54.8	4
5	Norfolk.....	43	143	116	82	184,450	403,075	68,025	72,865	— 223,465	— 47.0	5
6	Richmond.....	125	151	118	86	511,275	792,881	250,494	94,069	— 125,181	— 14.1	6
7	Roanoke.....	125	97	46	55	289,974	316,401	19,192	26,650	— 33,885	— 9.9	7
WEST VIRGINIA												
8	Bluefield.....	22	34	10	10	53,059	91,325	11,150	18,320	— 45,436	— 41.4	8
9	Charleston.....	56	69	24	19	187,905	336,000	15,350	18,330	— 151,075	— 42.6	9
10	Clarksburg.....	41	20	24	19	9,205	20,775	62,770	3,640	47,560	194.8	10
11	Huntington.....	133	113	35	16	271,570	213,000	12,295	31,605	39,260	16.1	11
12	Parkersburg.....	**27		**16		150,000	50,000	50,000	20,000	130,000	185.7	12
NORTH CAROLINA												
13	Asheville.....	38	70	66	17	234,284	197,432	96,110	1,260	131,702	66.3	13
14	Charlotte.....	37	*60	10		252,525	*313,490	42,375		— 18,590	— 5.9	14
15	Durham.....	19	24	6	9	203,620	117,925	6,100	14,064	77,731	58.9	15
16	Greensboro.....	57	41	32	18	186,557	110,095	16,630	29,685	63,407	45.4	16
17	High Point.....	63	22	0	15	138,100	204,475	0	11,300	— 77,675	— 36.0	17
18	Wilmington.....	10	18	6	11	105,900	72,000	9,700	33,000	10,600	10.1	18
19	Winston-Salem.....	58	61	110	71	317,735	241,935	50,548	33,985	92,363	33.5	19
SOUTH CAROLINA												
20	Charleston.....	7	22	11	20	72,550	156,200	4,250	7,693	— 87,093	— 53.1	20
21	Columbia.....	25	25	63	98	143,820	95,275	6,147	245,245	— 190,553	— 56.0	21
22	Greenville.....	25	22	29	15	141,215	88,025	12,245	40,275	25,160	19.6	22
23	Spartanburg.....	26	28	38	40	31,677	57,777	7,705	18,720	— 37,115	— 48.5	23
DIST. OF COLUMBIA												
24	Washington.....	358	642	534	326	3,768,701	3,564,515	517,657	478,580	243,263	6.0	24
Totals.....		1,786	2,205	2,135	2,113	\$11,952,722	\$10,402,289	\$1,636,908	\$2,058,682	\$ 1,128,659	9.1%	

*Includes both new work and repairs.

**Not included in totals.

The number of new construction projects tends to decline toward the end of the year, but the volume of new work for which permits were taken out in August compares favorably with earlier months this season. Reports from twenty-three leading cities in the Fifth District show a total of 1,786 permits for new work issued in August, with estimated valuation of \$11,952,722, compared with 1,853 permits issued in July, with estimated valuation of \$10,806,729. Compared with August 1922, however, the current month this year shows a decrease in the number of permits for new work from 2,205 to 1,786. Valuation of new work in August 1923 was \$11,952,722 compared with \$10,402,289 in August 1922, apparently indicating the inclusion of a larger number of big buildings this year than last, or the inclusion of more permits that provide for several structures under one permit. Permits for repairs and alterations numbered 2,135 in August 1923, with estimated valuation of \$1,636,908, compared with 2,113 permits for similar work in August 1922, with a valuation of \$2,058,682. Combined values of new and repair work provided for in August totaled \$13,589,630 compared with a total of \$12,460,971 in August 1922, an increase this year of 9.1 percent.

Dealers in building materials report business up to seasonal expectations. Prices for materials have softened to some extent during the past two or three months, but there have been few, if any, drastic reductions. Some car shortage for transportation of building materials has given trouble, and has delayed road building particularly.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Twenty-seven Representative Department Stores for the Month of August, 1923.

Figures on retail trade, given in the accompanying table, show a very satisfactory volume of business during August in comparison with August 1922. Sales in twenty-seven representative department stores were 5.6% larger in dollars in August than in the corresponding month last year, the group of Miscellaneous Cities leading with a gain of 10.9%. Cumulative sales from July 1st this year were 8.1% greater than sales

during the same two months of 1922, Richmond leading with a gain of 28.0%. Sales in August were 0.8% greater than average sales during August of 1920, 1921 and 1922, Richmond leading with an increase of 23.5%, a considerable part of the latter increase being due to store expansion. In the amount of stock on hand at the end of August, the District shows an increase of 11.0% over stocks on hand a year ago, with Richmond showing an increase of 32.3%. During the month from July 31st to August 31st stocks increased on an average 0.8%, but Baltimore and the Miscellaneous Cities show small decreases. The percentage of average stocks on hand at the end of each month since July 1st to average monthly sales during the same period was 509.0%, Richmond showing the best turnover with an average of 400.5%. Outstanding orders at the end of August amounted to 10.1% of total purchases of merchandise during 1922.

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Aug., 1923, compared with Aug., 1922.....	1.4	8.1	7.7	10.9	5.6
Percentage increase in net sales from July 1, through Aug. 31, compared with sales during the same two month of 1922.....	4.2	28.0	5.5	11.5	8.1
Percentage increase in net sales during Aug. 1923, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	— 4.7	23.5	0.0002	1.4	0.8
Percentage increase in stocks on hand at the end of Aug., 1923, over stocks on hand at the end of Aug., 1922.....	7.9	32.3	11.0	7.9	11.0
Percentage increase in stocks on hand at the end of Aug., 1923, over stocks on hand at the end of July, 1923.....	— 1.3	2.3	3.2	— 0.5	0.8
Percentage of average stocks on hand at the end of each month since July 1, to average net sales each month during the same period, two months.....	523.6	400.5	511.1	561.3	509.0
Percentage of outstanding orders at the end of Aug., 1923, to total purchases of merchandise during the year 1922.....	9.8	13.0	9.2	11.8	10.1

—Denotes Decrease.

Since September 1st the weather has been highly favorable for retail trade, and fall business is opening up nicely. Merchants are optimistic on the future, and believe that full employment at good wages insures a satisfactory volume of buying during the coming season.

WHOLESALE TRADE

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

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	46	15	15	17	7	13
Net sales (selling price) during Aug., 1923, compared with July, 1923.....	3.3	45.0	57.7	23.3	27.3	9.1
Net sales (selling price) during Aug., 1923, compared with Aug., 1922.....	9.0	11.7	0.3	22.9	61.1	15.0

—Denotes decrease.

Wholesale trade reports received this month from 46 grocery firms, 15 dry goods houses, 15 shoe jobbers, 17 hardware jobbers, 7 furniture manufacturers, and 13 drug firms, show that the dollar value of business done in August was greater in every line than the volume of business done in either July of this year or August of last year. A large part of the increase in August over July is seasonal, but the gains over August 1922 represent an actual increase in business for the most part, price changes within the year being relatively

unimportant in most lines. Comparing sales in August with sales in July, both this year, groceries show an increase of 3.3%, dry goods a gain of 45.0%, shoes a gain of 57.7%, hardware a gain of 23.3%, furniture a gain of 27.3%, and drugs a gain of 9.1%. In comparison with sales in August of last year, sales in August 1923 were 9.0% greater in groceries, 11.7% greater in dry goods, 0.3% greater in shoes, 22.9% greater in hardware, 61.1% greater in furniture, and 15.0% greater in drugs. Wholesalers in all lines write that retailers are buying with more freedom than in recent months, and good business for fall and winter is confidently expected. Prices are thought to be fairly stable in all lines, with the exception of dry goods, in which line advances are quite likely on account of cotton and silk scarcity.

Collection conditions changed very little during August, but on the whole there was some slight improvement. One hundred and fourteen reporting wholesalers classified their collections during the month as *Good*, *Fair*, *Slow* or *Poor*, and of these 86.0% classified them as either *Good* or *Fair*, compared with 85.0% so reporting in July. The improvement is somewhat better than these figures indicate, however, since changes from *Fair* to *Good* do not show in the percentages mentioned. We show herewith the classifications made by the 114 firms for August, together with the classifications made in July 1923 and August 1922 for comparison:

<i>Lines Sold</i>	<i>Good</i>	<i>Collections Reported As</i>			<i>Total</i>
		<i>Fair</i>	<i>Slow</i>	<i>Poor</i>	
Groceries	10	28	7	1	46
Dry Goods	4	10	1	0	15
Shoes	1	10	5	0	16
Hardware	4	12	1	0	17
Furniture	1	5	1	0	7
Drugs	8	5	0	0	13
August 1923 Totals.....	28	70	15	1	114
July 1923 Totals.....	20	76	16	1	113
August 1922 Totals.....	14	84	17	4	119

(Compiled September 20, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

The volume of merchandise distributed during August, as indicated by railway traffic and wholesale and retail trade, was large. Production of certain basic commodities and industrial employment showed further slight decreases.

PRODUCTION. The Federal Reserve Board's index of production in basic industries declined 2 percent during August, and was at the lowest point for the year. The August output, however, was 27 percent larger than a year ago and production in every month this year has been at a higher level than in any month of the previous five years. Lower production index in August reflected reduced output, after a correction for the usual seasonal trend, of pig iron, woolen goods, flour and cement. Cotton consumption, sugar meltings, lumber cut and bituminous coal production increased. The number and value of new building projects, as measured by permits granted in 168 leading cities, increased during August, but actual contract awards were smaller than in July. Employment at industrial establishments throughout the United States was slightly smaller in August, while average weekly earnings advanced about 1 percent. Increases in wages amounting to 10 percent were granted to anthracite coal miners, and readjustment of wages and hours in the steel industry continued, but wage advances during August were fewer than in any month since last winter. The principal changes in crop estimates shown by the September 1st forecast of the Department of Agriculture were a large reduction in the expected cotton crop, slight decreases in the probable yield of wheat, barley and oats, and increases in yields of corn, tobacco and potatoes.

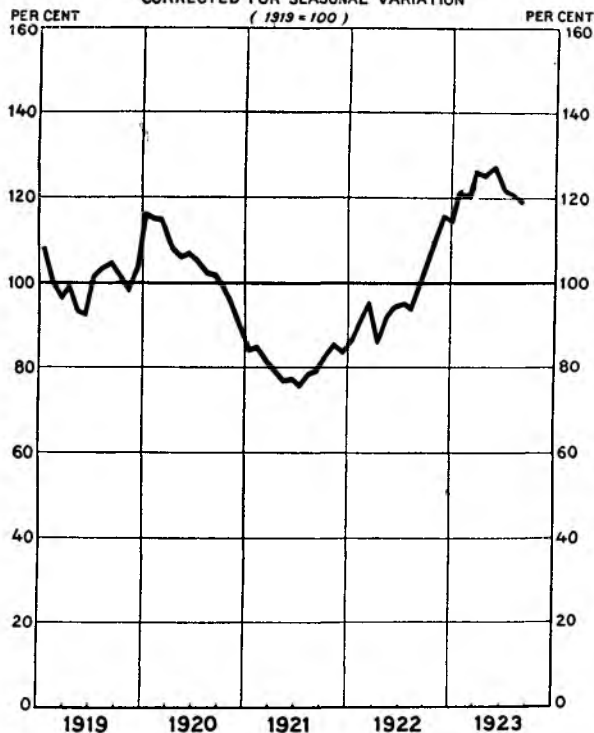
TRADE. Railroad freight shipments were larger in August than in any previous month on record. This was due to a seasonal increase in shipments of coal, miscellaneous merchandise, and agricultural products. Wholesale trade, according to the index of the Federal Reserve Board, increased 12 percent in August, which is more than the usual seasonal increase, and sales were the largest for any month in three years. Sales of clothing, dry goods, and shoes showed substantial gains as compared with July and were larger than a year ago. Retail trade also increased in August and sales in all reporting lines were larger than in August 1922. Department store sales in all sections of the country averaged 12 percent above last year's level.

PRICES. The general level of wholesale prices, according to the index of the Bureau of Labor Statistics, remained relatively constant in August, the change for the month being a reduction of less than one fifth of one percent compared with declines of about 2 percent in each of the three preceding months. Prices of building materials, house furnishings, and fuel were materially reduced, while prices of farm products and foods increased. Prices of certain raw materials, particularly cotton and silk, advanced substantially during September, while prices of petroleum and copper declined.

BANK CREDIT. After a decline during July and the first part of August, the volume of bank credit in use showed a seasonal increase during the last week of August and the first week of September. Total loans and demand deposits of member banks in principal cities increased during recent weeks, reversing the trend of the preceding two months. Loans, chiefly for commercial and agricultural purposes, increased by \$122,000,000 and reached a high point for the year. Investment holdings of these banks, on the contrary, continued to decline and on September 12 were lower than at any time since the middle of October of last year. Between August 22 and September 19 the amount of accommodation extended to member banks by Federal Reserve Banks in industrial districts declined, while in agricultural districts the seasonal demand for credit and currency resulted in a considerable growth of Reserve Bank credit in use. The demand for currency arising out of crop moving and fall trade has been reflected in an increase of \$82,000,000 in money circulation between August 1 and September 1. Of this amount about \$44,000,000 represents an increase in Federal Reserve Note circulation. Many rates were firmer during the first two weeks of September, but eased somewhat after the 15th, partly because Government disbursements were temporarily in excess of tax collections. The Treasury issued, on September 15, \$200,000,000 of six months Certificates bearing $4\frac{1}{4}$ percent interest, compared with 4 percent borne by six months Certificates issued in June.

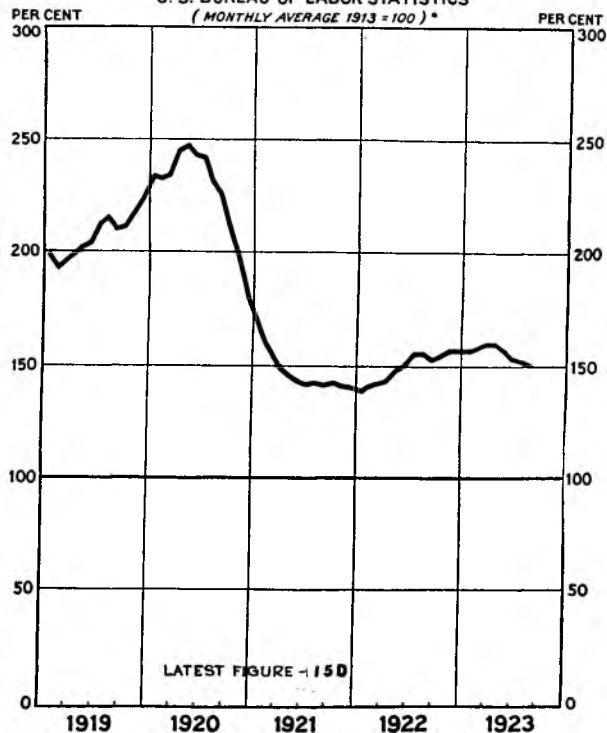
INDEX OF PRODUCTION IN BASIC INDUSTRIES

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



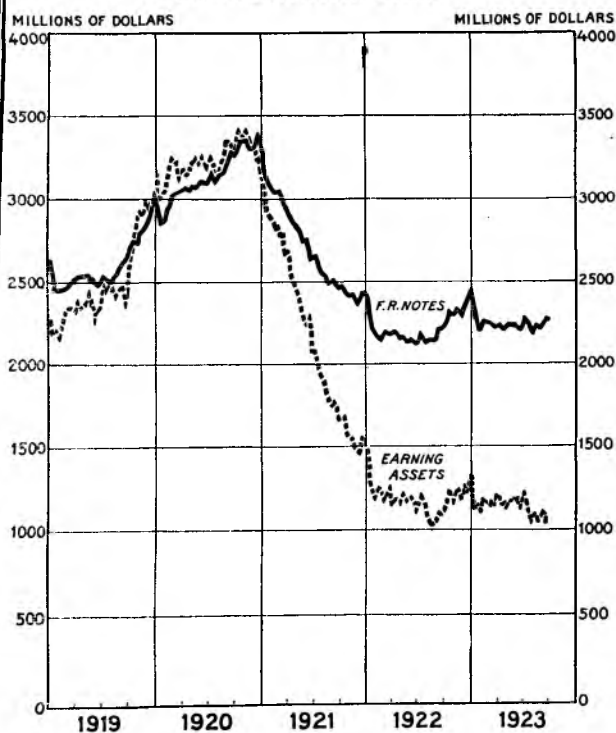
PRICES

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



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

BANK CREDIT ALL FEDERAL RESERVE BANKS



BANK CREDIT 800 MEMBER BANKS IN LEADING CITIES

