

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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Business in the Fifth Federal Reserve District during October was fully up to seasonal average, and in some lines much of the dullness experienced in September disappeared. Perhaps the most outstanding development in the District since our October 31st *Review* was written was the steady rise in cotton prices, which advanced approximately \$25 a bale between the middle of October and the middle of November, reaching a point at least 6 cents per pound above the price on November 15, 1922. In addition to the advance in price, the Department of Agriculture's November 2nd report credited the cotton growing states of the Fifth District with an increase in production this year over 1922 amounting to 429,000 bales, or 31%. As a result of the large sums being realized by the cotton planters, together with the marketing of tobacco and other farm products at satisfactory prices, liquidation of agricultural paper is taking place earlier this fall than usual, thus enabling member banks to retire a considerable part of their rediscounts at the Reserve Bank and elsewhere. At the same time, deposits in member banks have risen sharply, clearly showing the improved status of the banks' customers. The payment of rediscounted paper resulting from the marketing of agricultural products in the Fifth District has increased the cash reserves of the Federal Reserve Bank of Richmond, thereby raising the ratio of reserve to combined note and deposit liabilities from 55.45% on October 15th to 64.65% on November 14. Debits to individual accounts in twenty-three trade centers of the District were greater during the five weeks ending November 14th than during the five weeks ending October 10th, although the earlier period contained a quarterly payment date which usually swells the volume of debits. Business failures in October, while more numerous than in September, were fewer in proportion in the Fifth District than in the nation as a whole, and liabilities were lower than in Oc-

tober 1922. Labor continues fully employed at high wages, and sufficient labor is available for all purposes except in a few scattered industries such as dairying. Coal production is sufficient to meet all needs and to provide some surplus for storage against contingencies. The textile industry is finding it increasingly difficult to sell goods at prices that make operations remunerative, in view of recent advances in raw cotton, but Fifth District mills have as yet curtailed operations very little, and during October they consumed more cotton than in September of this year or October last year. Virginia's tobacco crop, while smaller than last year's, was raised on a smaller acreage, and North Carolina's crop is the second largest in the history of the state. Prices for tobacco, grades considered, are good. Other crops quite generally turned out well. Corn yields in Virginia and both Carolinas turned out better than last year and this year's price averages about 15 cents per bushel higher. Wheat and other grains yielded good returns, and in Virginia peanut and apple crops both turned out much larger and better than last year. Building permits issued in twenty-five of the Fifth District's leading cities broke all previous records in October for that month of the year, and exceeded the number of permits issued in September. Retail trade, as reflected in department store sales, was 12.1% greater in October than in October 1922, and increased 46.4% over the volume of business done in September this year. Wholesale trade on the whole was much better than a year ago, and collections showed steady improvement as fall business developed and the seasonal liquidation of indebtedness got under way.

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

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

ITEMS	Nov. 7, 1923	Oct. 10, 1923	Nov. 8, 1922
1. Total Loans and Discounts (including all rediscounts)	\$ 466,098,000	\$ 469,756,000	\$ 426,327,000*
2. Total Investments in Bonds and Securities	126,792,000	131,984,000	129,615,000
3. Total Loans and Investments	592,890,000	601,740,000	555,942,000
4. Reserve Balance with Federal Reserve Bank	36,662,000	36,338,000	35,573,000
5. Cash in Vaults	14,757,000	14,517,000	14,871,000
6. Demand Deposits	342,298,000	336,900,000	334,125,000
7. Time Deposits	152,223,000	152,456,000	147,681,000
8. Borrowed from Federal Reserve Bank	37,215,000	43,067,000	17,566,000

*Does not include Rediscounts.

In the accompanying table we show the principal items of condition reported by seventy-six member banks on three dates, November 7, 1923, October 10, 1923, and November 8, 1922. These figures afford an opportunity for comparing the totals reported for the latest date with those reported for the previous month this year and on the corresponding date a year ago. Since last month the number of reporting banks has been reduced from seventy-seven to seventy-six, but the reduction resulted from a merger of two banks and therefore the relative value of the figures for the three dates is not affected.

During the period between October 10th and November 7, 1923, there was a decrease in outstanding loans to customers in the reporting banks from \$469,756,000 to \$466,098,000, a decline which is unusual at this season of the year. The marketing of farm products always brings about some liquidation of agricultural loans during October, but demands for mercantile credit usually more than counterbalance the lessened need for credit to farmers. This year, however, the merchants have either not borrowed as much as usual, or high prices for agricultural products have enabled the farmers to settle their accounts earlier than in average years. Partly because of the liquidation of loans to customers, and increased deposits, and partly as a result of some reduction in investments in bonds and securities, the reporting banks have reduced their rediscounts at the Federal Reserve Bank of Richmond from \$43,067,000 on October 10th to \$37,215,000 on November 7th. Cash in vaults of reporting banks rose during the month from \$14,517,000 to \$14,757,000, and demand deposits increased from \$336,900,000 to \$342,298,000, the latter increase being striking in view of the reduction in outstanding loans, since deposit accounts are drawn upon in order to pay loans. Time deposits declined slightly between October 10th and November 7th, falling from \$152,456,000 to \$152,223,000, but this decrease is more than accounted for by the transfer of Christmas Savings accounts from time to demand deposits. Reserve balance with the Federal Reserve Bank increased from \$36,338,000 on October 10th to \$36,662,000 on November 7th, larger reserves being required on the increased deposits previously mentioned.

During the year between November 8, 1922 and November 7, 1923, several of the items included in the table changed materially, chief among these being the items showing demand and time deposits, total loans and discounts, and borrowing at the Reserve Bank. The figures showing total loans and discounts are not comparable because the 1922 figure excluded rediscounts, but demand deposits increased from \$334,125,000 to \$342,298,000 during the year, time deposits rose from \$147,681,000 to \$152,223,000, and borrowings at the Reserve Bank increased from \$17,566,000 to \$37,215,000. Reserve balance at the Reserve Bank increased within the year from \$35,573,000 to \$36,662,000, but cash in vaults declined from \$14,871,000 to \$14,757,000, and investments in bonds and securities decreased from \$129,615,000 to \$126,792,000.

FEDERAL RESERVE BANK OPERATIONS

Cash reserves of the Federal Reserve Bank of Richmond rose from \$91,334,461.84 on October 15th to \$109,004,949.43 on November 14th, and the volume of Federal Reserve Notes in actual circulation increased from \$97,162,535 to \$101,824,145 during the same period. Both of these increases are seasonal, the increase in cash reserves being brought about by transfers of funds from other districts in payment for cotton and other agricultural products sold and shipped, and the increase in note circulation resulting from the increased needs for currency for crop moving and holiday trade. Member bank reserve deposits increased from \$61,314,607.55 on October 15th to \$63,295,280.24 on November 14th, the increase being largely due to increased deposits in the member banks upon which reserves have to be carried. On the other hand, payment of loans at member banks with funds secured from crop sales enabled the member banks to reduce their rediscounts at the Federal Reserve Bank of Richmond from \$78,179,400.82 to \$63,857,499.78 between October 15th and November 14th. As a result of the changes in condition mentioned above, the ratio of cash reserves to deposit and note liabilities combined rose from 55.45% on October 15th to 64.65% on November 14th, as hereinbefore stated.

A year ago, on November 15, 1922, the cash reserves of the Federal Reserve Bank of Richmond amounted to \$119,977,150.56; Federal Reserve Notes in actual circulation totaled \$98,982,755; Member bank reserve deposits aggregated \$59,254,931.78; and total rediscounts amounted to \$44,043,404.81. The ratio of cash reserves to combined notes and deposit liabilities was 75.64%. The greater volume of rediscounts and Federal Reserve Notes now outstanding in comparison with a year ago is due to increased business activity.

SAVINGS BANK DEPOSITS

Total deposits in fifteen regularly reporting mutual savings banks, located in Baltimore, increased during October more than a million dollars over total deposits at the end of September, establishing a new record for these institutions. Deposits in the fifteen banks amounted to \$138,814,399 at the close of business October 31, 1923, compared with totals of \$130,293,419 on October 31, 1922, \$122,881,047 on October 31, 1921, and \$121,411,012 on October 31, 1920. The October 1923 total shows an increase of 6.5% over deposits a year ago and a gain of 14.3% over deposits in October 1920.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FIVE WEEKS ENDING		
	Nov. 14, 1923	Oct. 10, 1923	Nov. 15, 1922
Asheville, N. C.....	\$ 25,106,000	\$ 27,112,000	\$ 23,206,000
Baltimore, Md.....	424,600,000	433,400,000	421,749,000
Charleston, S. C.....	28,194,000	24,214,000	29,176,000
Charleston, W. Va.....	43,437,000	45,077,000	43,457,000
Charlotte, N. C.....	49,883,000	50,121,000	42,849,000
Columbia, S. C.....	30,648,000	28,708,000	29,907,000
Cumberland, Md.....	10,669,000	11,022,000	9,857,000
Danville, Va.....	14,023,000	10,796,000	18,599,000
Durham, N. C.....	25,735,000	24,592,000	26,182,000
Greensboro, N. C.....	29,982,000	26,333,000	25,449,000
Greenville, S. C.....	33,627,000	30,713,000	26,998,000
Hagerstown, Md.....	11,478,000	12,548,000	10,807,000
Huntington, W. Va.....	28,440,000	30,102,000	27,293,000
Lynchburg, Va.....	23,228,000	24,515,000	21,895,000
Newport News, Va.....	7,740,000	8,433,000	7,869,000
Norfolk, Va.....	97,776,000	86,787,000	84,341,000
Raleigh, N. C.....	34,930,000	32,799,000	36,050,000
Richmond, Va.....	160,309,000	160,897,000	167,925,000
Roanoke, Va.....	27,841,000	27,892,000	28,785,000
Spartanburg, S. C.....	19,205,000	14,667,000	15,241,000
Washington, D. C.....	223,490,000	219,533,000	212,379,000
Wilmington, N. C.....	29,882,000	25,128,000	29,716,000
Winston-Salem, N. C.....	38,056,000	37,128,000	38,365,000
Totals for 23 cities.....	\$ 1,418,279,000	\$ 1,392,517,000	\$ 1,378,095,000

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 November 14, 1923, October 10, 1923, and November 15, 1922, thus affording an opportunity for comparing the latest five weeks period with (1) the preceding period this year and (2) the corresponding period last year.

During the five weeks ending November 14, 1923, aggregate debits in the twenty-three reporting cities amounted to \$1,418,279,000, compared with \$1,392,517,000 reported for the period ending October 10, 1923, an increase of \$25,762,000 during the month, twelve of the twenty-three cities showing gains. The gains are due to the large amount of debits resulting from cotton and tobacco sales, all of the cities showing increases except Washington being cotton or tobacco markets or export points.

The five weeks ending November 14, 1923, with total debits amounting to \$1,418,279,000, show an increase of \$40,184,000, or 2.9%, over the corresponding five weeks last year, ending November 15, 1922, during which period the reporting cities had aggregate debits amounting to \$1,378,095,000. Tobacco is being marketed much more slowly than in 1922, due to the unusual lateness of the crop and to unfavorable weather for ordering during October, and therefore debits in the tobacco markets are generally quite noticeably below debits reported from the same cities during the corresponding period in 1922.

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

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1923	1922		1923	1922	
Boston, First.....	130	154	—15.6	\$ 15,610,419	\$ 3,950,610	295.1
New York, Second.....	351	364	— 3.6	34,602,500	6,239,259	454.6
Philadelphia, Third.....	62	76	—18.4	1,557,615	2,122,521	— 26.6
Cleveland, Fourth.....	137	151	— 9.3	7,706,539	5,653,108	36.3
Richmond, Fifth.....	91	91	0.0	2,266,828	2,317,926	— 2.2
Atlanta, Sixth.....	107	119	—10.1	2,085,051	1,716,140	21.5
Chicago, Seventh.....	208	232	—10.3	4,790,027	5,185,636	— 7.6
St. Louis, Eighth.....	84	91	— 7.7	1,308,833	1,661,606	— 21.2
Minneapolis, Ninth.....	90	86	4.7	1,118,598	1,496,211	— 25.2
Kansas City, Tenth.....	96	92	4.3	1,340,804	1,272,345	5.4
Dallas, Eleventh.....	111	91	22.0	2,417,470	1,014,291	138.3
San Francisco, Twelfth.....	206	161	28.0	4,497,057	2,017,785	122.9
Totals.....	1,673	1,708	— 2.0%	\$ 79,301,741	\$ 34,647,438	128.9%

Business failures in October were more numerous than in any other month since March, taking the country as a whole, and the aggregate of liabilities involved was the greatest since December 1921. Dun's Review reports 1,673 failures in October 1923, with liabilities totaling \$79,301,741, compared with 1,226 failures involving \$28,698,649 of liabilities in September 1923, and 1,708 failures involving \$34,647,438 of liabilities in October 1922. However, in commenting upon the amount of liabilities involved, Dun's Review states that five large failures accounted for more than half the total. Even with the marked expansion in the October liabilities, the total reported for ten months this year is 20 percent less than for the same period of last year, and the number of insolvencies for ten months shows a decrease of 25 percent from the number reported through October 1922.

In the Fifth District there were 91 bankruptcies in October 1923, compared with 66 in September of this year and 91 in October 1922. In liabilities involved October 1923 witnessed a total of \$2,266,828, compared with \$964,349 reported in September 1923 and \$2,317,926 reported in October 1922.

The average liability per failure in October 1923 was \$24,910 in the Fifth District and \$47,401 in the nation as a whole, compared with average liabilities in October 1922 of \$25,472 in the Fifth District and \$20,285 in the nation.

LABOR—There has been no material change in labor conditions in the Fifth District since our last month's Review was written. The supply of and the demand for labor appear to be approximately balanced, except for farm and dairy work for which competent workmen are very scarce. The weather continued favorable for outside work all through October and the early part of November. New construction work continues to get under way in sufficient volume to absorb the labor released as projects begun earlier in the year are finished, and manufacturers seem to be gradually taking on additional workers. The Industrial Employment Survey in Richmond, for example, shows that 67 firms increased the number of their employees from 18,200 in September to 18,481 in October, a gain during the month of 281 workers.

A strike involving three or four hundred engineers and firemen has developed on the Virginian Railway. The officials of the road have been able to maintain a degree of service in spite of the walk-out, and negotiations looking toward a settlement are under way.

COAL—According to the Department of the Interior reports, issued weekly through the Geological Survey, daily production of bituminous coal has been running around the 1,800,000 ton mark for the past six weeks, and coal has been gradually flowing into storage, production being slightly greater than consumption. The present rate of output is just below that in 1922, and is considerably below that in 1917 and 1920, but now exceeds that in 1918. The Survey says that production during the first 266 working days of 1923 amounted to 478,024,000 net tons, this total being larger than production during the corresponding periods in 1917, 1919, 1921 and 1922, but is slightly less than in 1920, and considerably less than in 1918. Total production during October is estimated at 49,171,000 net tons, an increase over September of 2,955,000 tons.

Final returns on the shipments of anthracite in October indicate that the total output was 8,724,000 net tons. This was about three times the output in September, when production was greatly reduced by the strike of anthracite miners. Cumulative production in 1923 to the end of October stood at 79,998,000 net tons. This exceeds by a large margin the output in each of the nine preceding years, except 1917 and 1918, when production was stimulated by wartime activities.

TEXTILES—The textile industry appears to be facing a serious situation, due to the recent advance in raw cotton. Cotton prices have risen approximately 10 cents per pound since the first of August, but the mills have found the dry goods trade exceedingly reluctant to buy goods at correspondingly higher prices. Prior to 1920 and 1921, jobbers and retailers usually rushed into the market to buy goods when raw cotton was rising, and mills secured more orders than they could fill, but since the disastrous experiences resulting from the rapid decline in prices in the two years mentioned mills have found orders falling off when cotton prices advanced rapidly and materially. There has been practically no curtailment in operations by Southern mills thus far this season, but curtailment is being seriously considered by many of the mills and they state that unless the trade shows a greater willingness to absorb textiles at replacement costs it will be necessary to restrict output until the lessened supply of yarn and cloth raises prices to a remunerative point. The Fifth District mills used 208,938 bales of cotton during October, compared with 196,604 bales consumed in September, the October consumption being distributed as follows: 112,543 bales used by North Carolina mills, 85,288 bales used in South Carolina, and 11,288 bales consumed in Virginia, higher figures being reported for all three states than during September. Consumption of cotton during October in the Fifth District amounted to 38.6% of national consumption.

COTTON—The estimate of cotton production has changed materially since our October 31st *Review* was written, the Department of Agriculture having issued an extra condition report as of October 25th which greatly reduced earlier predictions. In last month's *Review* we cited the Department's report based on the condition as of September 25th, which had estimated the year's crop at 11,015,000 bales, but on November 2nd, the Department reduced its estimate to 10,248,000 bales, a reduction of 767,000 bales. The reasons given for the reduction were generally unfavorable weather and heavy rains in the southwest, exceptional damage to grown bolls by weevils, leaf worm ravages and the heaviest abandonment on record. In the Fifth District, the outlook for the year is considerably better than for the South as a whole, South Carolina's crop being estimated at 740,000 bales in comparison with 495,000 bales ginned last year, North Carolina's crop being estimated at 1,010,000 bales in comparison with 852,000 bales last year, and Virginia's crop estimated at 53,000 bales compared with a production of 27,000 bales in 1922.

Largely as a result of the reduction in the Department of Agriculture's estimate for the year and of ginning reports which were regarded as bullish, cotton prices have been steadily advancing since the middle of October. In our *Review* last month we traced average prices paid for spot cotton in the Carolinas through the week ending October 13th, when the average price had declined to 27.12 cents per pound. Private crop and ginning reports foreshadowed the reductions later to be made by the Government reports, however, and between October 13th and October 20th the average price rose to 28.22 cents per pound. The week ending October 27th witnessed an average of 29.52 cents per pound, and the week ending November 3rd averaged 30.14 cents. The week ending November 10th averaged 31.59 cents per pound, and since that time there has been a further advance as a result of the Census Bureau's ginning report issued on November 8th and the October consumption report issued on November 14th.

The Census Bureau's ginning report to November 1st placed the number of bales ginned at 7,554,578 in comparison with 8,146,000 bales ginned to the same date last year, and traders regarded the figure as distinctly bullish.

Cotton consumed in the United States during October amounted to 541,825 bales, in comparison with 483,852 bales consumed in September of this year and 533,950 bales consumed in October 1922. The release of this report by the Census Bureau was a distinct surprise to the trade, talk of curtailed running time having led cotton dealers to expect lower figures than materialized. The same report estimated cotton on hand in consuming establishments at 1,102,583 bales compared with 1,381,945 bales on hand a year ago, and cotton in public storage and at compresses 3,485,839 bales in comparison with 4,287,119 bales at the end of October 1922. Exports in October totaled 781,722 bales compared with exports of 798,664 bales in October 1922, and spindles active during October numbered 34,378,662 compared with 33,837,435 in October last year. The cotton growing states had the largest number of active spindles on record during October.

TOBACCO—The Virginia bright tobacco markets opened October 1st, and during the month sold 9,517,282 pounds for producers, at an average price of \$20.41 per hundred pounds. Weather conditions during October were unfavorable for ordering the tobacco and therefore sales have been even smaller than the backward season would cause. Last year 22,588,578 pounds were sold during October, at an average of \$30.31 per hundred. It is generally agreed that the quality of tobacco produced in Virginia this year is below last year's quality, and in addition October this year received the usual poor tobacco that comes on the floors as soon as the markets open. According to estimates of warehousemen the October sales graded 21 percent good, 32 percent medium, and 47 percent common, while last year the October sales graded 48 percent good, 32 percent medium, and 20 percent common. Danville led all markets in October in both volume of sales and average price, 5,164,287 pounds having been sold for an average of \$22.91 per hundred. Virginia dark markets opened November 1st, and no sales figures are yet available.

North Carolina auction warehouses sold 68,617,235 pounds of tobacco for producers during October, at an average price of \$21.52, compared with 62,328,030 pounds sold in October 1922, at an average of \$29.48. Wilson led all the markets in sales with 14,478,250 pounds, but tobacco offered on the Farmville market brought the highest average price, \$25.07 per hundred. The quality of tobacco produced in North Carolina this year averages low, but the yield per acre is approximately 110 pounds more than in 1922. Warehousemen are unanimous in the comment that the quality of tobacco sold during October was from average to poor.

The Co-operative Tobacco Marketing Association shows approximately 40,000,000 pounds of members' tobacco delivered prior to November 10th in North Carolina, out of a total of 72,852,178 pounds delivered in the three states in which the Association operates.

AGRICULTURAL NOTES—The harvesting of crops in Virginia has been practically completed, and the average yield of all crops for 1923 is estimated to 4.1 percent greater than the average during the past ten years, according to the November report of the Virginia Crop Reporting Service. All crops made a poor start owing to the dry weather in the spring and early summer, but favorable weather during the latter part of the season caused rapid improvement in condition and excellent yields. The production of corn, wheat, oats, cotton, peanuts and apples is larger than last year, while tobacco, potatoes and hay production is less. The corn crop turned out very well in all parts of the state. The total production is estimated to be 53,563,000 bushels in comparison with 53,312,000 bushels last year and a ten year average of 51,585,000 bushels. The average farm price is \$1.00 per bushel compared with 77 cents last year. The estimate of the Virginia tobacco crop is 125,250,000 pounds, which is 31,500,000 pounds below the yield last year and 12,002,000 pounds below the ten year average. This year's yield per acre is above the average, but the acreage planted was smaller than usual. The quality of tobacco is not as good as last year since in most sections the growth was very rapid, resulting in a heavy, coarse leaf. Total production of Irish potatoes is estimated at 14,136,000 bushels compared with 16,585,000 bushels last year. Shipments of the early crop amounted to 9,094,000 bushels. The late crop on the Eastern Shore, the greater part of which is used for seed, is very good and the quality is excellent. Sweet potatoes made excellent yields this year, total production being 5,500,000 bushels. It is estimated that 70 percent of the total production will be marketed, 2,700,000 bushels having been shipped prior to October 27th. The production of apples was much greater than had been expected. The commercial crop is estimated to be 1,797,000 barrels compared with 1,100,000 barrels last year, and the quality of the fruit is exceptionally good. The peanut crop is yielding unusually well and the quality is said to be above the average. Expected yield this year is 123,740,000 pounds compared with 78,000,000 pounds last year. Virginia's cotton crop, estimated at 53,000 bales, is the largest ever grown in the state.

North Carolina has this year become the second largest cotton growing state in the country, according to the Department of Agriculture's November 2nd report, this year's expected yield being 1,010,000 bales compared with 852,000 bales produced in 1922, which was the state's record crop previous to that date. In tobacco yield, North Carolina this year has gathered the largest crop since 1920, when the crop was the largest in the state's history. The 367,000,000 pounds produced this year is about 25 percent more than was grown last year and 12 percent more than the five year average. This large yield was made at the expense of quality, however, the general practice followed in cultivating the present crop having been to leave the plants thicker in the row and to top it higher than usual. The corn crop of the state is estimated at 56,835,000 bushels for 1923, which is approximately 13 percent better than last year's yield, and the average price on November 1st was 16 cents per bushel higher than the average on the corresponding date a year ago. Among the Southern states, North Carolina's corn crop is exceeded by only two states, Tennessee and Texas. The wheat crop is estimated to be 6,633,000 bushels this year, the largest yield since 1920 when almost 8,000,000 bushels were grown. Other small grain crops in North Carolina were generally good, especially in the heavier producing counties, and the harvesting and threshing seasons were favorable for satisfactory handling of the crops. Prospects appear favorable for good planting this fall.

All principal crops in South Carolina show increases in production over last year except sweet potatoes and sorghum for syrup, according to the report of the Division of Crop and Live Stock Estimates. Corn production totaled 32,600,000 bushels compared with 29,908,000 bushels in 1922; wheat production was 1,903,000 bushels compared with 1,322,000 bushels; the oat crop totaled 10,224,000 bushels compared with 9,743,000 bushels; Irish potatoes yielded 3,136,000 bushels compared with 2,553,000 bushels; and tobacco yielded 73,000,000 pounds compared with 57,600,000 pounds. The sweet potato yield was 9,118,000 bushels compared with 9,568,000 bushels in 1922, and sorghum syrup amounted to 1,640,000 gallons compared with 1,774,000 gallons made last year. South Carolina's cotton crop is estimated at 740,000 bales in comparison with 495,000 bales gathered in 1922.

West Virginia's corn crop this year is estimated at 20,128,000 bushels, compared with 20,536,000 bushels in 1922. The potato crop is estimated at 5,760,000 bushels, compared with 4,851,000 bushels last year. The tobacco yield in the state is 7,740,000 pounds, compared with 7,425,000 pounds in 1922. Production of other crops in West Virginia this year is as follows: buckwheat, 660,000 bushels; apples, 8,190,000 bushels; sweet potatoes, 390,000 bushels; sorghum syrup, 872,000 gallons.

BUILDING OPERATIONS FOR THE MONTHS OF OCTOBER, 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.....	498	456	1,276	1,176	\$ 3,130,428	\$ 3,214,560	\$ 724,560	\$ 595,920	\$ 44,508	1.2%	1
2	Cumberland.....	35	25	12	17	99,460	133,532	6,460	3,790	— 31,402	— 22.9	2
3	Frederick.....	4	4	1	3	1,520	1,150	75	6,250	— 5,805	— 78.4	3
VIRGINIA												
4	Lynchburg.....	12	17	34	34	10,385	15,010	12,780	32,739	— 24,584	— 51.5	4
5	Norfolk.....	186	94	11	58	339,110	314,730	1,105	38,110	— 12,625	— 3.6	5
6	Richmond.....	160	157	112	110	1,755,086	733,525	73,705	121,400	973,866	113.9	6
7	Roanoke.....	137	77	46	47	419,430	147,585	16,827	10,251	278,421	176.4	7
WEST VIRGINIA												
8	Bluefield.....	54	48	15	12	386,250	66,360	15,475	21,315	314,050	358.2	8
9	Charleston.....	85	80	31	26	275,059	152,963	19,585	13,562	128,119	76.9	9
10	Clarksburg.....	28	31	21	15	35,515	163,865	21,110	6,605	— 113,845	— 66.8	10
11	Huntington.....	148	106	42	18	366,860	365,670	22,885	5,055	19,020	5.1	11
12	Parkersburg.....	*35		*17		67,450	50,000	4,450	20,000	1,900	2.7	12
NORTH CAROLINA												
13	Asheville.....	58	35	53	38	254,984	112,235	29,960	17,000	155,709	120.5	13
14	Charlotte.....	53	36	17	8	258,865	245,335	13,400	11,500	15,430	6.0	14
15	Durham.....	13	25	3	2	101,150	95,167	5,400	2,850	8,533	8.7	15
16	Greensboro.....	73	35	44	35	378,210	224,330	22,427	19,461	156,846	64.3	16
17	High Point.....	56	39	15	4	146,875	161,150	10,325	2,150	— 6,100	— 3.7	17
18	Raleigh.....	47	40	6	2	233,395	167,589	9,450	1,000	74,256	44.0	18
19	Wilmington.....	8	19	7	4	11,800	70,500	9,750	13,500	— 62,450	— 74.3	19
20	Winston-Salem.....	74	56	119	109	266,835	483,451	44,915	45,067	— 216,768	— 41.0	20
SOUTH CAROLINA												
21	Charleston.....	11	14	17	13	60,965	42,875	8,972	4,600	22,462	47.3	21
22	Columbia.....	30	27	71	110	109,614	82,075	15,891	26,854	16,576	15.2	22
23	Greenville.....	20	27	23	20	100,185	64,005	14,286	5,525	44,941	64.6	23
24	Spartanburg.....	31	34	48	51	82,040	40,690	15,947	8,950	48,347	97.4	24
DIST. OF COLUMBIA												
25	Washington.....	230	451	567	426	1,931,580	3,209,636	341,516	156,617	— 1,093,157	— 32.5	25
Totals.....		2,051	1,933	2,591	2,338	\$10,823,051	\$10,357,988	\$1,461,256	\$1,190,071	\$ 736,248	6.4%	

*Not included in totals. —Denotes decrease this month

The number of building permits issued in the Fifth Reserve District during October was greater than the number issued in either August or September of the present year, or in October of last year. The increase over the August and September figures is noteworthy, the usual seasonal movement being downward as fall advances. Reports received from twenty-five building inspectors show a total of 2,051 permits for new work in October, estimated to cost \$10,823,051, compared with 1,933 permits for similar work issued in the same cities in October 1922, with estimated valuation of \$10,357,988. For repairs and alterations, October 1923 witnessed 2,591 permits with estimated valuation of \$1,461,256, compared with 2,338 permits and a valuation of \$1,190,071 in October last year. Combined valuation of both new work and repairs or alterations totaled \$12,284,307 in October 1923 compared with \$11,548,059 in October 1922, an increase this year of \$736,248, or 6.4%. Increases in valuation of permits for new work of more than 100% were reported by Richmond and Roanoke, Virginia, Bluefield, West Virginia, and Asheville, North Carolina. More than half of Richmond's total for the month was furnished by one permit for a very large bank and office building. On the whole, residence and apartment construction continues to make up most of the work being planned. Raleigh, North Carolina, appears in our table this month for the first time.

With so much construction work under way and projected, it follows that dealers in building materials are doing a large volume of business, but many of them contend that profits are not in keeping with the volume of their trade, this applying particularly to lumber dealers and producers. There is much talk of the high costs of construction work, but dealers in materials do not expect any further reductions in prices in the near future, and the number of permits being issued would appear to indicate that the public is not disposed to curtail building in order to force costs downward.

FIGURES ON RETAIL TRADE
As Indicated By Reports from Twenty-seven Representative Department Stores
for the Month of October, 1923.

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Oct., 1923, compared with Oct., 1922.....	6.4	23.8	15.7	12.6	12.1
Percentage increase in net sales from July 1, through Oct. 31, compared with sales during the same four months of 1922.....	3.4	20.1	7.2	10.7	7.4
Percentage increase in net sales during Oct. 1923, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	6.4	27.3	10.0	0.2	8.9
Percentage increase in stocks on hand at the end of Oct., 1923, over stocks on hand at the end of Oct., 1922.....	5.6	26.0	3.0	20.3	8.2
Percentage increase in stocks on hand at the end of Oct., 1923, over stocks on hand at the end of Sept., 1923.....	8.4	8.8	10.1	9.4	9.2
Percentage of average stocks on hand at the end of each month since July 1, to average net sales each month during the same period, four months.....	448.8	386.4	452.8	558.7	456.7
Percentage of outstanding orders at the end of Oct., 1923, to total purchases of merchandise during the year 1922.....	6.1	8.3	6.1	8.0	6.5

Retail trade in October, as reflected in the dollar value of sales in twenty-seven department stores in the Fifth Reserve District, was 12.1% better than trade in the same stores during October 1922, and 46.4% better than in September 1923. Every store except one reported larger sales in October than in October last year, the exception being a relatively small store in North Carolina. In cumulative sales since July 1st, sales this year show an average increase of 7.4% over sales during the same four months last year, and October 1923 sales were 8.9% higher than average October sales in 1920, 1921 and 1922. In all of the sales increases mentioned Richmond stores led by a wide margin, but this is largely due to store expansion during the year, as indicated in the 26.0% increase in stock on hand at the end of October in comparison with stock on hand a year ago. If the difference in stock on hand be taken into consideration, the Washington stores showed the largest gains in sales in October in comparison with October 1922.

Stocks on hand in the twenty-seven reporting stores, at selling prices, were 8.2% greater at the end of October than on the corresponding date last year, and 9.2% greater than stocks at the end of September this year. The increase in stocks during the past month in comparison with the preceding month is of course seasonal, and probably most of the increases in Baltimore and Washington in comparison with last year are due to price advances during the year, but in Richmond and the group of Other Cities larger stocks are being carried.

The percentage of average stock on hand at the end of each month since July 1st to average monthly sales during the same period, four months, was 456.7% at the end of October, Richmond showing the most rapid turnover with a percentage of 386.4% and the Other Cities the slowest movement with a percentage of 558.7%. Outstanding orders for merchandise at the end of October amounted to 6.5% of total purchases during the calendar year 1922, Richmond reporting the highest percentage, 8.3%.

WHOLESALE TRADE

Reports were received this month from one hundred and twelve wholesale firms, divided as follows: 45 groceries, 15 dry goods jobbers, 15 shoe dealers, 17 hardware jobbers, 7 furniture factories and 13 drug firms. In comparison with September 1923, sales in October were 7.8% greater in the grocery trade, hardware sales gained 11.2%, furniture sales rose 34.7%, and drug store sales increased 10.4%, but dry goods sales declined 2.9% and shoe sales fell off 4.3%. In comparison with October 1922, October this year shows large gains in all lines except shoes, in which a decline of 6.1% was reported. In groceries, October 1923 sales

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

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	45	15	15	17	7	13
Net sales (selling price) during Oct., 1923, compared with Sept, 1923	7.8	— 2.9	— 4.3	11.2	34.7	10.4
Net sales (selling price) during Oct., 1923, compared with Oct, 1922.....	18.2	19.8	— 6.1	19.1	39.7	15.9

—Denotes decrease.

were 18.2% greater than sales in October 1922, dry goods sales showed an increase of 19.8% during the year, hardware sales rose 19.1%, furniture sales gained 39.7, and drug sales increased 15.9%. All of these increases in sales to retailers indicate an improvement in the willingness of merchants to stock the goods needed in their stores. The reports from the wholesalers indicate that there is now more freedom in buying than has been the case recently, although merchants are still cautious and are little disposed to anticipate their needs very far in advance.

One hundred and eleven firms commented on collections in their October reports, and 41 stated they were good, 59 classed them as fair, and 11 stated they were slow. The proportion of the firms reporting collections as slow or poor was approximately the same as for September, but the number reporting them good increased from 27 out of 113 firms in September to 41 out of 111 firms in October. We show herewith for comparison the classifications made this month, together with the totals reported in July, August and September of this year and in October last year.

<i>Lines</i>	<i>Collections Reported As</i>				<i>Total</i>
	<i>Good</i>	<i>Fair</i>	<i>Slow</i>	<i>Poor</i>	
Groceries	16	21	8	0	45
Dry Goods	7	8	0	0	15
Shoes	5	8	2	0	15
Hardware	6	10	1	0	17
Furniture	2	4	0	0	6
Drugs	5	8	0	0	13
October 1923 Totals	41	59	11	0	111
September 1923 Totals.....	27	75	8	3	113
August 1923 Totals.....	28	70	15	1	114
July 1923 Totals.....	20	76	16	1	113
October 1922 Totals.....	27	77	13	0	117

(Compiled November 20, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production of basic commodities and retail trade increased during October and the volume of freight shipments and wholesale trade continued large. The level of wholesale prices and the volume of employment showed little change.

PRODUCTION. The Federal Reserve Board's index of production in basic industries advanced 3 percent in October, after having declined for four months. The increase for the month, while due in part to the resumption of anthracite coal mining, also reflected increases in textiles, lumber, and sugar, and most other industries included in the index. Employment at industrial establishments showed practically no change between September and October.

Contract awards for new buildings increased throughout the country considerably more than is usual at this season, and were 25 percent larger than in September. Residential projects formed a larger proportion of the total than in any earlier month of the year.

Crop estimates by the Department of Agriculture on November 1st indicated a substantial reduction from the September forecast in the yield of cotton, but larger yields of corn, potatoes and apples.

TRADE. Heavy movement of miscellaneous merchandise and live stock resulted in October in the largest railroad shipments of any month on record. Wholesale trade was 12 percent larger than a year ago and sales in all leading lines except shoes showed increases. Department store sales were 13 percent larger than last October and sales of mail order houses were the largest of any month since 1919.

PRICES. Wholesale prices declined less than one percent in October, according to the index of the Bureau of Labor Statistics, and stood approximately at the level of a year ago. The principal changes for the month were declines in the prices of fuel, clothing, metals, and animal products, while wholesale prices of crops, particularly cotton, increased. During the first half of November the prices of wheat, hogs, pig iron, and hides receded, and prices of cotton and cotton goods, cement, and copper advanced.

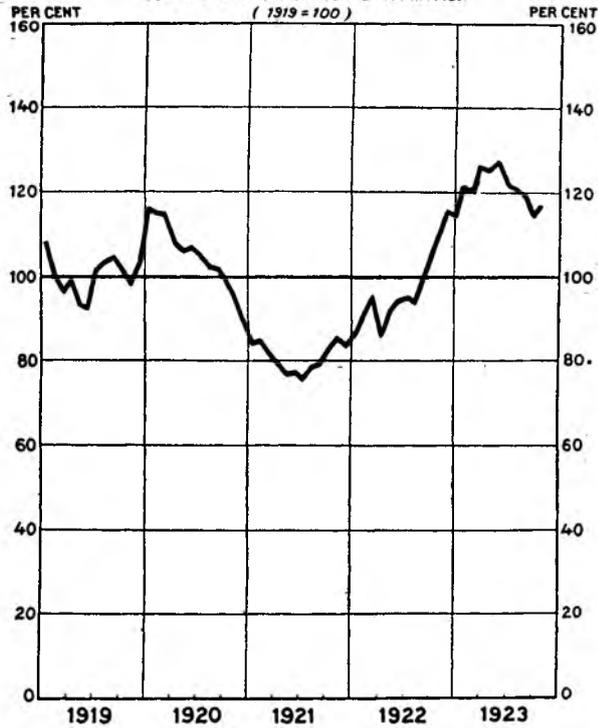
BANK CREDIT. Since the middle of October there has been a slight advance in demand for credit for commercial and agricultural purposes at member banks in leading cities. Considerable decreases in borrowings for these purposes in the New York and Chicago districts were partially offset by increases in other districts. Loans secured by stocks and bonds increased somewhat, while investments continued to decline and reached the low point for the year.

The total member bank accommodation at Federal Reserve banks declined between October 17th and November 21st, and on the latter date was the lowest since the middle of the year. The total volume of Federal Reserve bank credit outstanding, however, remained relatively constant because of increased purchases of bills in the open market. The volume of Federal Reserve note circulation declined by about \$50,000,000 during the period, while other forms of money in circulation increased.

Money rates showed an easier tendency and during the early part of November the open market rate on commercial paper in New York declined from 5—5¼ to 5 percent.

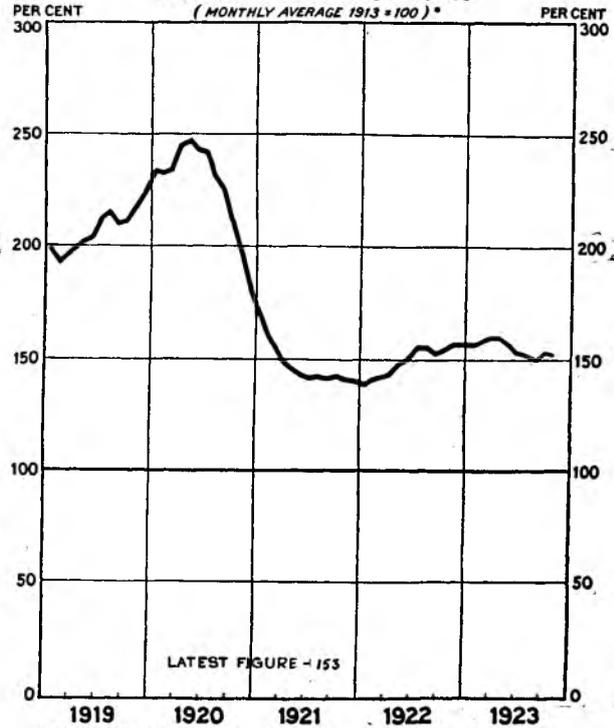
INDEX OF PRODUCTION IN BASIC INDUSTRIES

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



PRICES

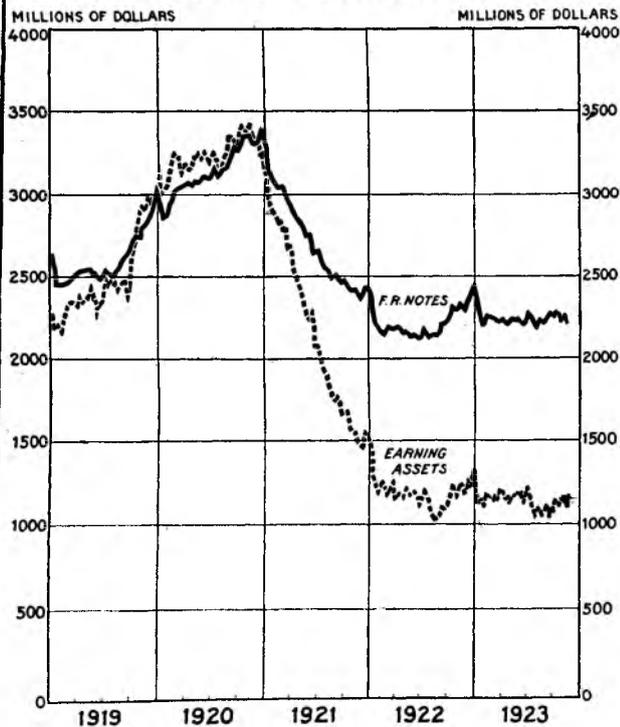
INDEX NUMBERS OF WHOLESALE PRICES
U. S. BUREAU OF LABOR STATISTICS
(MONTHLY AVERAGE 1913 = 100)*



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

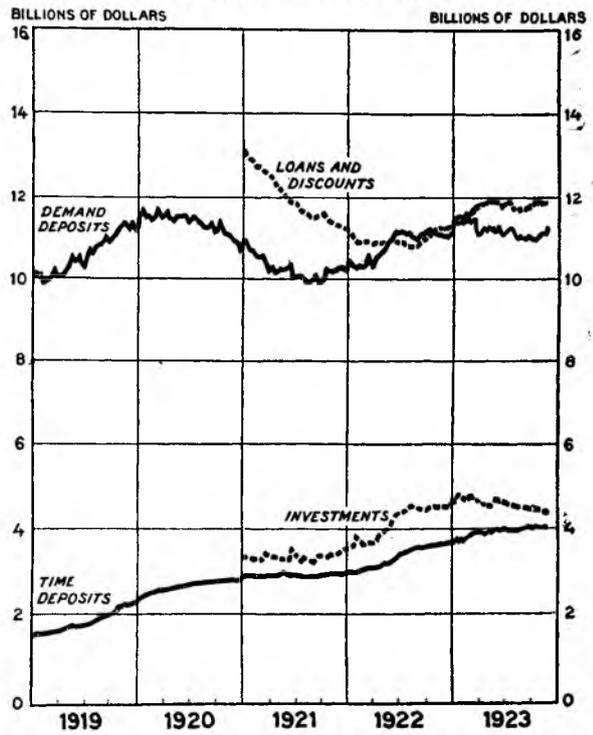
BANK CREDIT

ALL FEDERAL RESERVE BANKS



BANK CREDIT

800 MEMBER BANKS IN LEADING CITIES



FIFTH FEDERAL RESERVE DISTRICT

