

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

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During November more signs of a slackening in business activity in the Fifth Reserve District were visible than during any recent month, but to a considerable degree these manifestations were seasonal in character and probably did not indicate any real slump in trade. Perhaps the most outstanding unfavorable factor that has recently developed in the Fifth District is the accentuated lack of demand for bituminous coal, which has greatly unbalanced business in the mining sections of West Virginia. Wholesalers are making few sales to the merchants who are dependent upon the coal miners for their trade, and collections in that section of the District are quite slow. Another weak spot in the District is the textile industry, which is finding the going difficult in the face of high costs for raw material and a reluctance on the part of buyers to pay replacement prices for manufactured goods. This situation was not entirely a November development, however, having begun in August when raw cotton prices began an upward march, and the depression has not influenced general business in the textile manufacturing sections to anything like the extent that the dullness in the coal trade has influenced business in West Virginia. In all other lines of trade and industry, November's volume of business was fully up to seasonal average and in a few fields, such as valuation of new construction work, was greater by comparison than customary for that month of the year. Reports from member banks show that demand deposits materially increased during November, while loans to customers by the reporting banks and rediscounts at the Reserve Bank were notably reduced. Savings deposits declined slightly in both member banks and mutual savings banks during November, a natural recession due to expenditures for holiday merchandise, but were distinctly higher at the end of the month than they were at the end of November 1922. The cash reserves of the Federal Reserve Bank of Richmond rose during the past month, and reserve deposits of member banks also showed an increase, while borrowing at the Reserve Bank was sharply reduced as a result of agricultural liquidation at the member banks. The Reserve Bank's ratio of cash reserves to combined note and deposit liabilities increased approximately seven points during the month. Debits to individual accounts in the leading cities of

the Fifth District showed an increase during the four weeks ending December 12, 1923 that was fully up to seasonal expectations, and reached a total of 8.5% above the total reported by the same cities during the corresponding four weeks of 1922. Business failures in the Fifth District during November were fewer in number and less in liabilities than in November 1922, and the average liability per failure was considerably lower than the average for the United States. Labor continues fully employed, and there has been some improvement in the available supply of workers. However, there is no surplus of labor anywhere in the District except in the coal fields, where many mines are either operating only part time or have closed entirely. Coal production is sufficient to provide for all needs, and consumers have recently secured some price concessions on soft coal. The textile industry is less active, as previously stated, but the mills have continued operations and their employees have therefore not felt the depression to any appreciable extent. Cotton prices at this writing are about \$40 a bale higher than at the end of November last year, and Government estimates credit the three cotton growing states of the Fifth District with an increase of 491,000 bales this year in comparison with the 1922 production. During the past month the Government increased its estimate of the Fifth District crop by 63,000 bales. In comparison with last year, tobacco yields are sufficiently large to compensate in the total value of returns for the lower grades produced this year. Other farm crops turned out good yields, on the whole, and the farmers are showing a more general disposition to diversify their crops and to produce at home more of their own necessities. Building operations in the number of permits issued are fully up to seasonal average, if not higher, and valuation figures are above some of the earlier months of the year. Retail trade is excellent in holiday lines, though rather slow in staple goods because of the unseasonably mild weather during the fall. Wholesale trade showed the usual falling off in November in comparison with October, but was larger in practically all lines than in November 1922. On the whole, the Fifth District appears to occupy a position which compares favorably with other sections of the nation.

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

ITEMS	Dec. 5, 1923	Nov. 7, 1923	Dec. 6, 1922
1. Total Loans and Discounts (including all rediscounts)	\$ 463,140,000	\$ 466,098,000	\$ 430,961,000*
2. Total Investments in Bonds and Securities	126,904,000	126,792,000	129,094,000
3. Total Loans and Investments	590,044,000	592,890,000	560,055,000
4. Reserve Balance with Federal Reserve Bank	37,084,000	36,662,000	34,881,000
5. Cash in Vaults	15,485,000	14,757,000	14,962,000
6. Demand Deposits	347,170,000	342,298,000	333,160,000
7. Time Deposits	150,679,000	152,223,000	145,053,000
8. Borrowed from Federal Reserve Bank	31,780,000	37,215,000	23,989,000

*Does not include Rediscounts.

In the accompanying table we show the principal items of condition reported by seventy-six member banks on three dates, December 5, 1923, November 7, 1923 and December 6, 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.

During the month between November 7 and December 5, 1923, total loans to customers in the seventy-six bank declined from \$466,098,000 to \$463,140,000, the decrease being seasonal and due to the liquidation of agricultural paper with the proceeds of the sales of this year's crops. Demand deposits increased from \$342,298,000 on November 7th to \$347,170,000 on December 5th, but Time Deposits decreased, falling from \$152,223,000 to \$150,679,000 during the month. The loss in Time Deposits, which seems to be a regular seasonal development in the closing weeks of the year, is doubtless due to holiday expenditures. Borrowing from the Federal Reserve Bank was reduced by the reporting banks from \$37,215,000 on November 7th to \$31,780,000 on December 5th. Between the same dates, total investments in bonds and securities increased from \$126,792,000 to \$126,904,000, Reserve balances at the Reserve Bank rose from \$36,662,000 to \$37,084,000, and Cash in member bank Vaults increased from \$14,757,000 to \$15,485,000.

The two figures in the table showing Loans and Discounts on December 5, 1923 and December 6, 1922 cannot be compared because the figure reported under this head a year ago did not include rediscounts, but all other items are comparable. During the year Investments in bonds and securities declined from \$129,094,000 to \$126,904,000, but all other items show increases in the 1923 figures. Reserve Balance with the Reserve Bank rose from \$34,881,000 on December 6, 1922 to \$37,084,000 on December 5, 1923, Cash in vaults increased from \$14,962,000 to \$15,485,000, Demand Deposits increased from \$333,160,000 to \$347,170,000, Time Deposits rose from \$145,053,000 to \$150,679,000, and Borrowings at the Reserve Bank increased from \$23,989,000 to \$31,780,000. The changes obviously indicate a greater demand for credit at the reporting banks this year than during 1922.

FEDERAL RESERVE BANK OPERATIONS

Cash reserves of the Federal Reserve Bank of Richmond rose from \$109,004,949.43 on November 14th to \$122,161,621.50 on December 12th, and the volume of Federal Reserve Notes in actual circulation increased from \$101,824,145 to \$105,205,365 during the same period. As we pointed out in our Review last month in mentioning a similar upward movement in these items during the preceding month, 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 \$63,295,280.24 on November 14th to \$63,519,458.03 on December 12th. On the other hand, payment of loans at member banks largely with funds secured from crop sales, enabled the member banks to reduce their rediscounts at the Federal Reserve Bank of Richmond from \$61,495,338.35 to \$53,752,150.35 between November 14th and December 12th. As a result of the changes mentioned above, the ratio of cash reserves to deposit and note liabilities combined rose from 64.65% on November 14th to 71.80% on December 12th.

A year ago, on December 13, 1922, the Cash reserves of the Federal Reserve Bank of Richmond amounted to \$118,768,756.79; Federal Reserve Notes in actual circulation totaled \$99,358,988; Member Bank reserve deposits aggregated \$60,660,397.49; and total rediscounts amounted to \$44,951,948.17. The ratio of cash reserves to combined note and deposit liabilities was 73.98%.

SAVINGS BANK DEPOSITS

Total deposits in the fifteen regularly reporting mutual savings banks, located in Baltimore, declined slightly during November, but this decline is customary at this season of the year. Total deposits in the

fifteen banks amounted to \$138,804,131 at the close of business November 30, 1923, compared with totals of \$129,871,328 on November 30, 1922, \$122,701,287 on November 30, 1921, and \$121,573,303 on November 30, 1920. The November 1923 total shows an increase of 6.9% over deposits a year ago and a gain of 14.2% over deposits in November 1920.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	Dec. 12, 1923	Nov. 14, 1923	Dec. 13, 1922
Asheville, N. C.....	\$ 20,391,000	\$ 19,704,000	\$ 17,377,000
Baltimore, Md.....	337,735,000	331,300,000	329,615,000
Charleston, S. C.....	29,897,000	23,694,000	25,159,000
Charleston, W. Va.....	34,213,000	34,089,000	37,953,000
Charlotte, N. C.....	44,383,000	39,829,000	35,762,000
Columbia, S. C.....	22,053,000	24,324,000	19,868,000
Cumberland, Md.....	8,649,000	8,265,000	7,705,000
Danville, Va.....	12,989,000	11,759,000	13,189,000
Durham, N. C.....	21,614,000	20,458,000	20,271,000
Greensboro, N. C.....	24,374,000	24,724,000	22,463,000
Greenville, S. C.....	26,575,000	26,892,000	19,400,000
Hagerstown, Md.....	10,026,000	9,083,000	8,069,000
Huntington, W. Va.....	24,818,000	22,494,000	23,485,000
Lynchburg, Va.....	19,257,000	17,486,000	18,420,000
Newport News, Va.....	8,542,000	6,224,000	7,657,000
Norfolk, Va.....	93,110,000	77,966,000	75,996,000
Raleigh, N. C.....	28,840,000	27,990,000	27,600,000
Richmond, Va.....	144,633,000	128,848,000	128,608,000
Roanoke, Va.....	24,166,000	21,959,000	25,477,000
Spartanburg, S. C.....	13,012,000	14,728,000	10,230,000
Washington, D. C.....	181,559,000	177,772,000	168,031,000
Wilmington, N. C.....	23,869,000	24,477,000	22,533,000
Winston-Salem, N. C.....	29,771,000	30,533,000	27,214,000
Totals for 23 cities.....	\$ 1,184,481,000	\$ 1,124,598,000	\$ 1,092,082,000

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 four weeks ending December 12, 1923, November 14, 1923 and December 13, 1922, thus affording an opportunity for comparing the latest four weeks period with (1) the preceding period this year and (2) the corresponding period last year.

During the four weeks ending December 12, 1923, aggregate debits in the twenty-three reporting cities amounted to \$1,184,481,000, compared with \$1,124,598,000 reported for the period ending November 14, 1923, an increase of \$59,883,000 during the month, seventeen of the twenty-three cities showing gains. This increase is seasonal, being due to the increased volume of trade as the Christmas holidays approach.

The four weeks ending December 12, 1923, with total debits amounting to \$1,184,481,000, show an increase of \$92,399,000, or 8.5%, over the corresponding four weeks last year, ending December 13, 1922, during which period the reporting cities had aggregate debits amounting to \$1,092,082,000. Part of the increase noted this year is due to the larger volume of business unquestionably being done in comparison with the fall of 1922, but a considerable part of the increase is due to higher prices being received this year for cotton and to increased yields of both cotton and tobacco over the 1922 crops. All of the twenty-three reporting cities show higher figures during the 1923 period than during the corresponding period last year except three, one of them a coal center, one a tobacco market, and one a railroad shop center.

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

Business failures in November were more numerous than in any other month since January, taking the country as a whole, and the aggregate of liabilities involved, while less than in October, was greater than in any other month since April. Dun's Review reports 1,704 failures in November 1923, with liabilities totaling \$50,291,708, compared with 1,673 failures involving \$79,301,741 of liabilities in October 1923, and 1,737 failures involving \$40,265,297 of liabilities in November 1922. Commenting on the figures given for November, Dun's Review says, "A number of large failures in manufacturing lines last month accounted for a considerable part of the defaulted indebtedness, the same as in October, the manufacturing liabilities for November amounting to 58 percent of the total for that month." For the eleven months of 1923 there have been 16,877 insolvencies in commercial lines, for which the aggregate of indebtedness was \$487,772,076, these figures comparing favorably with 21,862 defaults during the first eleven months of 1922, with liabilities of \$565,827,230.

City and District	Number		Per Cent Increase or Decrease	Liabilities		Per Cent of Increase or Decrease
	1923	1922		1923	1922	
Boston, First.....	133	149	-10.7	\$ 10,727,470	\$ 2,652,701	304.4
New York, Second.....	356	344	3.5	8,126,848	9,548,910	- 14.9
Philadelphia Third.....	78	81	- 3.7	3,864,301	2,945,345	31.2
Cleveland, Fourth.....	116	122	- 4.9	4,001,582	6,395,906	- 37.4
Richmond, Fifth.....	103	121	-14.9	2,223,757	2,938,562	- 24.3
Atlanta, Sixth.....	106	122	-13.1	3,710,159	1,928,165	92.4
Chicago, Seventh.....	230	236	- 2.5	6,433,450	5,928,921	8.5
St. Louis, Eighth.....	109	120	- 9.2	2,233,369	2,060,085	8.4
Minneapolis, Ninth.....	91	82	11.0	1,565,635	1,270,805	23.2
Kansas City, Tenth.....	75	74	1.4	1,892,862	753,984	18.4
Dallas, Eleventh.....	127	83	53.0	4,445,724	1,361,108	226.6
San Francisco, Twelfth.....	180	203	-11.3	2,066,551	2,480,805	- 16.7
Totals.....	1,704	1,737	- 1.9%	\$ 50,291,708	\$ 40,265,297	24.9%

In the Fifth District there were 102 bankruptcies in November 1923, compared with 91 in October of this year and 121 in November 1922. In liabilities involved November witnessed a total of \$2,223,757, compared with \$2,317,926 reported in October and \$2,938,562 reported in November 1922.

The average liability per failure in November 1923 was \$21,590 in the Fifth District and \$29,514 in the nation as a whole, compared with average liabilities in November 1922 of \$24,286 in the Fifth District and \$23,181 in the nation.

LABOR—Letters received this month from many correspondents indicate that the labor situation is probably somewhat easier than has been the case since spring, but there is no surplus of workers. The cities have sufficient laborers to supply all demands, and some rural industries such as lumbering are finding men easier to secure, but farmers still have difficulty in finding men who are willing to work for wages the farmers can afford to pay. A considerable labor turnover is commented upon by some of our correspondents, who state that there is a constant movement of workers from job to job, without any apparent reason. Reports to us state that wages seem to be stable at present levels, and that no material changes are expected in the near future, though a seasonal slackening in the volume of outdoor work during the next two or three months may tend to decrease wages of unskilled workers to some extent. On the whole, the year 1923 has been a very favorable one for laborers in the Fifth District, almost all classes having been steadily employed at good wages. Disputes between employers and employees have been rare, and those that have arisen have been of minor importance, and were easily settled.

COAL—The daily production of soft coal appears to have settled definitely into a downward trend, according to reports issued weekly by the Department of the Interior through the Geological Survey, the reduction being due almost entirely to absence of sufficient demand for the output of the mines. Many mines are closed entirely, and others are operating part time or with reduced forces. Letters received from coal dealers in West Virginia state that very little spot coal is being sold, the mines that are operating doing so on contracts previously placed. Retail coal yards appear to be well stocked, and there has been some softening of retail prices during the past month, a very unusual development at this season of the year. Final returns to the Geological Survey on anthracite shipments show that the total output in November was approximately 7,746,000 net tons, a decrease of 978,000 tons under the October production. The decrease in the production of anthracite coal is chiefly due to the fewer number of working days in November, however, rather than to any lack of demand for the coal. Cumulative production of anthracite to the end of November stood at 87,744,000 tons, a figure that has been exceeded but twice during the eleven years for which records of monthly production are available.

TEXTILES—The situation in the textile field remains practically unchanged from last month. The mills in the Fifth District are operating practically full time, but they are not receiving sufficient orders to take their output, buyers awaiting more definite information on the size of this year's cotton crop. In the face of the buyer's reluctance in placing orders, the mills have been unable to advance prices for yarn and cloth in keeping with the rise in raw cotton. Most of the mills that operate on electric power lost one or two days each week during late October and most of November because of low water in the streams, and a large number of mills plan to shut down from ten days to two weeks for the Christmas holidays. November cotton consumption in North Carolina amounted to 111,087 bales, South Carolina mills used 88,618 bales, and Virginia mills consumed 9,694 bales, a total of 209,399 bales for the three states. The consumption of cotton during November in the Fifth District amounted to 39.4% of the national consumption.

COTTON—On December 12th the Department of Agriculture issued its final estimate on this year's cotton crop, the figures being 10,081,000 bales, a reduction of 167,000 bales from the estimate issued on November 2nd. The Department's final figures were somewhat higher than cotton merchants had come to expect, but in view of the small carryover in August and the present rate of consumption the crop is a very short one. In the Fifth District, both Carolinas appear to have raised larger crops than was expected from earlier estimates, the Department of Agriculture having raised the estimate for North Carolina from 1,010,000 bales on November 2nd to 1,020,000 bales on December 12th and for South Carolina from 740,000 bales on the previous date to 795,000 bales on the latter. The report lowered the estimate for Virginia, however, from 53,000 bales on November 2nd to 50,000 bales on December 12th. In 1922 North Carolina produced 852,000 bales, South Carolina 495,000 bales, and Virginia 27,000 bales. The success that many farmers have had with cotton in Virginia this year, together with the high prices being realized for the crop, has aroused much interest in cotton growing in the state, and it is likely that the acreage planted to cotton in Virginia will be larger next year than ever before.

Cotton prices between the middle of November and the middle of December have fluctuated widely, the market having been exceedingly nervous, but the net movement of prices was upward, the price realized by the growers during the week ending December 8th being higher than the average price secured during the week ending November 10th. In our Review last month we traced average prices paid for spot cotton in the Carolinas through the week ending November 10th, when the average price had reached 31.59 cents per pound. The week ending November 17th witnessed an average of 32.20 cents, the week ending November 24th went to 33.26 cents, and the week ending December 1st reached an average of 34.24 cents. Bearish ginning figures and crop estimates circulated by private authorities during the first week of December disturbed the market, however, and the price declined to an average of 33.64 cents during the week ending December 8th, the declining tendency holding over well into the following week. The final crop estimate of the year and the large volume of buying by both foreign and domestic spinners on all recessions have acted as steadying influences and each downward swing in the market has been followed by strong rallies.

The Census Bureau's ginning report to December 1st placed the number of bales ginned at 9,243,917 bales, and traders regarded the figures as bearish, the average of private estimates released ahead of the official report having been approximately 9,100,000 bales. Ginning to December 1, 1922 was 9,323,000 bales.

Cotton consumed in the United States during November amounted to 531,631 bales, in comparison with 541,825 bales consumed in October of this year and 577,561 bales consumed in November 1922. The cotton growing states used 358,718 bales in November, compared with 363,813 bales consumed in November 1922. The Census Bureau's report of consumption and stocks on hand, released December 14th, estimated cotton on hand in consuming establishments on November 30th at 1,438,813 bales compared with 1,724,488 bales on hand a year ago, and cotton in public storage and at compresses 3,770,542 bales in comparison with 4,197,955 bales at the end of November 1922. Exports in November totaled 770,002 bales compared with exports of 858,337 bales in November 1922, and spindles active during November numbered 34,101,452, compared with 34,358,096 in November last year. Imports of cotton totaled 16,564 bales in November compared with imports of 49,551 bales in November 1922.

TOBACCO—Sales of leaf tobacco during November in Virginia, combining reports from both bright and dark markets, totaled 20,206,166 pounds, according to reports from auction warehouses to the Commissioner of Agriculture. Last year aggregate November sales amounted to 17,003,402 pounds. The Agricultural Statistician's report for November estimates that the amount of tobacco turned over to the Co-operative Tobacco Growers Association during that month probably exceeded the amount sold on the auction floors. The average price received for bright tobacco during November was \$22.75 per hundred pounds, compared with \$20.34 in October of this year and \$30.50 in November 1922. The amount of bright tobacco sold was 17,467,267 pounds, compared with 13,849,210 pounds sold during the corresponding month last year. Dark tobacco prices compare more favorably with prices paid in recent years than bright tobacco prices, the average paid for dark during November having been \$17.87 per hundred pounds in comparison with \$19.00 per hundred in 1922 and \$18.59 in 1921. The sales of dark tobacco amounted to 2,738,899 pounds while last year 3,154,192 pounds were sold in November. The quality of the tobacco sold in November was better than the quality sold in October, but was inferior to that sold in 1922. According to estimates of the warehousemen the sales last month graded 25 percent Good, 34 percent Medium, and 41 percent Common. Danville led all markets in Virginia in both volume of sales and average price, selling 9,133,760 pounds at an average of \$25.49 per hundred.

In his November tobacco sales report, the Agricultural Statistician of the North Carolina Crop Reporting Service says. "With 215,674,000 pounds of the North Carolina farmers' tobacco already sold by the auction warehouses before November 30th and with perhaps 60,000,000 pounds delivered to the Co-oper-

ative Growers Association, the 375,000,000 pound crop is largely out of the farmers' hands. The deliveries to date are 39 per cent more than last year." Producers' sales during November totaled 75,810,802 pounds, compared with 35,465,132 pounds sold during the same month last year. The average price secured in November was \$23.24 per hundred pounds, compared with an average of \$30.72 per hundred in 1922. The quality of the tobacco sold this year has been uniformly lower than a year ago, but the weight produced per acre was high on account of the larger number of leaves left on the plant and the increased use of fertilizer, and this increased production in pounds will more than compensate for the decrease in the quality of the crop. Wilson again leads all markets in the sale of tobacco, having disposed of 14,560,344 pounds during the month, Winston-Salem ranking second with sales aggregating 10,884,171 pounds. The two warehouses at Mebane averaged \$28.27 per hundred pounds for the tobacco sold, with Farmville a close second with an average of \$28.15 per hundred.

AGRICULTURAL NOTES—"North Carolina, as a whole, is closing a most successful agricultural year," according to the State Agricultural Statistician in his report of December 13th. The cotton, peanut and tobacco belts have produced excellent crops, and the yields of small grain were unusually good. Price trends are upward and markets are generally good. The farmers are reported as not borrowing much money and are saving more than usual. Labor having been scarce and expensive all year, the farmers have been more active themselves and have done a larger share of their farm work without help. Fall plowing is more advanced than in average years. Wheat is looking well as a rule, and stands are good, except in a few of the Piedmont counties. The corn crop is good and the harvest practically completed. Hay crops were very satisfactory, final yields turning out greater than had been expected during the growing season. In addition to the usual hays, North Carolina farmers saved the vines from something like 100,000 acres of peanuts. Corn fodder pulled is estimated at almost 200,000 tons, and the addition of the corn tops brings the total crop to about 500,000 tons, while nearly 1,000,000 tons of tame hay were cut and cured. Both apple and peach crops were short, and neither yielded very satisfactory prices. The mountain regions report good fall truck crops with markets good. Live stock is generally in good condition, but prices for cattle and hogs are low. On the whole the weather during the past month has been favorable for farm work, and more stalk land has been plowed to date than for many years. Picking and ginning of cotton is further advanced than perhaps ever before. On the whole, farm conditions are good for entering the winter.

In Virginia fall farm work was late in starting because of dry weather, but good seasons in late November remedied this condition, and farmers have been catching up as rapidly as the scarcity of labor allows. Much of the farmers' energy has gone into harvesting and cleaning up this year's crops, ordering and marketing tobacco, picking cotton, etc., but fair progress has been made with fall plowing and seeding.

South Carolina farmers suffered from lack of rain during October and part of November, but during the past three or four weeks showers have been frequent and general, and good progress with seasonal work has been made. In South Carolina there is considerable interest in diversified farming as a means of combating the boll weevil, and the "live at home" movement is making many converts. The numerous county fairs held during the fall indicate that there is much keener interest than in former years in stock and hog raising, in chicken and egg production, and in the planting of gardens, truck and fruits.

In all of the agricultural sections of the Fifth District the farmers are displaying keen interest in co-operating marketing associations, especially for cotton and tobacco, and the majority of the members of these associations are reported to be well pleased with the results they have secured from them. Increased sales of mules, wagons, farm implements and fertilizer prove that, as a whole, the agricultural population of the District is better off than in recent years, and some authorities profess to believe that there is more net profit in this year's crops than there was in 1918 and 1919.

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

Building operations in the leading cities of the Fifth Reserve District, as indicated by reports giving the number and valuation of permits issued in twenty-five centers, show the usual seasonal decline in November 1923 in the number of permits issued in comparison with the number issued in October, but total valuation figures for November exceed those reported for October. In comparison with November 1922, November of this year also shows a decline in the number of permits but an increase in valuation. The combined reports from the twenty-five cities show permits for new construction issued in November 1923 numbering 1,702, with estimated valuation of \$11,748,392, compared with 2,051 permits with total valuation of \$10,823,051 issued in October of this year and 1,807 permits with total valuation of \$8,992,587 issued in November 1922. Fourteen of the reporting cities showed higher figures in November than in November last year, and nine of them reported increases of more than fifty per cent. Residence construction continues to make up the bulk of the new work, but business and industrial buildings are not lacking, as is indicated by the comparatively high valuation figures. In alteration and repair work, November 1923 exceeded November 1922 in number, 1,938 permits for this class of work having been issued in comparison

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.....	497	674	913	836	\$ 2,902,920	\$ 2,166,000	\$ 526,770	\$ 352,200	\$ 911,490	36.2%	1
2	Cumberland.....	28	25	20	7	86,870	48,340	6,183	1,880	42,833	85.3	2
3	Frederick.....	8	5	4	2	29,750	18,140	20,309	750	31,169	165.0	3
VIRGINIA												
4	Lynchburg.....	16	18	22	25	41,651	21,448	6,730	9,865	17,068	54.5	4
5	Norfolk.....	103	27	45	85	267,740	230,407	36,260	90,151	16,558	5.2	5
6	Richmond.....	126	113	88	90	878,439	805,979	67,570	88,061	51,969	5.8	6
7	Roanoke.....	106	65	20	40	210,960	177,185	4,435	13,555	24,655	12.9	7
WEST VIRGINIA												
8	Bluefield.....	26	14	7	2	63,075	26,460	1,425	8,100	29,940	86.6	8
9	Charleston.....	43	74	13	25	117,240	329,629	15,835	73,815	270,369	67.0	9
10	Clarksburg.....	39	15	25	9	61,756	87,220	11,770	4,300	17,994	19.7	10
11	Huntington.....	93	128	20	22	541,840	322,625	9,450	7,865	220,800	66.8	11
12	Parkersburg.....					43,000	80,000	5,100	25,000	56,900	54.2	12
NORTH CAROLINA												
13	Asheville.....	35	68	68	24	137,660	370,733	17,788	3,245	218,530	58.4	13
14	Charlotte.....	57	56	11	7	359,975	397,380	29,825	26,950	34,530	8.1	14
15	Durham.....	21	27	3	9	58,500	80,975	2,400	8,825	28,900	32.2	15
16	Greensboro.....	51	23	15	22	210,095	214,825	4,142	6,528	7,116	3.2	16
17	High Point.....	59	37	7	5	157,500	71,200	2,025	9,150	79,175	98.5	17
18	Raleigh.....	55	42	2	0	139,603	112,630	1,100	0	28,073	24.9	18
19	Wilmington.....	9	10	4	5	861,000	55,000	9,300	7,000	808,300	1,303.7	19
20	Winston-Salem.....	70	69	85	82	194,185	272,410	29,402	27,080	75,903	25.3	20
SOUTH CAROLINA												
21	Charleston.....	4	9	15	17	15,700	25,675	7,090	10,795	13,680	37.5	21
22	Columbia.....	20	24	59	98	38,314	73,625	7,125	15,727	43,913	49.1	22
23	Greenville.....	34	21	13	11	81,750	44,950	9,515	3,035	43,280	90.2	23
24	Spartanburg.....	31	26	21	21	127,276	33,795	6,230	3,425	96,286	258.7	24
DIST. OF COLUMBIA												
25	Washington.....	171	237	458	439	4,121,593	2,925,956	293,268	405,718	1,083,187	32.5	25
Totals.....		1,702	1,807	1,938	1,883	\$11,748,392	\$ 8,992,587	\$1,131,047	\$1,203,020	\$ 2,683,832	26.3%	

with 1,883 in November last year, but the valuation of the work was slightly higher in November 1922. Combined valuation for both new work and alterations or repairs totaled \$12,879,439 in November 1923, compared with a total of \$10,195,607 in November 1922, an increase this year of 26.3 percent.

Types of construction work not included in the building permit records, such as suburban developments, sewer laying, road and bridge building, etc., continue to be planned and started, and contractors are busy making plans for next spring's activities. Costs of construction are high, and labor is also scarce, but these unfavorable elements do not appear to be exerting any very material influence in construction fields. Present rent levels would seem to prove that the shortage of homes has not nearly been caught up, and a more enlightened sentiment toward road improvement is acting as a stimulant to work in that field.

WHOLESALE TRADE

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

	Groceries	Dry Goods	Shoes	Hardware	Furniture	Drugs
Number of reporting firms in each line.....	44	15	14	17	7	13
Net sales (selling price) during Nov., 1923, compared with Oct., 1923.....	- 5.7	-24.1	-25.1	-14.7	-22.2	- 8.0
Net sales (selling price) during Nov., 1923, compared with Nov., 1922.....	13.3	4.5	-20.2	2.7	19.6	5.4

-Denotes decrease.

Reports received this month from one hundred and ten wholesale firms selling groceries, dry goods, shoes, hardware, furniture and drugs show distinct declines in the volume of business done in November in comparison with October, all of the six lines showing recessions. This slackening in business is usual

at this season of the year, however, and is therefore of no special importance. As is almost always the case, dry goods and shoes show the greatest decline in comparison with the previous month, and groceries show the least variation. Part of the declines in hardware and furniture are due to unseasonably high figures reported for October rather than to any noteworthy slump in November.

In comparison with sales in November 1922, sales in November this year were greater in all lines reported upon except shoes, in which a decline of 20.2% is reported during November 1923. Furniture shows the largest increase this year, 19.6%, with a gain of 13.3% in grocery sales ranking second.

Collections were somewhat slower in November than in October, which in the light of previous records appears to be a seasonal development. In addition, the unsatisfactory conditions existing in the coal fields have tended to make collections in West Virginia especially slow. For November one hundred and nine firms classified their collections as Good, Fair, Slow or Poor, and of these firms 88.1% classed them as either Good or Fair in comparison with 90.1% so classified in October and 89.5% in November 1922. For comparative purposes we show below in detail the classification made in November, together with the totals reported in October, September, August and July of this year and November of last year.

Lines	Collections Reported As				Total
	Good	Fair	Slow	Poor	
Groceries.....	18	19	5	2	44
Dry Goods.....	3	9	3	0	15
Shoes.....	3	10	1	0	14
Hardware.....	8	7	2	0	17
Furniture.....	2	5	0	0	7
Drugs.....	5	7	0	0	12
November 1923 Totals.....	39	57	11	2	109
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
November 1922 Totals.....	26	85	13	0	124

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase in net sales during Nov., 1923, compared with Nov., 1922.....	1.1	12.0	5.1	6.2	4.2
Percentage increase in net sales from July 1, through Nov. 30, compared with sales during the same five months of 1922.....	2.8	18.1	6.6	9.6	6.5
Percentage increase in net sales during Nov. 1923, compared with average sales during the corresponding month of 1920, 1921 and 1922.....	0.5	17.3	0.4	0.3	2.2
Percentage increase in stocks on hand at the end of Nov., 1923, over stocks on hand at the end of Nov., 1922.....	7.2	29.5	3.3	22.0	9.6
Percentage increase in stocks on hand at the end of Nov., 1923, over stocks on hand at the end of Oct, 1923.....	— 1.2	6.5	0.8	2.3	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, five months.....	422.8	385.4	434.8	549.2	438.4
Percentage of outstanding orders at the end of Nov., 1923, to total purchases of merchandise during the year 1922.....	4.4	5.4	6.0	6.5	5.4

—Denotes Decrease.

Retail sales during November 1923, as reflected in the dollar value of business done in twenty-seven

leading department stores in the Fifth Reserve District, amounted to 4.2% more than the business done in November last year, but declined 3.4% from the volume of business done in October this year. Shopping for Christmas is always heavier in November than in October, but during October more buying of fall clothing is done as a rule than in November. The reporting stores in Richmond gained 12.0% in sales during November over sales in November 1922, the group of Other Cities gained 6.2%, the Washington stores gained 5.1%, and the Baltimore stores gained 1.1%. In comparison with cumulative sales during the five months from July 1st through November 30, 1922, this year the reporting stores show a gain of 6.5% during the corresponding five months, Richmond leading with a gain of 18.1% and the Other Cities ranking second with an increase of 9.6%. Richmond's large increase is perhaps partly accounted for by store expansion, and the gain by the Other Cities reflects the improved financial condition of the farmers, most of the cities in this group deriving a considerable part of their business from rural sections.

Stocks on hand in the reporting stores, at selling values, were 9.6% greater at the end of November than at the end of November 1922, and had increased 0.8% during the past month. In the rate of stock turnover during the past five months, Richmond reports show the best record, the percentage of average stock on hand at the end of each month since July 1st to average net sales during each of the five months since that date being 385.4%, compared with an average of 422.8% in Baltimore, 434.8% in Washington, 549.2% in the Other Cities, and an average of 438.4% for the District. The rate of turnover has been more rapid in Washington during the second half of this year than in 1922, but in Richmond, Baltimore and the Other Cities the turnover has been slower this year.

Comments made by the reporting retailers indicate that buying of Christmas merchandise is excellent, but buying of staples is slow, and has been so the entire fall, the weather having been too mild to stimulate the normal amount of fall purchases. Holiday shopping has been done earlier this year, perhaps, than in average years, especially in Richmond where Christmas savings clubs were paid off ten days earlier than in previous years.

(Compiled December 18, 1923)

BUSINESS CONDITIONS IN THE UNITED STATES.

Compiled by the Federal Reserve Board.

Production of basic commodities and factory employment decreased in November. Distribution of merchandise by wholesalers and retailers was somewhat less active, and wholesale prices showed a slight further reduction.

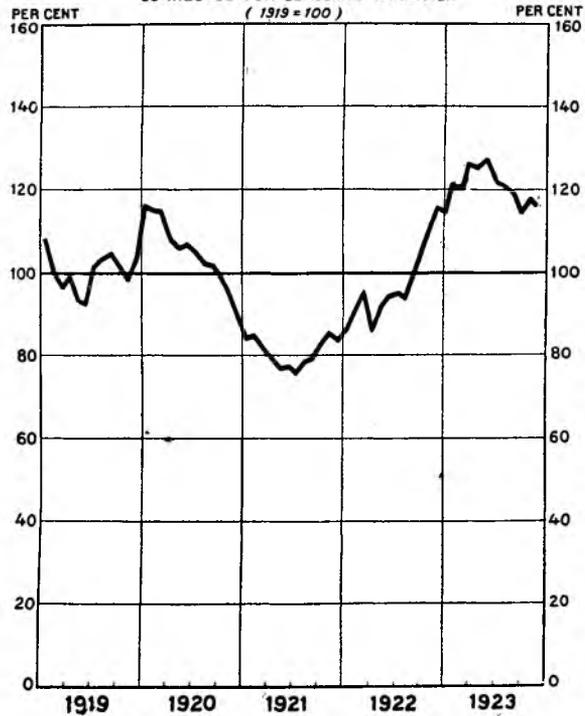
PRODUCTION. Production in basic industries decreased about two per cent in November. The decline was due chiefly to reduced production in iron and steel, and smaller sugar meltings. The Federal Reserve Board's new index of factory employment, which is shown by the accompanying chart, also declined, due to lessened activity at iron and steel plants and large seasonal reductions at clothing establishments. The volume of employment is now two per cent smaller than in the spring but three per cent larger than a year ago. Contract awards for new buildings were smaller in November than in October in all reporting Districts except New York but were twenty per cent larger than a year ago. Final estimates by the Department of Agriculture show larger yields of corn, oats, tobacco and cotton than in 1922, but smaller yields of wheat, hay and potatoes. The total value of agricultural production at December 1st prices was twelve per cent larger than in 1922. Each of the ten principal crops except wheat showed an increase in value.

TRADE. Railroad freight shipments in November showed about the usual seasonal decline from October but were in heavier volume as compared with previous years. Wholesale trade was thirteen per cent less in November than in October, which is more than the usual decrease at this season, but sales continued to be slightly larger than a year ago. Sales of hardware, drugs and meat were larger than in November 1922, while sales of shoes were smaller. Retail business was smaller than in October in most lines. Sales of mail order houses declined more than sales of department stores but were eleven per cent larger than a year ago.

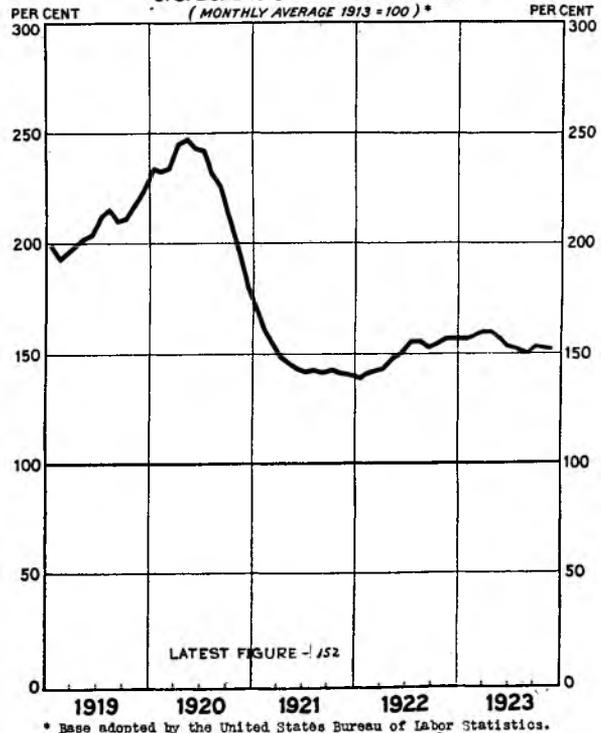
PRICES. The Bureau of Labor Statistics' index of wholesale prices declined in November to a point four per cent lower than last spring and about three per cent lower than a year ago, the chief reduction occurring in prices of animal products, fuel and house furnishings. Prices of clothing and the crops, on the other hand, increased and the latter group averaged higher than in any month since 1920. During the first half of December prices of sheep, beef, sugar, cotton, silk and lumber declined, while quotations on crude oil, wheat and wool were slightly higher.

BANK CREDIT. The total volume of credit extended by member banks in leading cities shows but little change between the middle of November and the middle of December. A seasonal reduction in commercial and agricultural loans in most Districts was accompanied by increased loans on securities, with the result that total loans remained practically constant. During the same period borrowings at the Federal Reserve Banks were also practically unchanged. Holdings of Acceptances increased somewhat, partly in connection with the financing of cotton exports. The increased demands for currency for holiday trade was reflected in both a moderate expansion in Federal Reserve note circulation and a reduction in Gold Certificates held by the Reserve Banks. Rates of commercial paper sold in the open market continued to show an easier tendency, as indicated by increased sales at $4\frac{3}{4}$ per cent, particularly in interior Districts. The December issues of one year $4\frac{1}{4}$ per cent and six months 4 per cent Treasury Certificates, compared with $4\frac{1}{4}$ per cent on a six months issue sold in September, were largely oversubscribed.

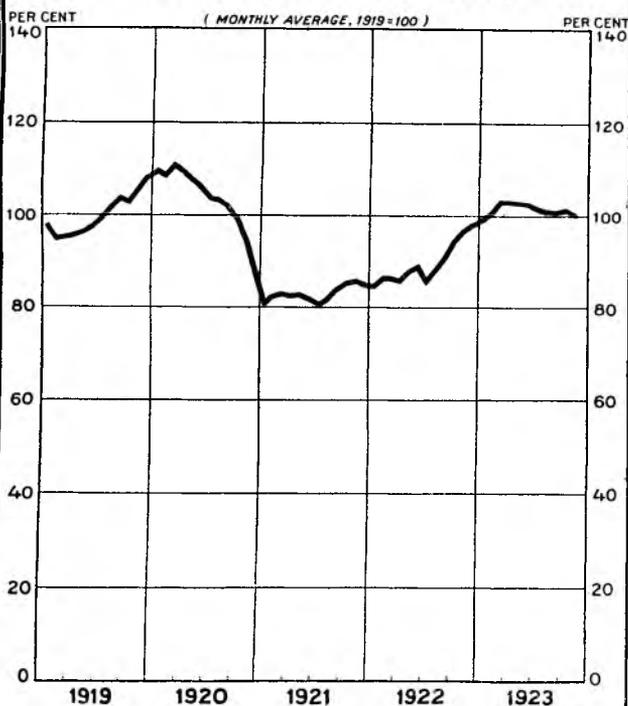
INDEX OF PRODUCTION IN BASIC INDUSTRIES
 COMBINATION OF 22 INDIVIDUAL SERIES
 CORRECTED FOR SEASONAL VARIATION
 (1919 = 100)



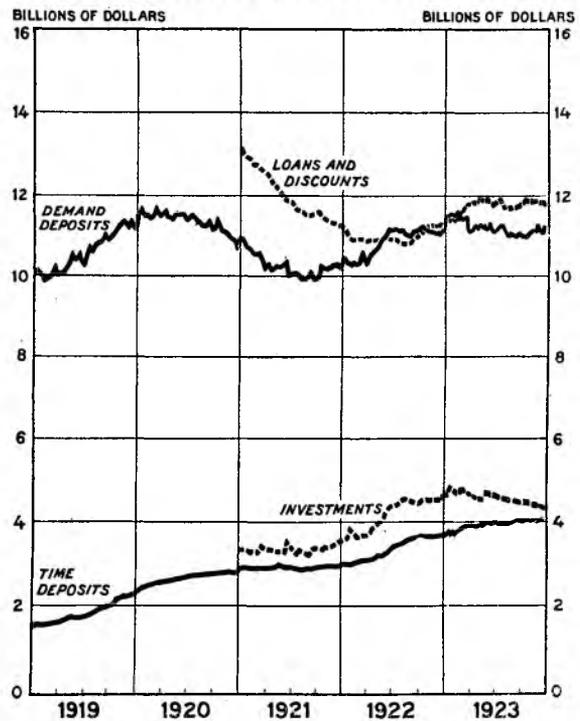
PRICES
 INDEX NUMBERS OF WHOLESALE PRICES
 U. S. BUREAU OF LABOR STATISTICS
 (MONTHLY AVERAGE 1913 = 100)*



**INDEX OF EMPLOYMENT
 IN MANUFACTURING INDUSTRIES**
 (MONTHLY AVERAGE, 1919 = 100)



BANK CREDIT
 800 MEMBER BANKS IN LEADING CITIES



FIFTH FEDERAL RESERVE DISTRICT

