

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

By CALDWELL HARDY, Chairman and Federal Reserve Agent

RICHMOND, VIRGINIA, MARCH 31, 1922.

NATIONAL SUMMARY.*

The outstanding feature in business development during the past few weeks has been the improvement in basic industries, including steel, especially railway equipment, copper and other metals. A marked increase in the production of automobiles has also been a feature of the month. Building, which has been on the up grade for several months past, continued its growth in activity, February permits being about forty per cent in excess of those of February, 1921, while the advance is still continuing. As against this favorable trend in the physical volume of production in basic lines is the fact that a variety of conditions have operated to offset the encouraging improvement which had been noted in textiles during the winter months. Prominent among these unfavorable influences is the disturbed relations with labor, but uncertainty as to cost of production and lack of forward orders has had a depressing effect in the Districts where no labor troubles have made themselves felt. No important changes have been observed in other manufacturing lines, such as leather and boots and shoes. Agriculturally, the month has been one of favorable development, considering the season. According to official figures a marked, even if still limited, decrease in unemployment is under way. In trade, both retail and wholesale, the tendency has been on the whole downward, although not pronouncedly so. Retail trade is uniformly lower than it was a month ago or than it was at this time last year. The movement of commodities to market during the month has been very satisfactory. Increase in car loadings has been noticeable in many parts of the country. The advance in the index number of wholesale prices shown by the Federal Reserve Board's compilation amounts to four points for the month. Financially, the month has shown but little change. Discount and interest rates have not moved materially. Foreign trade shows a somewhat further decline with a much closer approach to adjustment of export and import figures both here and abroad. Increasing stability in foreign exchanges, with the exception of marks, has been the rule.

DISTRICT SUMMARY

February being a between-season month, when the winter's business is done and spring trade has not opened up, it is difficult to estimate the progress made during the month toward normal activity in the business world, but on the whole favorable signs appear to predominate.

Eighty-two regularly reporting member banks, located in thirteen cities of the Fifth District, have reduced their outstanding loans and their rediscounts, while increases are reported in their deposits and reserves. Bills held by the Federal Reserve Bank have fallen, and the reserve ratio has increased. Debits to individual account reported by eleven leading cities compare favorably with debits a year ago, and reflect a growing activity in trade. The labor situation is still unsatisfactory, but the number of unemployed is gradually lessening. Coal production is more than meeting current needs, and appears to be still increasing. Retail prices of clothing and shoes are working downward to a more satisfactory basis to the consumer. The outlook in the textile trade is considered good by our correspondents, though orders at present are being placed reluctantly. The prices of the chief farm products have increased, bringing some relief to the farmers with reserve stocks in their possession, and this improvement in farm product prices has had a general stimulating effect on all the business of the District. Building operations continue to exceed those of the previous year, and letters from building inspectors, dealers in building materials, and real estate men indicate a general feeling of optimism and confidence. Wholesale and retail trade is fairly satisfactory, and at least is holding its own.

The chief unsatisfactory elements in the present situation are the large number of business failures, the existing scale of freight rates, the strained credit conditions in the agricultural sections where the previous year's indebtedness has not been paid, and the uncertainties in the business world arising from tariff, tax and soldier bonus agitations.

*The national Summary supplied by the Division of Analysis & Research of the Federal Reserve Board.

CONDITION OF EIGHTY-TWO REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	March 1, 1922	February 1, 1922	March 4, 1921
1. Total Loans and Discounts (exclusive of rediscounts) -----	\$ 416,569,000	\$ 417,170,000	\$ 433,733,000
2. Total Investments in Bonds and Securities -----	116,597,000	122,376,000	119,357,000
3. Total Loans and Investments -----	533,166,000	539,546,000	553,090,000
4. Reserve Balance with Federal Reserve Bank -----	32,024,000	31,781,000	33,624,000
5. Cash in Vaults -----	13,441,000	12,702,000	14,978,000
6. Demand Deposits -----	301,728,000	300,816,000	327,276,000
7. Time Deposits -----	130,752,000	130,413,000	116,886,000
8. Discount with Federal Reserve Bank -----	35,273,000	41,009,000	67,352,000

The table above shows the principal items of condition reported by eighty-two identical member bank as of the close of business March 1, 1922, February 1, 1922, and March 4, 1921, thus affording comparisons of the March 1 figures with those reported a month ago and those reported a year ago. All items are comparable for the three dates.

The figures for March 1, 1922, are all lower than those reported for March 4, 1921, except Item 7, Time Deposits, which shows an increase of \$13,866,000, or 11.9%, within the year. Between the two dates Total Loans and Discounts declined from \$433,733,000 as of March 4, 1921, to \$416,569,000 as of March 1, 1922, a decrease of \$17,164,000, or 4.0%; Total Investments in Bonds and Securities declined from \$119,357,000 to \$116,597,000, a decrease of \$2,760,000, or 2.3%; Reserve Balance with the Federal Reserve Bank declined from \$33,624,000 to \$32,024,000, a decrease of \$1,600,000, or 4.8%; Cash in Vaults declined from \$14,978,000 to \$13,441,000, a decrease of \$1,537,000, or 10.3%; Demand Deposits declined from \$327,276,000 to \$301,728,000, a decrease of \$25,548,000, or 7.8%, and Discounts with the Federal Reserve Bank declined from \$67,352,000 to \$35,273,000, a decrease of \$32,079,000, or 47.6%. The decrease in Investments in Bonds and Securities has been in the holdings of Liberty and Victory bonds.

A comparison of the figures for March 1, 1922, with those reported for February 1, 1922, shows distinct improvement in the condition of the reporting banks. Within the four weeks between the two dates, the reporting banks increased their Reserve Balances with the Reserve Bank, their Cash in Vaults, their Demand Deposits, and their Time Deposits, at the same time decreasing their Total Loans and their Borrowings from the Reserve Bank. The decrease in borrowings from the Reserve Bank amounted to 14% of their indebtedness to us as of February 1, 1922, but all of this does not represent a genuine liquidation of outstanding obligations, a considerable part of the decrease reflecting transfers to the War Finance Corporation.

DEBITS TO INDIVIDUAL ACCOUNT IN LEADING TRADE CENTERS

CITIES	For the Week Ending		
	March 1, 1922	February 1, 1922	March 2, 1921
Baltimore, Md. -----	\$ 93,055,000	\$ 78,876,000	\$ 100,436,000
Charleston, S. C. -----	5,500,000	6,001,000	6,789,000
Charleston, W. Va. -----	7,468,000	6,100,000	-----
Charlotte, N. C. -----	6,737,000	5,572,000	5,600,000
Columbia, S. C. -----	5,574,000	4,591,000	5,302,000
Cumberland, Md. -----	1,845,000	1,554,000	-----
Danville, Va. -----	2,204,000	1,905,000	-----
Greensboro, N. C. -----	3,310,000	3,558,000	-----
Greenville, S. C. -----	3,669,000	2,882,000	3,501,000
Hagerstown, Md. -----	1,730,000	1,443,000	-----
Huntington, W. Va. -----	4,461,000	3,979,000	5,655,000
Lynchburg, Va. -----	4,059,000	4,384,000	-----
Newport News, Va. -----	1,651,000	1,392,000	-----
Norfolk, Va. -----	14,170,000	13,528,000	14,679,000
Raleigh, N. C. -----	4,100,000	3,750,000	3,900,000
Richmond, Va. -----	29,518,000	25,057,000	27,372,000
Roanoke, Va. -----	4,858,000	4,306,000	-----
Spartanburg, S. C. -----	1,885,000	2,054,000	-----
Washington, D. C. -----	39,176,000	34,628,000	36,868,000
Wilmington, N. C. -----	4,475,000	4,030,000	4,961,000
Winston-Salem, N. C. -----	5,372,000	3,683,000	-----
Totals for 11 cities -----	\$ 210,435,000	\$ 182,894,000	\$ 215,063,000
Totals for 21 cities -----	244,817,000	213,273,000	-----

The table presented herewith shows debits to accounts of individuals, firms and corporations reported by the banks in twenty-one cities of the Fifth Reserve District during the weeks ending March 1, 1922 and February 1, 1922, together with debits reported for eleven of the same cities for the week ending March 2, 1921. The figures from the several cities are comparable, no bank holidays being included in any of the weeks cited, and all of them including end-of-month payments.

A comparison of the debits reported from eleven cities for the weeks ending March 2, 1921 and March 1, 1922, shows a drop within the year from \$215,063,000 to \$210,435,000, a decrease of 2.1%, a very satisfactory comparison in view of price declines between the two dates. Increases during the 1922 week over the 1921 week were shown by Charlotte, N. C., Columbia, S. C., Greenville, S. C., Raleigh, N. C., Richmond, Va., and Washington, D. C.

In comparison with the week ending February 1, 1922, the figures from twenty-one cities for the week ending March 1, 1922, show an increase of \$31,544,000, or 14.8%. All reporting cities showed increases except Charleston, S. C., Greensboro, N. C., Lynchburg, Va., and Spartanburg, S. C.

FEDERAL RESERVE BANK OPERATIONS

Between February 15, 1922, and March 15, 1922, Cash Reserves held by the Federal Reserve Bank of Richmond rose from \$79,252,613.05 to \$81,840,834.14, and Total Member Bank Reserve Deposits increased from \$53,485,873.25 to \$55,176,242.22. Between the same two dates, Total Bills on hand fell from \$79,186,215.87 to \$75,332,726.27, and Federal Reserve Notes in Actual Circulation dropped from \$94,431,045 to \$92,946,709. The ratio of total reserves to Deposit and Federal Reserve Note Liabilities combined was 52.4% on February 15, 1922, but rose to 54.62% on March 15, 1922. On March 18, 1921, one year ago, this ratio was 46.22%.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS FEBRUARY, 1922 AND 1921.

City and District	Number		Per Cent Increase	Liabilities		Per Cent of Increase or Decrease
	1922	1921		1922	1921	
Boston, First -----	206	139	48.2%	\$ 6,235,271	\$ 1,942,285	221.0%
New York, Second -----	300	222	35.1	24,202,858	26,836,505	9.8—
Philadelphia, Third -----	93	71	31.0	2,436,402	3,701,526	34.2—
Cleveland, Fourth -----	235	144	63.2	4,627,038	3,613,291	28.1
Richmond, Fifth -----	213	144	49.9	4,761,744	3,170,347	50.2
Atlanta, Sixth -----	270	175	54.3	5,331,050	2,920,497	82.5
Chicago, Seventh -----	288	211	36.5	7,876,931	5,442,207	44.7
St. Louis, Eighth -----	167	129	29.5	4,653,231	2,936,144	58.5
Minneapolis, Ninth -----	97	53	83.0	2,300,814	1,690,771	36.1
Kansas City, Tenth -----	99	85	16.5	2,006,480	3,993,889	49.8—
Dallas, Eleventh -----	207	137	51.1	5,889,143	2,117,068	178.2
San Francisco, Twelfth -----	156	131	19.1	2,287,431	2,487,919	8.1—
Totals -----	2,331	1,641	42.0%	\$ 72,608,393	\$ 60,852,449	19.3%

According to the monthly summary of business failures sent us by Dun's Review, February witnessed fewer bankruptcies than January in the Fifth District, but exceeded any former month of the past three years. In total liabilities involved, February also came second, being exceeded only by the December, 1921, record. In the Fifth District, the table shows 213 insolvencies during February, 1922, compared with 144 during February, 1921, an increase this year of 49.9%. In liabilities involved, the February, 1922, total reached \$4,761,744, compared with the February, 1921, total of \$3,170,347, an increase this year of 50.2%. The twelve Reserve Districts show an average increase of 42.% in number of failures in comparison with the corresponding month of last year, and an increase of 19.3% in total liabilities involved. All districts show increases in the number of bankruptcies, but the New York, Philadelphia, Kansas City and San Francisco Districts reported lower liability figures than during February, 1921. The average liability per failure during February, 1922, in the Fifth District was \$22,356, compared with a national average of \$31,149. The average liability during February, 1921, was \$22,016 in the Fifth District and \$37,038 in the nation as a whole.

LABOR—Changes in the labor field were unimportant during February, but on the whole there was a slight decrease in the unemployed. Reports from a number of the smaller and medium sized cities of the District indicate that labor is fairly well employed, the bulk of the unemployment being in the large cities, to which idle persons tend to gravitate under a mistaken idea that employment is easier to find there than at home. The Public Employment Bureau of Richmond reports an average daily attendance of 155 persons seeking work during February, compared with an average attendance of 194 in January. The street car strikes in Richmond, Norfolk and Portsmouth, Va., and Columbia, S. C., mentioned in our Review for January, are unsettled, and the unemployment situation in Newport

News, resulting from the Disarmament program, has changed little. Manufacturing plants have tended to reduce their number of employees to a slight extent during February, but on the other hand fertilizer plants, lumbering camps, and sewer construction have called for additional helpers. Employment experts profess to expect a steady decrease in the ranks of the unemployed as the spring and summer progresses, and building construction and road work gets under way.

COAL—The production of soft coal continued to improve during February, going above the 10,000,000 ton mark for the week ending February 11. There was a slight drop in output during the week ending February 18, but the weeks ending February 25 and March 4, showed further gains, the output during the last named week reaching 10,536,000 tons, according to the weekly report of the United States Geological Survey, Department of the Interior. Current production has been greater than consumption since the last week in January, and therefore a considerable part of the February output was added to reserve stocks. The total output in February was 40,951,000 net tons, or an average of 1,706,000 tons per working day. Although smaller than in the boom years, 1916-1918, this was greater than in any year before or since. The daily production in February was 9% above the daily output in January. Explaining this increased production the Geological Survey says, "This favorable showing is principally due to an effort of consumers to accumulate reserve stocks against a possible interruption of supply rather than to any marked increase in the rate at which coal is being consumed."

FOODS—Price changes in food articles at retail were relatively unimportant during February, the average for the United States showing a decline of three-tenths of one per cent. under January prices, according to the compilations made by the Department of Labor. The report states that the average decline during the past year has been 11 per cent. February wholesale prices were on the whole firm, with some advancing tendency in evidence as a result of the increased prices of farm products. The rise in wheat stiffened flour quotations, and better prices for cattle caused meats to advance slightly, but on the whole these changes had little effect on retail quotations. In the Fifth District the markets have been adequately supplied with vegetables and other truck from the Florida-Georgia markets, and for these early foods the prices have been high, but the District is now beginning to supply itself, and prices for truck are therefore tending downward as the sources of supply approach nearer the points of consumption. Poultry is fairly plentiful, and eggs are abundant and cheap, fresh country eggs having sold for as low as 25c in the stores and for 22c from wagons at the door.

CLOTHING AND SHOES—Clothing and shoe stores began displaying their spring stocks during February and early March, and the trade has opened up to some extent, but the inclement weather during the period and the lateness of Easter this year have tended to delay spring buying. The date on which Easter Sunday falls plays a very important role in stimulating or retarding spring trade in all wearing apparel lines, and this year Easter does not come until April 16. In their displays and advertisements, the merchants dealing in both men's and women's clothing are featuring medium priced suits, made of serviceable material and in rather conservative styles. Stores that two years ago put suits retailing at from \$75 to \$100 in their windows are now displaying suits running from \$35 to \$55. The price decline during the two years has not been as great as the difference in these quotations indicate, but the attitude of the public has changed so completely that it has become necessary to use tempting bait in order to get the customer into the store. Two years ago the public frequently inquired, "Have you something better than this," but now the question is, "Have you something cheaper than this?" The same situation exists in the shoe trade, though probably not to the same extent as in the clothing business, the amounts involved in the buying of shoes being smaller. Shoe prices are something like 10% lower than last fall's prices and are fully 20% below the prices asked in the spring of 1921. This is particularly true in the prices of the higher grade footwear. It is worthy of mention that retailers have not made uniform reductions in shoe prices, some of them selling on much closer margin than others. For example, a retailer in Richmond is at present offering a high grade shoe for \$10 per pair, while other firms are asking \$12 for shoes of the same class, in comparison with prices on the same goods a year ago ranging from \$14 to \$17.

TEXTILES—February witnessed few changes in the textile industry of the Fifth District. Mills continued running approximately full time, and most of the mills have succeeded in selling their output, but the operators state that there is little profit in the business they are doing. Owing to the limited demand for cotton goods from the rural trade, and the considerable amount of unemployment in industrial centers, the consumption of finished goods is below normal, and the uncertainty as to when these conditions may be expected to right themselves makes jobbers and retailers very cautious in placing orders for future delivery. The industry is largely on a hand-to-mouth basis, with the mills caught between advancing prices of raw materials and a stubborn determination of con-

sumers to resist higher prices for finished products. Mill operators, however, believe that stocks in the hands of jobbers and retailers are small, and they quite generally profess to believe that the situation in the textile trade is better than appears on the surface. They expect that in view of the small stocks in reserve, considerable buying will become absolutely necessary during the early summer, but this is probably dependent upon the new crop outlook and relief of the unemployment situation. Several of our correspondents commented upon the unsettling effect of the Tariff and Soldier Bonus agitations, and complaint as to freight rates under existing conditions is general.

TOBACCO—February and early March tobacco sales were comparatively small, and prices paid for tobacco were generally low, due to the bulk of the offerings being barn scrapings and low grades sold to wind up the season's crop. All of the Virginia markets closed March 17, with the exception of Richmond, Farmville and Lynchburg. During the season just closed, the Danville market sold 33,979,643 pounds, at an average price of \$19.57 per hundred, the crop bringing a total of \$6,650,039.60. During the 1920-1921 season, the Danville market sold 55,000,000 pounds at an average of \$26.19, the crop selling for over \$14,500,000. Sales to March 1, in Virginia, totaled 67,373,121 pounds of bright tobacco and 26,696,763 pounds of dark, in comparison with sales during the 1920-1921 season amounting to 111,638,912 pounds of bright and 31,285,556 pounds of dark. The dry spell last summer caused a heavy reduction in the production of bright tobacco, this being the chief cause of the large decrease in sales this year. On the whole, the prices realized for bright tobacco have averaged lower this year than during the previous season, but dark tobacco has brought prices averaging more than double those secured during 1920-1921.

The leaf dealers and tobacco manufacturers report sales to domestic consumers in about the same proportion as for several months past, but there have been more inquiries and orders from foreign buyers, especially for leaf, with the improvement in the purchasing power of foreign moneys. The leaf dealers feel inclined to believe that this demand will continue throughout the spring and summer months.

COTTON—After reaching the lowest average price since last August, spot cotton prices turned upward during the week ending February 11, and continued a slow upward movement through the week ending March 4, but suffered a slight recession during the week ending March 11. The increase between February 4 and March 4 was approximately a cent and a half a pound, quotations coming from fifteen to twenty of the leading markets in the Carolinas. The higher prices have stimulated some selling, but farmers are still quite generally holding for further rises.

The census bureau has announced that the consumption of cotton during February totaled 473,073 bales of lint compared with 395,115 bales consumed in February last year. Cotton on hand in consuming establishments on February 28 amounted to 1,596,582 bales of lint compared with 1,327,155 bales a year ago, showing an increase for this year of 269,427 bales. On the other hand, the report shows stocks in public storage and at compresses amounting to 4,221,830 bales compared with 5,503,139 bales so held a year ago, a decrease this year of 1,281,309 bales. A combination of these figures shows a shortage of a little over a million bales this year in comparison with last year, a situation which in view of increased consumption puts cotton in a strong statistical position. In spite of the New England strikes, the number of spindles active in the United States was greater in February than during February a year ago, the numbers being 33,797,329 and 32,496,856, respectively, an increase this year of 1,300,473 spindles. The increase was about evenly distributed between the Southern mills and those located outside the cotton growing district, in proportion to the total number of spindles in the two groups.

AGRICULTURAL NOTES—The extreme rainfall and snow that fell over the entire Fifth District during February, delayed soil preparation, and farmers are behind with their seasonal activities. In the cotton sections of the Carolinas this condition is disturbing, because the presence of the boll weevil necessitates an early development of the cotton crop if a satisfactory yield is to be secured. The winter has been comparatively mild in the Carolinas, and reports indicate that the crop of weevils that has survived the winter is large. The lateness of cold weather last fall greatly increased the number of young, healthy weevils that went into hibernation, and therefore the prospects for early and severe ravages by the pests this season are considered practically certain by observers in the cotton sections. There is some talk of acreage reduction under last year's figures in North and South Carolina, but it is yet too early to estimate the final planting. It appears certain that the farmers will again restrict their use of commercial fertilizer this year to approximately the same amount used last season, which was decidedly below the amount normally put under the crops. The chief reason for this restriction is the difficulty of financing fertilizer purchases. The fertilizer manufacturers are still holding many notes for 1920-1921 and 1921-1922 supplies of fertilizer, and they are not selling much tonnage this year on credit. In view of the uncertainty as to the ability of the

farmers of the Carolinas to raise cotton successfully under boll weevil conditions, the banks are reluctant to extend much credit for the preparation of a cotton crop.

Prospects for a good fruit crop are excellent, but there is of course still great danger that unseasonably mild weather may cause buds to development too far before danger of frost is past. The crop was killed last year on March 29 and 30.

BUILDING OPERATIONS FOR THE MONTH OF FEBRUARY, 1922 AND 1921.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease, Total Valuation	Per Cent. of Increase or Decrease	No.
		New		Repairs		1922	1921	1922	1921			
		1922	1921	1922	1921							
MARYLAND												
1	Baltimore.....	283	265	694	883	\$1,725,720	\$2,762,620	\$ 463,200	\$ 824,040	\$1,397,740	39.0	1
2	Cumberland.....	11	13	15	10	28,265	19,100	24,835	6,300	27,700	109.1	2
3	Frederick.....	0	2	3	3	0	5,600	6,100	6,150	5,650	48.1	3
VIRGINIA												
4	Lynchburg.....	11	7	10	3	26,125	14,375	2,925	1,300	13,375	85.3	4
5	Norfolk.....	27	16	29	46	79,550	394,679	14,190	25,765	326,704	77.7	5
6	Richmond.....	87	55	65	75	632,812	455,464	1,652,130	192,152	1,637,326	252.8	6
7	Roanoke.....	46	*70	31	.....	84,195	*45,750	8,345	.....	46,790	102.3	7
WEST VIRGINIA												
8	Charleston.....	31	63	42	19	75,437	248,070	14,848	8,837	166,622	64.9	8
9	Clarksburg**.....	18	.....	12	.....	44,410	.....	55,765	.....	.....	.....	9
10	Huntington.....	90	*97	14	.....	150,140	*477,458	5,450	.....	321,868	67.4	10
11	Parkersburg.....	.....	.....	.....	.....	25,000	15,000	15,000	10,000	15,000	60.0	11
NORTH CAROLINA												
12	Asheville.....	43	24	12	30	285,056	63,225	3,022	26,055	198,798	222.7	12
13	Charlotte.....	27	16	14	9	70,995	94,800	23,000	83,950	84,755	47.4	13
14	Durham.....	13	4	6	2	22,760	10,800	10,100	1,250	20,810	172.7	14
15	Greensboro.....	13	19	11	7	25,655	84,915	3,505	21,500	77,255	72.6	15
16	High Point.....	8	*14	5	.....	24,150	*19,675	4,446	.....	8,921	45.3	16
17	Wilmington.....	14	12	1	3	49,500	24,100	10,000	11,200	24,200	68.6	17
18	Winston-Salem.....	34	31	40	34	376,405	155,575	8,390	13,268	209,952	124.3	18
SOUTH CAROLINA												
19	Charleston.....	17	28	20	20	108,870	198,410	7,455	18,496	100,581	46.4	19
20	Columbia.....	43	16	75	63	56,525	61,850	16,308	21,065	10,082	12.2	20
21	Greenville.....	21	20	18	31	74,480	65,075	10,565	6,685	13,285	18.5	21
22	Spartanburg.....	19	17	30	23	12,110	9,575	14,205	9,815	6,925	35.7	22
DIST. OF COLUMBIA												
23	Washington.....	167	104	242	336	1,404,392	373,540	162,587	252,486	940,953	150.3	23
Totals.....		1005	893	1,377	1,597	\$5,332,142	\$5,599,656	\$2,480,606	\$1,540,314	\$ 672,778	9.4%	

*Includes both new work and repairs.

**Clarksburg, W. Va. not included in totals.

—Denotes decrease.

The early spring building activity is opening up well in the Fifth District, as the figures in the above table prove. We give herein the number of building permits issued in twenty-three important cities of the District during February, 1922, with comparative figures from twenty-two of them for February, 1921. The twenty-two cities reported 1,005 permits for new construction in February, 1922, estimated to cost \$5,332,142, in comparison with 893 permits for new work issued in February, 1921, estimated to cost \$5,599,656. In alteration and repair work, February, 1922, witnessed the issuance of 1,377 permits, compared with 1,597 permits issued in February a year ago, but the total valuation for this class of work this year amounted to \$2,480,606 in comparison with \$1,540,314 for February, 1921. In combined valuation of both new work and repairs or alterations, February, 1922, totaled \$7,812,748, in comparison with \$7,139,970 during February, 1921, an increase this year of \$672,778, or 9.4%. The reports received from the several cities indicate that most of the new work is residence or apartment house construction, while a large part of the alteration or repair work is due to the conversion of many former residences into business buildings, and to changes and enlargements in other business structures.

Our correspondents agree that the outlook for construction work this year is bright. Dealers in building materials are receiving an increased number of orders, and lumber mills are cutting new stock. Between February 4 and March 4, 1922, approximately forty-eight mills, all being members of the North Carolina Pine Association, cut 36,611,825 feet and received orders for 35,753,258 feet.

Normal production for the forty-eight mills is estimated at 51,564,000 feet, showing a production of 71% of normal for February. Labor for construction work is plentiful, more efficient than a year or two ago, and wages have been adjusted towards the reduced costs of living. Money for investment is becoming easier to secure, and rates of interest are falling slightly. All of these influences are increasing construction activities, and therefore real estate men, dealers in building materials, and contractors all view the coming months with reasonable confidence.

FIGURES ON RETAIL TRADE.

As Indicated By Reports from Twenty-Four Representative Department Stores
for the Month of February, 1922.

	Baltimore	Richmond	Washington	Other Cities	District
Percentage decrease in net sales during February, compared with February 1921 -----	-13.0	-13.1	-10.5	-17.9	-12.8
Percentage decrease in net sales from January 1 through February 28, compared with sales during the same two months of 1921 -----	-16.6	-13.5	-11.3	-18.6	-14.9
Percentage increase or decrease in net sales during February, 1922, over sales in January, 1922 -----	-10.3	- 0.7	0.4	- 3.3	- 5.3
Percentage increase in stocks on hand at the end of February, 1922, over stocks on hand at the end of February, 1921---	5.1	9.7	13.2	9.6	8.6
Percentage increase in stocks on hand at the end of February, 1922, over stocks on hand at the end of January, 1922----	9.0	7.0	20.8	10.2	12.6
Percentage of average stocks on hand at the end of each month since January 1, to average net sales each month during the same period, two months-----	447.8	468.8	456.5	646.9	475.0
Percentage of outstanding orders at the end of February, 1922, to total purchases of merchandise during the year 1921----	7.5	6.2	5.1	5.3	6.3

— Denotes decrease.

Detailed reports were received from twenty-four representative department stores for February. Net sales reported were 12.8% less in dollar value than sales in the same stores in February, 1921, and were 5.3% less than sales in January of this year, but February is a between-season month, and in addition had fewer business days than January. In comparison with sales during the corresponding month of 1921, February, 1922, sales showed up better than January, 1922, sales. The severe weather and the lateness of Easter have tended to cut early spring business, and in at least two of the cities from which reports come trade has been hurt this year by street car strikes.

Stocks are increasing in practically all of the reporting stores, the average selling value of stocks on hand at the end of February being 8.6% greater than the value at the end of February, 1921, and 12.6% greater than at the end of January, 1922. The increase over January figures is of course seasonal, much spring merchandise being received during February, but the increase over February, 1921, figures, shows a greater confidence on the part of the merchants in the approximate stability of values.

The receipt of spring merchandise in quantities naturally increases the percentage of stocks on hand at the end of each month since January 1, to net sales during the same two months, the percentage at the end of February being 475.0%. At the end of February, 1921, this figure was 368.7% for approximately the same stores, but a year ago sales were greater than during the previous year, while every effort was being made to reduce stocks to the minimum.

Outstanding orders for merchandise at the end of February amounted to 6.3% of total purchases by the reporting stores during the calendar year 1921.

REPORT ON WHOLESALE TRADE.

LINES SOLD	Net Sales in February, 1922, Compared With	
	Sales in January, 1922	Sales in February, 1921
Groceries (48)* -----	— 0.3%	—12.0%
Dry Goods (16)* -----	— 2.1	—17.4
Shoes (18)* -----	25.2	19.7
Hardware (18)* -----	—17.6	—17.1
Furniture (10)* -----	—11.6	32.1
Totals (110)* -----	— 0.2%	— 8.8%

* Number of reporting firms.

Confidential reports received at the end of February from one hundred and ten wholesale firms show that the month's business was rather below that of January, 1922, but on the whole compared favorably with February, 1921, business. Net sales in groceries, dry goods, hardware, and furniture were smaller in actual dollar value in February than in January, and sales in groceries, dry goods and hardware were also less than sales in February, 1921. Shoe sales were greater in February, 1922, than in either January, 1922, or February, 1921, and furniture sales in February were greater than sales in February of last year. The average for all lines grouped together showed a decline of two-tenths of one per cent. in February, 1922, sales under those for January, 1922, and a decline of 8.8% under sales in February, 1921. The number of business days in February was 4% under the number of January, and if this difference was allowed for the February sales in groceries and dry goods, and in the general average for all lines, would exceed the January sales.

Comments on collections indicate that February was less satisfactory than January. One hundred and sixteen firms classified their collections as Good, Fair, Slow or Poor, and of these, 56.9% reported them as either Good or Fair, in comparison with 61.1% so reported for January. We give below the classified replies from the one hundred and sixteen firms:

Lines Sold	Collections Reported As				Total
	Good	Fair	Slow	Poor	
Groceries	5	28	10	3	46
Dry Goods	1	7	7	2	17
Boots and Shoes	0	7	12	1	20
Hardware	1	9	7	1	18
Furniture	2	6	7	0	15
February Totals	9	57	43	7	116
January Totals	8	61	33	11	113

(Compiled March 18, 1922)