

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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RICHMOND, VIRGINIA, JULY 30, 1921

June is usually a dull business month, and this year it was no exception, but on the whole developments in the District were not unsatisfactory. Collections continue better than might reasonably be expected, showing improvement over earlier months. The record of failures reported by Dun's Review gives the Fifth District both the lowest number and the lowest total liabilities involved for any month this year. Reports from individual cities showing clearings and debits to individual account are lower than last year, but in view of price changes since 1920, indicate approximately the same volume of business transactions. The textile industry continues to get sufficient orders to keep mills running reasonably

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full time, and wholesale trade shows up well in comparison with May and the earlier months of the year. Retail trade in the department stores of the District is less in dollar value than during June, 1920, but in actual units of merchandise sold, appears to continue ahead of last year.

On the other hand, crop prospects are considerably below five and ten year averages in all leading crops, particularly in cotton, tobacco, and fruit. In view of the greatly reduced expenditures on tobacco and cotton crops this season, and the large carry-over from last year's surplus, the predicted slump in production for 1921 may not be unfortunate.

CONDITION OF EIGHTY REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	July 6, 1921	June 8, 1921	July 9, 1920
1. Total Loan and Discounts (exclusive of rediscounts) -----	\$ 406,911,000	\$ 413,288,000	\$ 479,867,000*
2. Total Investments in Bonds and Securities -----	121,269,000	117,017,000	82,588,000**
3. Total Loans and Investments -----	528,180,000	530,305,000	562,455,000
4. Reserve Balance with Reserve Bank -----	32,855,000	31,595,000	37,612,000
5. Cash in Vaults -----	15,543,000	16,250,000	19,002,000
6. Demand Deposits -----	299,492,000	297,377,000	338,213,000
7. Time Deposits -----	116,198,000	116,420,000	103,431,000
8. Discounted with Federal Reserve Bank -----	72,144,000	72,287,000	84,955,000

* Includes some miscellaneous investments.

** Government Securities only.

In the table given above, compiled from condition reports received from the same eighty member banks, located in thirteen cities of the District, all items are comparable except numbers 1 and 2. Comparing the figures as of July 6, 1921, with those as of July 9, 1920, all items show decreases within the year except Item 7, Time Deposits, which increased from \$103,431,000 to \$116,198,000, a gain of \$12,767,000, or 12.3%. Total Loans and Investments decreased between the two dates from \$562,455,000 to

\$528,180,000, a decline of \$34,275,000, or 6.1%; Reserve Balance with the Federal Reserve Bank decreased from \$37,612,000 to \$32,855,000, a decline of \$4,757,000, or 12.6%; Cash in Vaults fell from \$19,002,000 to \$15,543,000, a decline of \$3,459,000, or 18.2%; and Demand Deposits decreased from \$338,213,000, to \$299,492,000, a decline of \$38,721,000, or 11.4%. Discounts and rediscounts with the Federal Reserve Bank fell within the year from \$84,955,000 to \$72,144,000, a decline of \$12,811,000, or 15.1%.

Comparing the July 6, 1921, figures with those as of June 8, 1921, increases are found in Total Investments in Bonds and Securities, in Reserve Balance with Federal Reserve Bank, and in Demand Deposits, while decreases are found in Total Loans and Discounts, in Total Loans and Investments, in Cash in Vaults, in Time Deposits, and in Discounts and Rediscounts with the Federal Reserve Bank. The movement of deposits during June was striking, the increase in Demand Deposits and the decrease in Time Deposits being movements contrary to those noted continuously during the past year. On the whole, Demand Deposits have been slowly but steadily declining while Time Deposits have been increasing, but the June development in the eighty reporting banks shows a reversal of these tendencies. The condition reports as of July 6, 1921 show the banks to be in a stronger position than they were on June 8, 1921, except in Cash in Vaults.

DEBITS TO INDIVIDUAL ACCOUNT IN CLEARING HOUSE CENTERS

CITIES	For the Weeks Ending		
	July 6, 1921	June 8, 1921	July 7, 1920
Baltimore, Md. -----	\$ 99,260,000	\$ 91,179,000	\$ 108,543,000
Charleston, S. C. -----	7,019,000	6,011,000	9,875,000
Charlotte, N. C. -----	5,865,000	5,409,000	7,340,000
Columbia, S. C. -----	4,300,000	3,791,000	5,742,000
Greenville, S. C. -----	3,640,000*	3,115,000*	-----
Huntington, W. Va. -----	4,540,000	5,173,000	5,175,000
Norfolk, Va. -----	13,888,000	14,146,000	19,797,000
Raleigh, N. C. -----	4,350,000	4,050,000	3,900,000
Richmond, Va. -----	26,505,000	25,262,000	29,361,000
Washington, D. C. -----	41,357,000*	42,556,000*	-----
Wilmington, N. C. -----	5,039,000*	4,728,000*	-----
Totals for 8 cities -----	\$ 165,727,000	155,021,000	189,733,000
Totals for 11 cities -----	215,763,000	205,420,000	-----

*Not Included in Totals for 8 Cities.

Debits to Individual Account in eight cities of the Fifth District totaled \$165,727,000 for the week ending July 6, 1921, compared with \$189,733,000 reported by the same cities for the corresponding week of 1920, a decrease this year of \$24,006,000, or 12.7%. The percentage decrease between the same two dates reported by 153 important clearing house centers in the United States was 10.9%. The Federal Reserve Board's weekly press statement says, "This comparatively small lag between the figures for the corresponding weeks of this year and of the past year is apparently due to the fact that June 30 with its large volume of payments was included in the preceding week ending June 30 in 1920 and in the week ending July 6 in 1921."

MONTHLY CLEARINGS

No.	CITIES	For Month of June		Increase or Decrease	Per Cent of Increase or Decrease	No.
		1921	1920			
1.	Asheville, N. C. -----	\$ 4,642,322	\$ 6,187,887	\$ 1,545,565—	25.0—	1
2.	Baltimore, Md. -----	306,987,059	427,805,095	120,818,036—	28.2—	2
3.	Charleston, S. C. -----	10,962,536	21,640,498	10,677,962—	49.3—	3
4.	Charlotte, N. C. -----	8,276,430*	-----	-----	-----	4
5.	Columbia, S. C. -----	7,743,116	13,701,539	5,958,423—	43.5—	5
6.	Frederick, Md. -----	1,953,705	2,489,610	535,905—	21.5—	6
7.	Greensboro, N. C. -----	4,461,439	6,509,809	2,048,370—	31.5—	7
8.	Greenville, S. C. -----	5,987,227	9,707,399	3,720,172—	38.3—	8
9.	Hagerstown, Md. -----	2,609,604	3,385,469	775,865—	22.9—	9
10.	Huntington, W. Va. -----	7,488,921	8,080,896	591,975—	7.3—	10
11.	Newport News, Va. -----	2,395,047	3,803,075	1,408,028—	37.0—	11
12.	Norfolk, Va. -----	29,354,809	44,934,449	15,579,640—	34.7—	12
13.	Raleigh, N. C. -----	4,836,973	6,312,246	1,475,273—	23.4—	13
14.	Richmond, Va. -----	156,978,088	250,755,290	93,777,202—	37.4—	14
15.	Spartanburg, S. C. -----	2,191,638	4,698,417	2,506,779—	53.4—	15
16.	Washington, D. C. -----	79,897,960	83,369,109	3,471,149—	4.2—	16
	Totals -----	\$ 628,490,444	\$ 893,380,788	\$ 264,890,344—	29.7—	|

*Not Included in Total.

—Denotes Decrease.

The table shows clearings in June, 1921, for sixteen cities in the Fifth District, the June, 1920, figures being available for fifteen of them. These fifteen cities show clearings in June amounting to \$628,490,444 compared with \$893,380,788 cleared in June, 1920, a decrease this year of \$264,890,344 or 29.7%. This is the largest percentage decrease reported for any month this year in comparison with the corresponding month in 1920, the previous months having comparative decreases as follows: January, 25.3%; February, 19.4%; March, 25.2%; April, 24.9%, and May, 26.3%.

Figures from all of the sixteen cities are available for 1919 except Charlotte, Huntington and Spartanburg. Comparing clearings in June, 1921, with clearings in June, 1919, a decrease this year of 16.4% is found.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS

City and District	Number		Per Cent Increase	Liabilities		Per Cent Increase
	1921	1920		1921	1920	
Boston, First -----	136	55	147.3	\$ 2,546,879	\$ 1,783,684	42.8
New York, Second -----	232	164	41.5	4,736,685	16,218,230	-70.8
Philadelphia, Third -----	71	26	173.1	1,939,408	219,092	785.2
Cleveland, Fourth -----	98	65	50.8	4,744,487	975,973	386.1
Richmond, Fifth -----	82	37	121.6	1,478,512	314,156	370.6
Atlanta, Sixth -----	130	30	333.3	3,522,511	459,562	666.5
Chicago, Seventh -----	140	69	102.9	4,476,283	2,742,755	63.2
St. Louis, Eighth -----	102	34	200.0	1,974,278	2,283,002	-13.5
Minneapolis, Ninth -----	31	21	47.6	454,553	306,250	48.4
Kansas City, Tenth -----	73	22	231.8	4,764,647	281,255	1,594.1
Dallas, Eleventh -----	105	35	200.0	2,588,787	278,668	829.0
San Francisco, Twelfth -----	120	116	3.4	1,412,345	7,128,338	-80.2
Totals -----	1,320	674	95.8	\$ 34,639,375	\$ 32,990,965	5.0

--Denotes Decrease in Total Liabilities this year.

We give herewith the usual table showing the number of failures in the twelve Federal Reserve Districts for June, 1921 and 1920, with percentages of increase or decrease in both the number and the aggregate liabilities involved, as reported by Dun's Review. The June record for the Fifth District is the best reported this year, both the number of failures and the total liabilities being lower than in January, February, March, April or May. This is the second month in succession that lower figures in both items have been reported. The table shows 82 failures in the Fifth District for June, 1921, with liabilities of \$1,478,512, compared with 37 failures during June, 1920, with liabilities of \$314,156, an increase in the number this year amounting to 121.6% and in liabilities to 370.6%. The percentage increase in number for the United States is 95.8%, and in liabilities 5%. The June averages for the United States, in liabilities involved, are low by reason of the excessively high figures reported for the New York and San Francisco districts in 1920. In comparison with the other cotton growing districts, Richmond shows the lowest percentage increase in number of failures and next to the lowest increase in liabilities over the June figures of last year. The average liability per failure for the United States is \$26,242, but for the Fifth District is \$18,031. Failures and liabilities involved in the Fifth District during the first five months of the year were as follows: January, 142 and \$3,887,908; February, 144 and \$3,170,347; March, 123 and \$2,918,460; April, 154 and \$3,334,591; May, 99 and \$2,657,764.

COLLECTIONS.—Collection statistics received for June from thirty-nine wholesale firms selling groceries, dry goods, shoes, hardware and furniture, indicate that some improvement was seen during the month, though the gain was slight. Of the thirty-nine reports received, thirty-eight could be definitely classified, and of the thirty-eight, 84 per cent reported collections either Good or Fair. The May reports from the same firms showed 81% reported as Good or Fair. The June percentage is the highest reached this year.

A review of the first half of the year shows that from January through March collections were increasingly difficult, but in April the reports indicated that the tide had turned, an increased percentage being shown in the number of firms reporting collections either Good or Fair, in comparison with March. May showed a further gain over April, and June excelled May.

Collections in the retail trade continued satisfactory for a longer period than in the wholesale trade, but during the past three months a decided change has been noticed in a number of reporting stores. Three months ago we received only two complaints from twenty-five reporting retail stores, but for the month of June five of the twenty-five stores sending in reports stated that their collections are slow, while four others reported them as not better than fair. On the whole, however, the reports of the retail stores indicate collections to be fairly satisfactory, considering present general conditions.

We have classified thirty-eight of the wholesale reports on collections, and print them herewith in tabular form, together with the totals under each group reported during the earlier months of the year.

Lines Sold	Collections Reported as				
	Good	Fair	Slow	Poor	Total
Groceries -----	3	4	2	0	9
Dry Goods -----	1	8	0	0	9
Boots and Shoes -----	1	5	1	0	7
Hardware -----	2	4	2	1	9
Furniture -----	1	3	0	0	4
June Totals -----	8	24	5	1	38
May Totals -----	6	24	5	2	37
April Totals -----	5	19	4	5	33
March Totals -----	7	17	8	4	36
February Totals -----	6	19	8	3	36
January Totals -----	10	17	6	5	38

LABOR.—Indications point to some slight improvement in the labor situation in the Fifth District during June in comparison with earlier months of the year. The strike of textile workers at Charlotte continues, but as explained in our report last month, this is a local strike and has not spread to other mills. The Public Employment Bureau in Richmond reports increases in demands for labor in the building trades, and states that the demand for colored labor was fairly satisfactory at wages ranging from 20 cents to 35 cents an hour. The chief difficulty lies in securing work for unskilled white labor, which group constitutes at present the bulk of the unemployed.

A number of letters received this month from business leaders in different sections of the district state that there are plenty of applicants for all jobs, but they agree that there is little serious unemployment.

TEXTILES.—No material changes are indicated for the month of June in reports received from textile manufacturers. The knit goods factories report sufficient orders to keep them running to average capacity, but there is yet little buying for future delivery. Cotton cloth manufacturers are generally operating full time, but are accumulating some stock. The textile interests claim that no profits are being made at present prices, and state that they are operating simply to hold their labor together.

FOODS.—The United States Department of Labor figures state that retail food prices declined three-tenths of 1 per cent in June, thus indicating that the prices reached are tending to become stabilized. The report says that the average family expenditure for food declined from May 15 to June 15 in thirty-four cities and increased in fifteen cities. In the Fifth District, Charleston, S. C., reported a decrease of 3 per cent. In Baltimore the decrease was one per cent. In Richmond a decrease of less than five-tenths of one per cent was reported. In Norfolk the expenditure was the same. No increases were reported in the Fifth District.

As the figures given above indicate, staple food prices remained practically unchanged during June, but special articles such as vegetables, watermelons, cantaloupes, etc., fluctuated widely in price, the first named bringing higher prices in the face of dry weather, and the others falling as the season advanced and shipments were made from points nearer the markets.

AGRICULTURE.—Since our last Review was written, the Department of Agriculture has issued its July 1 Crop Report. The report issued on this date each year is watched with great interest, since it is the first report that carries acreage and estimated production figures for the year.

The early season estimates of acreage reduction in cotton were borne out by the report. Decreases are reported from all sections, the national average being 28.4% less than the 1920 acreage. The condition of the growing crop on June 25 was 69.2% of a normal, compared with a ten-year average of 78.8% as of the same date. The poor condition is attributed to late frosts in the spring, the activity of the boll weevil, and a one-third reduction in fertilizer used under this year's crop. The reported 1921 acreage and crop condition, for the cotton states in the Fifth District, are as follows:

	Acreage	Condition
South Carolina -----	2,190,000	65%
North Carolina -----	1,186,000	67%
Virginia -----	28,000	70%

The estimated production for the Fifth District is 1,416,000 bales compared with 2,389,000 bales grown in 1920, and the nation's production is estimated at 8,433,000 bales compared with 12,987,000 bales in 1920. The estimated production this year is the lowest since 1895, and the acreage planted the smallest since 1900.

The outlook for tobacco is similar to that for cotton, a decided reduction in both acreage and probable production being reported. For the United States, the condition of the crop on July 1 was 71.9% of a normal, with an expected yield of 932,000,000 pounds compared with a yield of 1,508,064,000 pounds for 1920 and a five-year average of 1,272,000,000 pounds. The South Carolina acreage was reduced less than that of North Carolina or Virginia, and the condition of the crop in the first named state also appears somewhat better, though not more than a fair yield is indicated at best. The Virginia acreage is 165,000 compared with 243,000 acres last year, a reduction this year of 32%. The condition of the growing crop on July 1 was very poor, being 66% of a normal compared with 87% on the same date last year and a ten-year average of 82%. However, except in South Carolina, it is possible that favorable weather for the rest of the season may materially alter estimated yields. The South Carolina crop is made, and the markets will open before the end of July.

Early season reports of frost damage to fruit have been confirmed by later bulletins. The commercial apple crop for Maryland is estimated at 99,000 barrels compared with 511,000 barrels in 1920. Virginia's crop is estimated at 225,000 barrels compared with 2,636,000 barrels last year. West Virginia's probable yield is given as 142,000 barrels compared with 1,167,000 barrels in 1920. The total commercial apple crop for the United States is estimated at 17,700,000 barrels compared with 36,300,000 barrels last year. The peach crop is likewise short, estimates being for Maryland 78,000 bushels compared with 897,000 bushels last year; Virginia 73,000 bushels compared with 1,470,000 bushels last year, and West Virginia 86,000 bushels compared with 992,000 bushels last year. The total peach crop for the United States is estimated at 30,800,000 bushels compared with 43,700,000 bushels in 1920.

Probable production figures for some other leading crops in the Fifth District, compared with 1920 yields, are as follows:

	Forecast 1921	Production 1920
Corn (bushel) -----	182,064,000	202,850,000
Wheat (bushel) -----	29,942,000	36,871,000
Oats (bushel) -----	25,471,000	25,626,000
Hay (tons) -----	4,417,000	4,751,000

Favorable weather early in July in sections of the District improved the general agricultural outlook, and indicates somewhat better yields than the July 1 estimates.

BUILDING MATERIALS.—In spite of a continuance of improvement in construction work, building material dealers are not enthusiastic, and report unsatisfactory business during June. They state that competition in the trade has taken all the profits out of their business, and that present freight charges are a serious handicap. Buyers are carefully hunting bargains, and are buying only when prices are made attractive. Dealers report prices still tending lower. Other users of lumber, such as box manufacturers, report dull business, and state that the general depression in industry lowers the demand for boxes which is naturally reflected back to them and to lumber manufacturers. The stone dealers appear to be more nearly holding their own than the lumber dealers, one of the largest quarries in the District reporting a decided improvement during the past six weeks, though they write that even now their business is only about half the normal volume for this season of the year.

BUILDING OPERATIONS FOR THE MONTHS OF JUNE, 1921 AND 1920

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease, Total Valuation	Per Cent. of Increase or Decrease	No.
		New		Repairs		1921	1920	1921	1920			
		1921	1920	1921	1920							
MARYLAND												
1	Baltimore.....	496	429	1,449	1,326	\$2,608,880	\$2,060,380	\$ 721,800	\$ 397,800	\$ 872,500	35.5	1
2	Cumberland.....	36	43	31	24	146,835	186,325	9,550	24,845	54,785	25.9	2
3	Frederick.....	5	2	..	3	17,290	8,300	..	2,600	6,390	58.6	3
VIRGINIA												
4	Lynchburg.....	13	7	10	6	30,400	23,650	12,350	3,900	15,200	55.2	4
5	Norfolk.....	55	31	53	39	458,650	139,760	40,483	33,915	325,458	187.4	5
6	Richmond.....	137	54	107	102	742,824	511,076	147,665	198,768	180,645	25.4	6
7	Roanoke.....	*150	*81	..	..	*379,325	*88,330	..	..	290,995	329.4	7
8	Staunton.....	5	2	1	1	1,635	25,600	250	3,000	26,715	93.4	8
WEST VIRGINIA												
9	Charleston.....	107	36	25	16	336,061	75,970	33,339	6,880	286,550	345.9	9
10	Huntington.....	*139	*101	..	..	*198,455	*326,270	..	..	127,815	39.2	10
11	Parkersburg.....	..	..	..	..	70,000	70,000	45,000	40,000	5,000	4.5	11
NORTH CAROLINA												
12	Asheville.....	46	34	85	22	159,550	190,578	55,862	12,000	12,834	6.3	12
13	Charlotte.....	21	19	8	4	79,500	192,170	5,500	2,400	109,570	56.3	13
14	Durham.....	16	8	2	12	62,850	33,700	650	37,440	7,640	10.7	14
15	Greensboro.....	28	18	12	14	240,843	91,475	49,150	25,280	173,238	148.4	15
16	High Point.....	14	*25	7	..	29,680	*179,895	2,669	..	147,546	82.0	16
17	Wilmington.....	13	16	3	7	85,000	73,200	5,500	14,900	2,400	2.7	17
18	Winston-Salem.....	46	44	75	69	142,575	183,875	31,807	29,094	38,587	18.1	18
SOUTH CAROLINA												
19	Charleston.....	28	20	24	7	137,025	77,517	25,800	7,000	78,308	92.7	19
20	Columbia.....	38	7	91	69	75,900	32,500	13,074	29,047	27,427	44.6	20
21	Greenville.....	22	13	27	24	119,200	279,500	14,065	22,170	168,405	55.8	21
22	Spartanburg.....	24	22	21	11	27,945	67,610	6,240	9,565	42,990	55.7	22
DIST. OF COLUMBIA												
23	Washington.....	231	88	500	432	1,393,855	1,020,678	534,280	322,882	584,575	43.5	23
Totals.....		1670	1,100	2,531	2,188	\$7,544,278	\$5,938,359	\$1,755,034	\$1,223,486	\$2,137,467	29.8	

*Includes both new and repairs.

—Denotes decrease.

Permits for construction work issued by building inspectors in twenty-three of the leading cities of the Fifth District show continued activity in June. Permits for new buildings in June totaled 1,670, in comparison with 1,100 permits for new construction issued in June, 1920, an increase of 570, or 51.8% this year, the estimated valuation being \$7,544,278 in June, 1921, as compared with \$5,938,359 in June, 1920, an increase of \$1,605,919, or 27%. For repairs and alterations 2,531 permits were issued in June, 1921, in comparison with 2,188 in June, 1920, estimated valuation being \$1,755,034 and \$1,223,486, respectively, showing an increase in June, 1921, of 15.7% in number of permits and of 43.3% in estimated costs. Combined permits for both new work and repairs or alterations totaled 4,201 for June, 1921, valued at \$9,299,312, compared with 3,288 permits for June, 1920, valued at \$7,161,845, an improvement for this year of 27.8% in number of permits and 29.8% in total valuation. It should be mentioned that some of the permits issued call for several buildings, as in the case of rows of houses built practically alike being included in one permit. For example, the 137 permits for new work in Richmond during June provided for 163 buildings, of which 80 are to be residences.

A review of the first half of 1921, compared with the first six months of 1920, shows a healthy increase in number of permits issued this year for new work, the total number issued from January 1 through June being 8,273 compared with 7,648 issued last year during the same period. In total valuation, however, the estimated costs for 1921 are slightly lower than during the first half of 1920, but it should be remembered that building costs have been considerably reduced from the top prices of last year. Total valuation for the first six months of 1921 in the twenty-three reporting cities, for new construction alone, amounted to \$44,246,422, compared with \$46,601,498 reported for the corresponding period in 1920.

FIGURES ON RETAIL TRADE
As Indicated by Reports from Twenty-five Department Stores in the Fifth Reserve District
for the First Six Months of 1921

Percentage of increase (or decrease) in net sales during the month named, 1921, over same month last year:						
	January	February	March	April	May	June
Baltimore	4.1	5.3	-2.2	-6.8	-7.1	-7.0
Richmond	-4.2	14.2	4.6	3.1	-3.0	-4.1
Washington	9.3	8.4	5.5	5.3	4.3	4.9
Other Cities	4.0	17.9	9.4	3.7	-5.2	-3.1
District Average	5.4	8.9	2.6	-0.7	-3.0	-4.2
Percentage of increase (or decrease) in net sales from January 1st, through month named, 1921, over net sales during same period last year.						
	January	February	March	April	May	June
Baltimore	4.1	4.6	1.9	-0.6	-2.0	-2.9
Richmond	-4.2	4.2	4.3	4.9	3.2	1.8
Washington	9.3	8.8	7.4	6.9	6.3	4.9
Other Cities	4.0	11.8	10.8	8.7	5.4	3.7
District Average	5.4	6.8	5.1	3.6	2.1	0.9
Percentage of increase (or decrease) in net sales during the month named, 1921, over net sales during the immediately preceding month this year:						
	January	February	March	April	May	June
Baltimore	---	-16.7	41.8	-7.7	-2.0	1.7
Richmond	---	-1.2	38.9	-10.5	-4.3	10.2
Washington	---	-1.4	40.2	-10.3	0.1	6.3
Other Cities	---	8.2	46.8	-6.5	-1.0	-2.9
District Average	---	-3.1	41.6	-8.7	-1.4	4.3
Percentage of increase (or decrease) in stocks at close of month named, 1921, over stocks at same date last year:						
	January	February	March	April	May	June
Baltimore	-19.1	-24.0	-28.2	-26.0	-25.3	-24.2
Richmond	-9.6	-13.1	-16.1	-13.6	-14.6	-14.2
Washington	-28.6	-29.9	-26.2	-29.0	-29.2	-27.5
Other Cities	-10.4	-20.3	-22.6	-23.3	-24.2	-21.0
District Average	-22.2	-24.6	-25.6	-25.8	-25.8	-24.2
Percentage of increase (or decrease) in stocks at close of the month named, 1921, over stocks at close of preceding month this year:						
	January	February	March	April	May	June
Baltimore	-9.1	6.9	8.8	3.6	-3.1	-6.6
Richmond	-15.2	7.7	11.4	4.3	-0.2	-2.2
Washington	-18.7	9.8	7.1	5.7	-0.5	-2.8
Other Cities	-23.6	13.8	10.1	3.0	-1.7	-1.2
District Average	-16.2	9.0	8.7	4.2	-1.7	-4.1
Percentage of average stocks at close of each month since January 1st, to average monthly net sales during the same period:						
	January	February	March	April	May	June
Baltimore	302.6	341.6	324.5	327.1	327.9	323.7
Richmond	403.5	403.1	395.8	355.9	358.5	350.8
Washington	351.2	370.9	341.3	344.1	345.3	340.6
Other Cities	407.1	432.2	402.2	400.5	394.6	391.7
District Average	344.5	368.6	346.9	345.3	345.6	341.3
Percentage of outstanding orders at the end of month named, 1921, to total purchases of merchandise during 1920:						
	January	February	March	April	May	June
Baltimore	7.2	7.9	6.5	6.1	5.4	7.9
Richmond	5.4	6.1	4.9	4.6	7.2	10.7
Washington	3.9	4.8	4.2	4.8	6.8	7.7
Other Cities	5.4	6.1	4.4	5.1	6.6	8.9
District Average	6.0	6.6	5.3	5.4	5.6	8.3

---Denotes decrease.

We publish herewith a table showing developments in retail trade in twenty-five of the District's chief department stores for the first half of 1921 in comparison with trade in the same stores during the corresponding period of 1920.

An examination of the figures shows a remarkable holding up of retail purchasing. In spite of the fact that business was at its crest during the first half of 1920, the actual dollar value of sales made in the reporting stores from January through June this year was nine-tenths of 1 per cent. greater than sales in the same stores during the first six months of last year. In view of lower prices prevailing this season, a much larger volume of sales in units of merchandise sold is indicated by the figures for this year.

In stocks carried, the stores have had on their shelves an average of 24.2% less goods in dollar value than they carried last year. This has given a more rapid turn-over than the stores got during the first half of 1920, as shown by a percentage of 341.3% of average stocks on hand each month this year to net sales during the same months, compared with an average of 407.0% reported during the first half of 1920.

The gradual increase in the percentage of outstanding orders for merchandise to total purchases during 1920 would seem to indicate a growing tendency to place orders for seasonal needs, thus indicating a slow but steady growth of confidence in the general business situation.

REPORT ON WHOLESALE TRADE

LINES SOLD	Net Sales in June, 1921, Compared With	
	Sales in May, 1921	Sales in June, 1920
Groceries (9)* -----	2.9	-42.5
Dry Goods (9)* -----	1.3	-46.0
Boots and Shoes (8)* -----	15.2	-31.3
Hardware (9)* -----	— .9	-32.4
Furniture (4)* -----	- 2.5	-42.2
Total Averages (39)* -----	3.5	-40.4

*Number of reporting firms.

The table above shows in percentage form the increase or decrease in the dollar value of sales made by thirty-nine wholesale firms during June, 1921, in comparison with (1) sales made during May, 1921, and (2) sales made during June, 1920. All Lines register decreases in comparison with June, 1920, but groceries, dry goods and shoes improved over the May business.

Among the reporting lines, groceries show less important fluctuations from month to month, a natural condition in view of the absolute necessity of eating. Grocery prices appear to be more stable than prices in other lines, but seven of the nine reporting firms state that prices are gradually working lower. There is no disposition on the part of retailers to buy ahead further than is absolutely necessary, the rapidity of turn-over being kept constantly in mind. Freight rates are reported as a serious problem in the handling of heavy groceries and seasonal truck.

Nine dry goods wholesalers and jobbers are on the whole optimistic as to further prospects in their business, and some of them report, for the first time in months, the receipt of scattered orders for future delivery. Opinion among them is divided in the matter of prices, but the majority opinion is that most items have about reached bottom, though a few lines have not yet reached their proper level in comparison with the general average of dry goods prices. One of the reporting firms writes that a questionnaire sent to the Fifth Division members of the Southern Wholesale Dry Goods Association brought out the fact that sales of the reporting firms, for the first half of 1921 averaged 75.71% of sales during the corresponding period last year. The same firms estimated their probable volume of business for the second half of 1921 at 87% of their fall business done in 1920.

Eight shoe jobbers or manufacturers sent us reports for June. Of these, six state that prices are stationary, but two think they will go lower. One firm reports good business in the cheaper grades, another reports a decided slackening in the recent demand for canvas and sport shoes, and several report that retailers are buying in small lots for quick turn-over, there being no inclination to make commitments longer than 60 days ahead.

Reports were received this month from nine hardware jobbers, eight of whom expect lower prices in their wares, the other firm not mentioning this phase of the subject. The hardware dealers are not optimistic, and appear to think that their volume of business may be further reduced before conditions show improvement. Business in farming implements has been, and still is, very dull, farmers patching up their old machinery and tools in every possible way before buying new goods.

Three of the four furniture factories reporting this month expect lower prices, the other one believing that the bottom has been reached. The furniture business has been one of the chief sufferers since the wide-spread business depression set in last summer, and while some business has been secured, the manufacturers claim that it has brought them no profit. Most of the orders have been filled from reserve stocks accumulated last fall, and many of the factories have been closed entirely, or have been running very irregularly, since the first of the year. A few orders for future delivery are now being taken, however, and the trade is hopeful for improved business during the fall season.

The first half of 1921 has been very trying to wholesale firms and jobbers in all lines. Business has been good and bad by turns, and dealers have been at a loss to know how to plan ahead. Reports have varied, sometimes from the same firms, from optimism to pessimism as business fluctuated up or down during the spring and early summer, but generally it seems fair to state that some progress is being made. The reports received indicate a wide-spread feeling that future developments will be favorable.

(Compiled July 15, 1921)