

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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The letters and reports received from business men throughout the Fifth District at the end of July were more cheerful than those received for many months. Business has not yet shown very material advancement, but practically all our correspondents write that signs of a better future are abundant. It is pointed out that the textile business is steadily improving, with orders increasing for both immediate delivery and future requirements. Collections continue surprisingly good in view of the general depression, and clearing house and debits to individual account

figures compare favorably with clearings and debits of last year if general price declines are remembered. Although the number of failures reported by Dun's Review for the Fifth District increased considerably in July, total liabilities involved were 21.5% below liabilities in July, 1920. Retail trade in twenty-five department stores located in thirteen cities in the District continues

CONTENTS	
Introduction	
Condition of Member Banks	
Debits to Individual Accounts	
Business Failures	
Monthly Clearings	
Labor	
Textiles	
Foods	
Clothing	
Furniture	
Farmers' Supplies	
Agriculture	
Coal	
Lumber	
Building Construction	
Wholesale Trade	
Retail Trade	
Miscellaneous	

the low national average. General crop conditions do not promise normal yields, and reduced acreage in cotton and tobacco indicate a limited production. However, the present crops have been made more economically than for several years past, and with the apparent tendency towards an improvement in prices, it is hoped that net returns will materially help the final results.

better than the wholesale or manufacturing business. Building activity continues ahead of last year in permits issued for new construction work. Unemployment has not increased materially, and signs point to increased need for workers in industrial plants as business picks up. Cotton prices have improved during the past six weeks, largely on account of poor condition of this year's crop, increased takings by domestic mills, and a better prospective foreign demand. With the exception of about half of South Carolina, prospects for this year's cotton crop in this District exceed

CONDITION OF SEVENTY-EIGHT REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	August 10, 1921	July 6, 1921	August 6, 1920
1. Total Loan and Discounts (exclusive of rediscounts) -----	\$ 406,488,000	\$ 406,911,000	\$ 486,715,000*
2. Total Investments in Bonds and Securities -----	126,136,000	121,269,000	80,979,000**
3. Total Loans and Investments -----	532,624,000	528,180,000	567,694,000
4. Reserve Balance with Federal Reserve Bank -----	30,811,000	32,855,000	37,325,000
5. Cash in Vaults -----	14,526,000	15,543,000	16,347,000
6. Demand Deposits -----	292,615,000	299,492,000	341,393,000
7. Time Deposits -----	116,967,000	116,198,000	111,048,000
8. Discounted with Federal Reserve Bank -----	67,704,000	72,144,000	79,084,000

* Includes some miscellaneous investments.

** Government Securities only.

In the table given above, compiled from reports received from seventy-eight member banks, located in thirteen cities of the District, all items are comparable except numbers 1 and 2. Compar-

ing the figures as of August 10, 1921, with those as of August 6, 1921, all items show decreases within the year except Item 7. Time Deposits, which increased from \$111,048,000 to \$116,967,000, a gain of 5.3%. Total Loans and Investments decreased between the two dates from \$567,694,000 to \$532,624,000, a decline of 6.2%; Reserve Balance with the Federal Reserve Bank decreased from \$37,325,000 to \$30,811,000, a decline of 17.5%; Cash in Vaults decreased from \$16,347,000 to \$14,526,000, a decline of 11.1%; and Demand Deposits decreased from \$341,393,000 to \$292,615,000, a decline of 14.3%. Discounts and rediscounts with the Federal Reserve Bank for these city banks decreased from \$79,084,000 to \$67,704,000, a decline of 14.4%.

Comparing the August 10, 1921, figures with those as of July 6, 1921, increases are found in Total Investments in Bonds and Securities, and in Time Deposits, while decreases are found in Total Loans and Discounts, in Reserve Balance with Federal Reserve Bank, in Cash in Vaults, in Demand Deposits, and in Discounts and Rediscounts with the Federal Reserve Bank.

DEBITS TO INDIVIDUAL ACCOUNT IN CLEARING HOUSE CENTERS

CITIES	For the Weeks Ending		
	August 10, 1921	July 6, 1921	August 11, 1920
Baltimore, Md.	\$ 108,060,000	\$ 99,260,000	\$ 104,674,000
Charleston, S. C.	4,337,000	7,019,000	7,895,000
Charlotte, N. C.	4,802,000	5,865,000	6,882,000
Columbia, S. C.	4,100,000	4,300,000	4,915,000
Greenville, S. C.	2,517,000*	3,640,000*	-----
Huntington, W. Va.	4,527,000	4,540,000	5,662,000
Norfolk, Va.	11,852,000	13,888,000	22,557,000
Raleigh, N. C.	3,700,000	4,350,000	4,100,000
Richmond, Va.	21,885,000	26,505,000	22,768,000
Washington, D. C.	33,362,000	41,357,000	32,983,000
Wilmington, N. C.	4,261,000*	5,039,000*	-----
Totals for 9 cities.....	\$ 196,625,000	\$ 207,084,000	\$ 212,436,000
Totals for 11 cities.....	203,403,000	215,763,000	-----

* Not included in Totals for 9 cities.

Debits to Individual Account in nine cities of the Fifth District totaled \$196,625,000 for the week ending August 10, 1921, compared with \$212,436,000 reported by the same cities for the corresponding week of 1920, a decrease this year of 7.4%. This is a smaller percentage decrease than was shown in the Federal Reserve Board's weekly press statement covering 154 of the leading cities of the country, that percentage decrease being 18.2%. Debits in Baltimore and Washington were larger during the week ending August 10, 1921, than during the corresponding week of 1920.

A comparison of the totals reported from the nine cities for the week ending August 10, 1921, with those reported for the week ending July 6, 1921, shows a decline during the first named week of \$10,459,000, or 5.1%, a decrease largely accounted for by the fact that the week ending July 6, 1921, included the end-of-month and semi-annual payments made on July 1. In view of the volume of the July 1 transactions the decreased percentage during the week ending August 10, 1921, is small, and shows better business than might have been expected at this season of the year.

Attention is called to the inclusion of the Washington, D. C., figures for both 1921 and 1920.

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	94	48	95.8	\$ 2,124,077	\$ 470,259	351.7
New York, Second	230	172	33.7	18,342,752	11,438,511	60.4
Philadelphia, Third	72	29	148.3	1,254,361	755,711	66.0
Cleveland, Fourth	167	54	209.3	4,200,340	921,988	355.6
Richmond, Fifth	124	39	217.9	1,565,856	1,995,635	21.5-
Atlanta, Sixth	138	32	331.3	1,968,097	443,135	344.1
Chicago, Seventh	222	70	217.1	4,565,389	2,417,401	88.9
St. Louis, Eighth	94	28	235.7	1,545,874	96,040	1,509.6
Minneapolis, Ninth	27	14	92.9	425,042	238,471	78.2
Kansas City, Tenth	48	34	41.2	1,056,534	548,910	92.5
Dallas, Eleventh	114	41	178.0	3,778,098	1,148,614	228.9
San Francisco, Twelfth	114	120	5.0-	1,947,733	1,431,738	36.0
Totals.....	1,444	681	112.0	\$ 42,774,153	\$ 21,906,413	95.3

- Denotes decrease in 1921.

We give herewith the table reported by Dun's Review showing the number of failures in the twelve Federal Reserve Districts for July 1921 and 1920, with percentages of increase or decrease in both the number and the aggregate liabilities involved. The July number of failures is greater in the Fifth District than it was in March, May or June, but is lower than in January, February or April. July, 1921, witnessed 124 failures, compared with 39 during the corresponding month last year, an increase this year of 217.9%. In liabilities involved, July, 1921, with \$1,565,856, compares favorably with July, 1920, when liabilities amounting to \$1,995,635 were reported, a decline for 1921 of 21.5%. In total liabilities July figures were lower than any previous month this year, except June. The percentage increase in number of failures in July for the entire United States was 112.0%, and in liabilities 95.3%. The Fifth Federal Reserve District is therefore above the national average in number of failures but is below the national average in liabilities involved, it being the only district in which July, 1921, liabilities were lower than those reported in July, 1920. Average liability per failure in the United States in July was \$29,560, and in the Fifth District was \$12,628.

MONTHLY CLEARINGS

No.	CITIES	For Month of July		Increase or Decrease	Per Cent of Increase or Decrease	No.
		1921	1920			
1.	Asheville, N. C. -----	\$ 4,573,173	\$ 6,784,480	\$ 2,211,307—	32.6—	1.
2.	Baltimore, Md. -----	296,846,257	431,588,887	134,742,630—	31.2—	2.
3.	Charleston, S. C. -----	9,749,679	21,495,734	11,746,055—	54.6—	3.
4.	Charlotte, N. C. -----	8,250,482	13,802,856	5,552,374—	40.2—	4.
5.	Columbia, S. C. -----	8,001,152	12,367,764	4,366,612—	35.3—	5.
6.	Frederick, Md. -----	1,906,249	2,625,490	719,241—	27.4—	6.
7.	Greensboro, N. C. -----	4,156,550	6,744,129	2,587,579—	38.4—	7.
8.	Greenville, S. C. -----	7,154,928	9,656,285	2,501,357—	25.9—	8.
9.	Hagerstown, Md. -----	2,889,487	3,573,843	684,356—	19.1—	9.
10.	Huntington, W. Va. -----	6,396,304	8,227,079	1,830,775—	22.3—	10.
11.	Newport News, Va. -----	2,059,911	5,040,028	2,980,117—	59.1—	11.
12.	Norfolk, Va. -----	27,448,671	47,392,336	19,943,665—	42.1—	12.
13.	Raleigh, N. C. -----	5,128,611	5,877,807	749,196—	12.7—	13.
14.	Richmond, Va. -----	152,047,073	239,321,358	87,274,285—	36.5—	14.
15.	Spartanburg, S. C. -----	2,311,412	4,845,239	2,533,827—	52.3—	15.
16.	Washington, D. C. -----	70,151,691	75,616,642	5,464,951—	7.2—	16.
	Totals-----	\$ 609,071,630	\$ 894,959,957	\$ 285,888,327—	31.9—	

—Denotes Decrease.

The table above shows clearings in July, 1921, for sixteen important cities in the Fifth District, with comparative figures for July, 1920. The sixteen cities show clearings in July, 1921, amounting to \$609,071,630, as compared with \$894,959,957 in July, 1920, a decrease this year of \$285,888,327, or 31.9%, the largest percentage decrease reported during any month of 1921 in comparison with the corresponding month of 1920. The monthly percentage decreases reported during the first half of 1921, are as follows: January, 25.3%; February, 19.4%; March, 25.2%; April, 24.9%; May, 26.3%, and June, 29.7%.

Attention is called to the inclusion of figures from Charlotte, N. C., for both 1921 and 1920.

LABOR—The labor situation in the Fifth District did not change materially during July. The Public Employment Bureau in Richmond reported 716 calls for workers in July, against 606 calls in June, thus showing an increase in jobs available. Throughout the Fifth District considerable road and street improvement has given employment to unskilled workers, and increased activity in building lines has provided work for many mechanics. The textile mills around Charlotte, N. C., in which workers have been on strike since the first of June, are resuming operations and textile mills in general are adding to their forces as the demand for their product increases. On the other hand, many railroad employees that were released last fall and earlier this year continue idle, and likewise ship yard and dock workers have been reduced in number. The demand for women workers in industrial plants is at a low ebb, in contrast to July, 1920, when the demand for this type of worker was great. Farm labor is more plentiful than the demand. Wages of nearly all classes of labor have been reduced.

TEXTILES—Textile manufacturers agree that conditions in their business have improved during the past six weeks, and believe that liquidation in the textile industry is complete. Practically all mills in the District are running full time, and while their product is not sold far ahead, they are receiving sufficient orders to take their present output, and new orders are steadily increasing. Manufacturers of gingham and denims are sold ahead for several months. There has been a distinct tendency toward higher prices for textiles during recent weeks.

FOODS—Developments in July and in the first half of August seem to indicate a break in the long decline in retail and wholesale food prices. According to the monthly statistics of the Department of Labor released August 17, retail food prices in the United States increased 2.7 per cent. in July over June, while the prices of wholesale foodstuffs advanced 1.5 per cent and wholesale farm products 1.75 per cent. Retail prices were secured on 43 articles of which 16 showed increases. Decreases were noted in 23 articles. The general increases in reporting cities in the Fifth District were as follows: Baltimore and Washington, 2 per cent, and Charleston S. C. and Richmond, 1 per cent. Norfolk reported a decrease of 1 per cent, being one of five cities in the country from which decreases were reported. July was the first month this year in which a nation-wide increase was shown, and since the July figures were gathered some further increases have been noticed, particularly in sugar prices which have risen approximately a cent a pound. The greatly reduced production of vegetables for canning has strengthened the market for canned goods, and has resulted in advances in wholesale prices quoted.

CLOTHING—In retail clothing, July and early August were marked by the season's usual reduction sales of summer merchandise. Three dollar shirts were sold for two dollars and fifteen cents, and twenty-dollar suits were sold for fifteen dollars and less. The reductions in ladies' wear were even greater. Jobbers in dress goods report active demand for ginghams, percales, calicos, etc., but write that higher grade goods are in less demand. Manufacturers of clothing, middie blouses and shirts are fairly busy. A distinct improvement during the past two months is reported in the overall trade. Dry goods dealers in staple lines consider themselves in a stronger position and a marked tendency toward higher prices is noticed.

FURNITURE—Furniture factories, after being closed since last fall, are starting up again on approximately full time, and are receiving a considerable number of orders. The situation is irregular, some factories receiving orders for all the goods they can manufacture, while others find retailers reluctant in placing orders for future deliveries. The factory managers claim that they are making little profit at the present prices. The retail business is better than might be expected, and one group of six large stores located in the Fifth District reports that their sales during the first half of 1921 practically equaled in dollar value those during the first half of 1920. In view of price reductions, the actual volume of goods handled during this period was 30 to 35% more than the volume handled for the same period of last year.

FARMERS SUPPLIES—Retail dealers in mules, buggies, wagons and harness report that there is no trade to be had at any price. Implement dealers report practically no new business, but they write that their repair departments have been exceedingly active, and sales of spare parts for replacement good. This would seem to indicate that the farmers are trying to make their old machinery last through this year. Manufacturers of buggies and wagons state that business with them ceased to exist last October, and they strike the most pessimistic note sent us by reporters from any line of business.

AGRICULTURE—Estimates of production made by the Department of Agriculture on August 1 show declines in every important crop, except sweet potatoes, hay, apples and peaches, as compared with estimates on the July 1 crop condition. Estimates in which the Fifth District is most interested are as follows:

United States Total Crops—Forecast, 9121

Crop	Condition August 1.	August 1	July 1	Five Year Average
		Condition	Condition	
Cotton (Bales) -----	64.7%	8,203,000	8,433,000	-----
Tobacco (Pounds) -----	66.6%	889,000,000	932,000,000	1,272,000,000
Corn (Bushels) -----	84.3%	3,032,000,000	3,123,000,000	2,798,000,000
Wheat (Bushels) -----	-----	757,000,000	809,000,000	831,000,000
Oats (Bushels) -----	64.5%	1,137,000,000	1,323,000,000	1,433,000,000
Irish Potatoes (Bushels) -----	65.8%	316,000,000	377,000,000	371,000,000
Sweet Potatoes (Bushels) -----	84.5%	114,000,000	112,000,000	84,700,000
Hay (All Kinds) (Ton) -----	82.5%	97,100,000	97,000,000	103,400,000
Apples, Com'l. (Bbls.) -----	-----	21,327,000	17,666,000	-----
Peaches (Bushels) -----	-----	31,300,000	30,800,000	46,600,000

The June 25 estimate of condition for cotton was 69.2% of normal, but the Department of Agriculture's estimates as of July 25 give the condition on that date as 64.7%. The estimate of production was reduced from 8,433,000 bales to 8,203,000 bales. The July 25 condition of the crop is the lowest on record, according to Government reports. In the Fifth District specifically, most of the crop in South Carolina has suffered from excessive rain and ravages of the boll weevil, but the Piedmont counties have good prospects for a normal crop. The Virginia and North Carolina crops are both well above the national average. It appears on the whole that the cotton crops of the

Fifth District, with the exception of about half of South Carolina, have been damaged less by unfavorable weather and the boll weevil, than cotton sections in other Southern Reserve Districts, with the exception of a few border states in which production is nominal. Estimates of condition in the three cotton growing states in the Fifth District as of July 25 are as follows: South Carolina, 62; North Carolina, 75, and Virginia, 82. The unfavorable crop report together with better business with textile mills and somewhat better demands for export cotton, caused a rise in cotton prices during the latter part of July and early August, the quotations on August 15 for spot cotton being about 1½ cents higher than six weeks ago.

The tobacco crop of Virginia has been seriously damaged by dry weather, the Virginia Department of Agriculture estimating on August 1 that the crop would be 47% less this year than the record crop of 1920. In South Carolina the tobacco markets opened shortly after the middle of July, but most of the early offerings were of low grade, and prices offered were unsatisfactory to producers, the monthly average paid being only 8 cents per pound, in comparison with the average of 22.4 cents per pound paid during July last year. The growers held a series of meetings during the first week the markets were open, and agreed to withhold their low grades from the market, using the tobacco for fertilizer if necessary. It appears that there is a fairly active demand for good tobacco, and at satisfactory prices. During July the South Carolina markets sold for producers 7,452,818 pounds for \$598,346.10.

The estimated production of corn in the United States, based upon a condition of 84.3% as of August 1, is 3,032,000,000 bushels, compared with 1920 production of 3,232,000,000 bushels and a five-year average of 2,798,000,000 bushels. The corn prospects declined in July, along with cotton and tobacco, the greatest damage in the Fifth District being in Virginia, where all crops suffered severely from drought.

COAL—The weekly report of the United States Geological Survey says, "A slight but unbroken decline continues to mark production of soft coal. The total output during the first week in August is estimated at 7,296,000 net tons, a decrease of 56,000 tons from that of the week preceding. In the corresponding week of 1918 the output was 12,130,000 tons, and a year ago it was 10,432,000 tons." From the first of January through July 30, 1921, production is given by the report as 226,680,000 net tons, in comparison with production of 298,562,000 net tons during the corresponding seven months of 1920, a decrease this year of 24.1%. For the week ending July 30, 1921, mine authorities from nine fields in West Virginia reported a production equal to only 39.66% of capacity, the shortage of production being accounted for by the lack of a market for bituminous coal. Notwithstanding the low output of coal, in view of its decreased use for industrial purposes, it is estimated that consumption is at about the same rate as production, and the gradual recovery of industry is not likely to create a sudden heavy demand upon the mines.

LUMBER—Reports from the lumber mills at the end of July are conflicting. One firm owning three large mills in West Virginia reports that two of them are operating five days per week, but the third is closed. This firm writes that sales during the last ten days of July showed some improvement. Another group of West Virginia mills writes that they are cutting no new logs, and are finding little sale for the lumber they are sawing from logs previously cut. A large hardwoods producer reports July shipments about one-fifth of normal. A South Carolina manufacturer states that lumber for house building is in fair demand, but he finds business very dull in the wooden box trade. Lumber shipments to Baltimore, Philadelphia and New York are limited and the reporting firms state the cause to be unfavorable labor conditions in those cities. Exporters of lumber are receiving inquiries from Europe, but little business has actually developed, which is due, our correspondents say, to low rates of foreign exchange. Wooden box manufacturers report business slightly improved, but the restricted output by many canners and packers has reduced the demand for boxes.

BUILDING OPERATIONS FOR THE MONTHS OF JULY, 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.....	441	372	1,010	855	\$1,273,560	\$1,927,300	\$ 683,640	\$ 686,000	\$ 656,100—	25.1—	1
2	Cumberland.....	30	22	10	20	73,544	103,700	11,140	5,488	24,504—	22.4—	2
3	Frederick.....	4	2	1		10,100	10,350	3,000		2,750	26.6	3
VIRGINIA												
4	Lynchburg.....	14	9	12	5	75,675	47,685	6,900	800	34,090	70.3	4
5	Norfolk.....	58	34	35	42	296,943	189,405	19,438	30,400	96,576	43.9	5
6	Richmond.....	104	37	109	103	307,676	547,398	120,544	120,354	239,532—	35.9—	6
7	Roanoke.....	*135	*70			*199,097	*88,538			110,559	124.9	7
8	Staunton.....		2			4,500	7,300	0		2,800—	38.4—	8
WEST VIRGINIA												
9	Charleston.....	64	33	60	4	215,260	317,355	87,350	4,200	18,945—	5.9—	9
10	Huntington.....	*128	*82			*234,870	*144,745			90,125	62.3	10
11	Parkersburg.....					200,000	60,000	20,000	30,000	130,000	144.4	11
NORTH CAROLINA												
12	Asheville.....	26	60	55	19	75,400	182,765	6,250	17,092	118,207—	59.1—	12
13	Charlotte.....	29	22	5	6	151,100	159,150	8,700	9,300	8,650—	5.1—	13
14	Durham.....	25	6	4	3	196,795	44,500	3,450	5,100	150,645	303.7	14
15	Greensboro.....	18	11	16	6	94,425	66,875	34,825	14,400	47,975	59.0	15
16	High Point.....	10	*22	6		37,250	*36,000			4,460	12.4	16
17	Wilmington.....	13	8	3	5	68,000	83,000	12,000	18,500	21,500—	21.2—	17
18	Winston-Salem.....	40	23	63	56	99,200	94,875	18,180	29,115	6,610—	5.3—	18
SOUTH CAROLINA												
19	Charleston.....	18	198	14	18	57,525	853,765	28,025	74,167	842,382—	90.8—	19
20	Columbia.....	27	10	84	55	144,050	62,650	11,682	16,145	76,937	97.6	20
21	Greenville.....	30	7	20	23	118,000	41,175	7,045	59,250	24,620	24.5	21
22	Spartanburg.....	21	18	17	5	35,410	75,850	6,215	1,700	35,925—	46.3—	22
DIST. OF COLUMBIA												
23	Washington.....	207	89	444	461	560,881	654,790	710,739	326,410	290,420	29.6	23
Totals.....		1442	1,137	1,968	1,686	\$4,529,261	\$5,799,171	\$1,802,333	\$1,448,421	\$ 915,998—	12.6—	

*Includes both new and repairs.

—Denotes decrease.

Permits for new construction issued in twenty-three of the leading cities of the Fifth District during July, 1921, totaled 1,442 compared with 1,137 issued in July, 1920, a gain this year of 305 permits, or 26.8%. Total valuation for new work in July of this year amounted to \$4,529,261 compared with \$5,799,171 for July, 1920, a decrease this year of \$1,269,910, or 21.9%, which approximates the decline in building costs within the year. Permits for repairs and alterations issued in July, 1921, totaled 1,968 compared with 1,686 permits issued in July, 1920, an increase this year of 282 permits, or 16.7%. Total valuation for repair work in July, 1921, was \$1,802,333 compared with \$1,448,421 in July, 1920, an increase this year of \$353,912, or 24.4%. In combined valuation for both new work and repairs or alterations July, 1921, witnessed a total of \$6,331,594 compared with \$7,247,592 in July, 1920, a decrease this year of \$915,998, or 12.6%, which is certainly less than the decline in building costs during the year covered in the comparisons. As in previous months of this year, a very large proportion of the permits issued provide for residences or apartment houses.

REPORT ON WHOLESALE TRADE

LINES SOLD	Net Sales in July, 1921, Compared With	
	Sales in June, 1921.	Sales in July, 1920.
Groceries (9)*	— 0.6	—33.1
Dry Goods (9)*	3.1	—55.5
Boots and Shoes (8)*	—22.2	—56.0
Hardware (8)*	—13.3	—34.9
Furniture (3)*	—22.3	—47.7
Total Average (37)*	— 6.4	—47.8

*Number of reporting firms.

The table above shows in percentage form the increase or decrease in dollar value of sales made by thirty-seven wholesale firms during July, 1921, in comparison with (1) sales made during June, 1921, and (2) sales made during July, 1920. All lines register decreases in comparison with July, 1920, and all except dry goods show declines from June, 1921. In comparing July with the corresponding month of last year it should be remembered that prices this year are much lower than last, which accounts for a considerable part of the apparent decrease in business. The decreases in July under June, 1921, may be traced to the usual slack midsummer trade.

The comments on probable price developments are interesting. Of the nine reports from wholesale grocers, five think the present levels are safe and permanent for a few months, three think that prices will shortly advance, and one thinks that further declines will come. The nine dry goods reporters also disagree, four believing that prices are stationary, two expecting advances, and three looking for further reductions. Seven shoe jobbers or manufacturers write that prices are stable, but one firm expects some further declines. The reports from hardware dealers all agree that the declines in their line have not reached bottom, but one concern qualifies its answer by saying that some articles in the trade are stationary. The furniture reporters appear to be more uncertain as to future developments than dealers in other lines, but they state that they cannot operate profitably at prices that have prevailed during the past few months.

Collections in the wholesale trade continue fair, though two grocery firms, two shoe dealers and one hardware jobber write that they are slow, and another hardware jobber in the cotton section of the Carolinas reports them as poor. Of thirty-seven reports received for July, six state that collections are good and twenty-five fair.

FIGURES ON RETAIL TRADE
As Indicated By Reports from Twenty-Five Representative Department Stores
for the Month of July 1921

	Baltimore	Richmond	Washington	Other Cities	District
Percentage increase (or decrease) in net sales during July over or under sales in July, 1920 -----	- 16.9	- 15.9	- 4.2	- 10.1	- 11.7
Percentage decrease in Sales during July, 1921, under sales during June -----	- 37.1	- 29.2	- 28.1	- 19.5	- 30.1
Percentage decrease in stocks on hand at the end of July, 1921, in comparison with stocks on hand at the end of July, 1920 -----	- 27.8	- 16.9	- 23.9	- 18.2	- 24.1
Percentage increase (or decrease) in stocks on hand at the end of July, 1921, in comparison with stocks on hand at the end of June, 1921 -----	4.2	1.9	2.3	2.3	2.2
Percentage of average stocks on hand at the end of July, 1921, to average monthly sales during the same month -----	463.2	429.5	434.8	480.5	453.3
Percentage of outstanding orders on July 31, 1921, to total purchases of merchandise (cost price) during the calendar year 1920 -----	9.5	12.5	7.6	9.6	9.2

— Denotes decrease.

Detailed reports received from twenty-five of the leading department stores in the Fifth District show that 11.7% less goods in dollar value were sold in July, 1921, than during the same month of 1920, but this decline is less than the general average of price declines in the year, thus indicating a very satisfactory volume of retail trade if measured in actual units of merchandise sold. The decline of 11.7% in the dollar value of sales is the largest percentage decrease reported for any month this year in comparison with the corresponding month of 1920, and would seem to indicate that retail trade is slowing up somewhat though part of the decline is accounted for by receding prices during the spring and summer. Since the first of January, the twenty-five stores have sold only seven-tenths of 1 per cent. less goods in dollar value than they sold during the corresponding seven months in 1920. Sales in July, 1921, were 30.1% less than in June, compared with a decrease of 24% in July, 1920, under June of that year.

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In stocks on hand at the end of July, all cities reported lower values than at the close of July, 1920, the average for the District being 24.1% less.

At the close of July, 1921, the reports show an average of 453.3% in percentage of stocks carried to net sales during the month, as compared with an average of 341.3% for the first six months of the year, but in view of seasonal dullness in retail trade lines during July the sharp increase shown does not indicate that the reporting stores are materially increasing their stocks of goods. In fact, the figures actually show a decrease of 2.2% in stocks on hand at the end of July, 1921, as compared with stocks on hand at the end of the preceding month.

Outstanding orders for merchandise on July 31, 1921, amounted to 9.2% of total purchases during the calendar year 1920, this being the highest percentage reported at the close of any month since August, 1920, when the figure was 14.8% of purchases made the previous calendar year. In contrast with the orders that were outstanding at the end of August, 1920, most of which were placed earlier in that season, the orders outstanding at the end of July, 1921, are of recent dates, and represent actual requirements in the retail stores.

The retail consumer is discriminating between various types of goods, and is buying freely the medium priced articles of good quality. High priced, fancy merchandise, and fads or extreme styles are hard to sell. Customers do not seem to be tempted by special reduction sales unless the goods offered are really needed. Collections from charge customers appear to be slowing up a little, but a part of this is probably due to the usual dullness at this season of the year.

MISCELLANEOUS — Dry docks and ship yards have found new business extremely hard to secure this year and repair work has been postponed as long as possible because of excessive costs, made necessary, our correspondents claim, by high wages. The trunk and bag business shows some seasonal improvement, but is disappointing to the manufacturers. Ginners are not yet purchasing bagging and ties, but the manufacturers expect more orders when the picking of cotton begins. The wholesale drug business is improving. Paving brick are in demand. Tanners are making offers for hides, and are apparently ready to use them in considerable quantities, although there has been no material change in the prices offered. A report from a large marble and stone quarry indicates that sales and inquiries in building lines are better than for three years, and the sales in monumental lines are good, but collections are unsatisfactory.

Compiled August 15, 1921