

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, SEPTEMBER 30, 1921

The outstanding development in the Fifth Federal Reserve District during August and early September was the substantial increase in cotton prices. The Department of Agriculture's announcement of an August 25 condition of 49.3%, indicating a production of 7,037,000 bales, led to rapid increases in cotton prices, and sent the staple above 20 cents on the Carolina markets. Concrete results of the higher quotations have not as yet developed to any material extent, but the psychological effect of the rise is far reaching, and has permeated every line of business in the South. From a recent feeling of pessimism and even bitterness, the Southern farmer and business man has been lifted to a feeling of hopefulness and belief in the future, and such a change seems certain to bring about a much more speedy recovery from business depression than appeared possible a few months ago.

The industry that has shown the greatest recovery from the unsatisfactory conditions of three or four months ago is the textile business, the rise in cotton prices having resulted in a healthy increase in orders received for manufactured products of the mills. Collections are beginning to improve, and our correspondents are hopeful of

CONTENTS	
Introduction	
Condition of Member Banks	
Debits to Individual Accounts	
Monthly Clearings	
Business Failures	
Labor	
Textiles	
Foods	
Agriculture	
Coal	
Building Materials	
Building Construction	
Wholesale Trade	
Retail Trade	

more liquidation during the fall than they previously expected. Bank clearings continue lower than in 1920, but probably reflect the general price declines, while debits to individual account hold up in the Fifth District somewhat better than the average for the United States. Business failures during August show the lowest number during any month this year, except June. Unskilled labor finds it difficult to secure work, but practically all skilled workers are finding employment for at least part time. Building permits issued during the month for new construction outnumber those issued in either 1920 or 1919. Wholesale trade in all reporting lines improved distinctly during August compared with July. Retail trade shows a decline of 9.8% in the dollar value of sales compared with August of last year, but an increase of 17% in the actual number of sales.

The outlook for production in agriculture is poor in all leading crops, but because of large carryovers, particularly cotton, from last year and satisfactory price prospects for this year, the District would seem to be in a better position than at this time last year, when prices were declining and no one felt safe in making commitments for the future.

CONDITION OF SEVENTY-NINE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	September 7, 1921	August 10, 1921	September 3, 1920
1. Total Loans and Discounts (exclusive of rediscounts) -----	\$ 403,523,000	\$ 406,488,000	\$ 496,852,000*
2. Total Investments in Bonds and Securities -----	119,291,000	126,136,000	80,923,000**
3. Total Loans and Investments -----	522,814,000	532,624,000	577,775,000
4. Reserve Balance with Federal Reserve Bank -----	28,723,000	30,811,000	38,339,000
5. Cash in Vaults -----	14,200,000	14,526,000	16,005,000
6. Demand Deposits -----	291,629,000	292,615,000	345,456,000
7. Time Deposits -----	117,776,000	116,967,000	106,092,000
8. Discounted with Federal Reserve Bank -----	68,168,000	67,704,000	76,054,000

* Includes some miscellaneous investments.

** Government Securities only.

In the table given above, the principal items of condition are shown for seventy-nine identical banks, located in thirteen cities of the Fifth Reserve District as of the close of business September 7, 1921, August 10, 1921, and September 3, 1920, thus giving comparison for the current month with the preceding month of this year and the corresponding month of last year. In the table, all items are comparable except items 1 and 2, these having been calculated differently in 1921 and 1920.

Comparing the figures as of September 7, 1921, with those as of September 3, 1920, all items show decreases within the year except Item 7, Time Deposits, which increased from \$106,092,000 last year to \$117,776,000, a gain of 11%. In view of considerable unemployment during the year, and offerings of high grade securities at attractive prices and rates of interest, this steady growth of Time Deposits is important and gives ground for a hope that the thrift lessons taught during the war period were taken seriously by many people. Total Loans and Investments decreased between September 3, 1920 and September 7, 1921 from \$577,775,000 to \$522,814,000, a decline of 9.5%; Reserve Balance with the Federal Reserve Bank decreased from \$38,339,000 to \$28,723,000, a decline of 25.1%; Cash in Vaults decreased from \$16,005,000 to \$14,200,000, a decline of 11.3%; and Demand Deposits decreased from \$345,456,000 to \$291,629,000, a decline of 15.6%. Discounts and rediscounts with the Federal Reserve Bank for these city banks decreased from \$76,054,000 to \$68,168,000, a decline of 10.4% compared with the 25.1% decrease in Reserve Balance with the Federal Reserve Bank mentioned above. The figures show that on September 7, 1921, the reporting banks were borrowing from the Reserve Bank 237.3% of their reserve deposits, compared with borrowings amounting to 198.4% of their reserve deposits on September 3, 1920.

Comparing the September 7, 1921, figures with those as of August 10, 1921, increases are shown in Time Deposits and in Discounts with the Federal Reserve Bank, each amounting to seven-tenths of one percent, the increase in Discounts being merely a daily fluctuation. All other items show decreases within the four weeks. The figures for the two dates indicate little benefit to the reporting banks as yet from the marked rise in cotton prices that took place during the month of August.

DEBITS TO INDIVIDUAL ACCOUNT IN CLEARING HOUSE CENTERS

CITIES	For the Weeks Ending		
	September 7, 1921	August 10, 1921	September 8, 1920
Baltimore, Md. -----	\$ 94,105,000	\$ 108,060,000	\$ 97,399,000
Charleston, S. C. -----	6,090,000	4,337,000	4,900,000
Charlotte, N. C. -----	4,941,000	4,802,000	6,010,000
Columbia, S. C. -----	3,614,000	4,100,000	4,514,000
Greenville, S. C. -----	2,695,000*	2,517,000*	-----
Huntington, W. Va. -----	3,566,000	4,527,000	4,726,000
Norfolk, Va. -----	10,723,000	11,852,000	17,049,000
Raleigh, N. C. -----	3,700,000	3,700,000	3,973,000
Richmond, Va. -----	22,759,000	21,885,000	22,430,000
Washington, D. C. -----	29,998,000	33,362,000	29,159,000
Wilmington, N. C. -----	4,016,000*	4,261,000*	-----
Totals for 9 cities -----	\$ 179,496,000	\$ 196,625,000	\$ 190,160,000
Totals for 11 cities -----	186,207,000	203,403,000	-----

* Not included in Totals for 9 cities.

Debits to Individual Account in nine cities of the Fifth District totaled \$179,496,000 for the week ending September 7, 1921, compared with \$190,160,000 reported by the same cities for the corresponding week of 1920, a decrease this year of 5.6%. Compared with an average decrease reported to the Federal Reserve Board by 148 cities throughout the nation amounting to 14.6%, the record is decidedly favorable to the Fifth District. Charleston, S. C., Richmond and Washington reported higher figures for the week ending September 7, 1921, than for the week ending September 8, 1920.

A comparison of the totals reported from the nine cities for the week ending September 7, 1921, with those reported for the week ending August 10, 1921, shows a decline during the first named week of \$17,129,000, or 8.7%, but the September week includes Labor day so that the periods are not fairly comparable. Decreases within the month are shown in all reporting centers except Charleston, S. C., Charlotte, Raleigh and Richmond.

MONTHLY CLEARINGS

No.	CITIES	For Month of August		Decrease	Per Cent of Decrease	No.
		1921	1920			
1.	Baltimore, Md. -----	\$ 292,515,077	\$ 428,563,223	\$ 136,048,146—	31.7—	1
2.	Charleston, W. Va. -----	13,322,566*	-----	-----	-----	2
3.	Charlotte, N. C. -----	8,078,295	11,437,945	3,359,650—	29.4—	3
4.	Columbia, S. C. -----	6,873,143	10,592,103	3,718,960—	35.1—	4
5.	Frederick, Md. -----	1,706,815	2,570,636	863,821—	33.6—	5
6.	Greensboro, N. C. -----	4,083,600	5,677,386	1,593,786—	28.1—	6
7.	Greenville, S. C. -----	6,364,318	7,611,782	1,247,464—	16.4—	7
8.	Hagerstown, Md. -----	2,459,447	3,088,355	628,908—	20.4—	8
9.	Huntington, W. Va. -----	6,734,615	8,457,889	1,723,274—	20.4—	9
10.	Newport News, Va. -----	2,485,723	3,958,729	1,473,006—	37.2—	10
11.	Norfolk, Va. -----	26,340,248	42,168,978	15,828,730—	37.5—	11
12.	Raleigh, N. C. -----	4,644,318	5,462,828	818,510—	15.0—	12
13.	Richmond, Va. -----	154,239,698	234,098,391	79,858,693—	34.1—	13
14.	Spartanburg, S. C. -----	2,105,347	3,464,975	1,359,628—	39.2—	14
15.	Washington, D. C. -----	66,183,867	68,133,770	1,949,903—	2.9—	15
Totals-----		\$ 584,814,511	\$ 835,286,990	\$ 250,472,479—	30.0—	

* Not Included in Totals

The table above shows clearings in August 1921 for fifteen important cities in the Fifth District, with comparative figures from fourteen of them for August 1920. The fourteen cities show clearings in August 1921 amounting to \$584,814,511, as compared with \$835,286,990 in August 1920, a decrease this year of \$250,472,479, or 30%, a lower percentage decrease than was reported for July 1921, compared with July 1920, but a greater decrease than was reported for any other month this year.

In the table Charleston, W. Va., is included for the first time, but Asheville, N. C., has withdrawn from the list of reporting cities, and Charleston, S. C., sent no report for August 1921, which made it necessary to omit the city from our list for this month.

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 -----	118	58	103.4	\$ 2,821,841	780,210	261.7	
New York, Second -----	216	179	20.7	9,685,653	15,009,838	35.5—	
Philadelphia, Third -----	68	33	106.1	2,090,756	3,066,914	31.8—	
Cleveland, Fourth -----	137	70	95.7	5,183,707	1,347,045	284.8	
Richmond, Fifth -----	98	40	145.0	2,658,017	691,785	284.2	
Atlanta, Sixth -----	198	42	371.4	4,489,443	2,605,429	72.3	
Chicago, Seventh -----	204	86	137.2	4,123,520	3,177,188	29.8	
St. Louis, Eighth -----	67	31	116.1	2,200,012	288,672	662.1	
Minneapolis, Ninth -----	72	18	300.0	1,458,576	85,515	1,605.6	
Kansas City, Tenth -----	75	11	581.8	966,896	85,735	1,027.8	
Dallas, Eleventh -----	137	33	315.2	1,991,284	411,027	384.5	
San Francisco, Twelfth -----	172	72	138.9	5,234,704	823,537	535.6	
Totals-----		1,562	673	132.1	\$ 42,904,409	\$ 28,372,895	51.2

- 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 August 1921 and 1920, with percentages of increase or decrease in both the number and the aggregate liabilities involved. The August number of failures is less in the Fifth District than in any previous month this year except June, but liabilities were greater than in May, June or July, though lower than in January, February, March or April. August 1921 witnessed 98 failures compared with 40 during the corresponding month last year, an increase this year of 145%. In liabilities involved, August 1921 amounted to \$2,658,017, compared with \$691,785 reported for August 1920, an increase this year of 284.2%. The average liability per failure for the entire United States in August was \$27,467, and in the Fifth District was \$27,122.

LABOR.—The labor situation in the Fifth District improved during August in skilled labor circles, especially in the building trades, textile fields and railroad work, but unskilled labor found fewer openings and increased numbers in the ranks of the unemployed. All of the idle textile mills of the District have resumed operations, the strike centering around Charlotte having been settled. Du-

ring August the trouble that had been threatening for many months in two or three counties in the West Virginia coal fields reached a climax, and so-called armies of miners and their friends gathered, but were disarmed and dispersed by Federal troops. Farm labor is exceedingly plentiful and cheap, but there is small demand for it. Lumbering interests are working with reduced forces. There was an increase in the demand for women workers in industrial plants during August.

TEXTILES.—The tendency toward improvement in textile fields, mentioned in our Review for July, was greatly stimulated by increased demand for finished products which followed the Department of Agriculture's unfavorable cotton report on September 1, and without exception all correspondents among textile managers report excellent business. All mills are running on approximately full time, and many of them have sold out their products for several months ahead. The mills that covered their requirements for cotton before the recent rise in price are well situated, and the mills that had not previously placed orders for their needs of raw materials are doing so now on an increasing scale. Many of the textile mills withdrew their goods from the market when cotton rose in price, in order that new prices might be calculated, and the new quotations offered were considerably higher than those quoted earlier in the season. Comparatively little buying has been done at the new figures, but the mills feel that stocks of manufactured goods are low in secondary hands, and they are not afraid of future developments. Naturally the textile market is the first to feel the influence of the great change in the cotton situation, and the stimulating effect of the rise in cotton is reflected in the advancing quotations on textile mill stocks.

FOODS.—For the second month in succession, retail food prices throughout the United States increased in August over the preceding month, the rise averaging 4.3% over July prices, which in turn had been 2.7% higher than in June, according to figures gathered and made public by the Department of Labor. The August statistics were compiled from reports from fifty-one cities, and show that prices increased 24% on potatoes, 13% on eggs, 11% on pork chops, cheese and cabbage, 10% on butter, 8% on lard, 6% on sugar, and 5% on canned tomatoes, with lower percentage increases on ham, oranges, nut margarine, plate beef, fresh milk, oleomargarine, cornmeal, bacon, rolled oats, rice, canned corn and peas, prunes, chuck roast, hens, wheat cereals and macaroni. Decreases were reported for bananas, leg of lamb, canned salmon, flour, onions, raisins, sirloin steak, round steak, rib roast and tea. Prices were unchanged on evaporated milk, bread, corn flakes, navy beans, baked beans and coffee. It must be understood that the increases and decreases listed do not apply to each individual city, but they are representative of the average developments throughout the nation. The general increases in reporting cities in the Fifth District were as follows: Baltimore, 6%; Norfolk and Washington, 5%; Charleston, S. C., and Richmond, 4%. No decreases were reported for any city.

AGRICULTURE.—The month of August saw steady declines in crop conditions in the Fifth District, chiefly due to a continuance of the drought mentioned in our July Review. The crops that suffered most were cotton, corn, tobacco and pastures. Southern South Carolina suffered from too much rain, and increased boll weevil damage.

The Department of Agriculture's report on the cotton crop as of August 25 showed a condition of 49.3% in comparison with 64.7% on July 25 and a ten year average on August 25 of 67.7%. The estimated production based on the August 25 condition was given as 7,037,000 bales, the lowest estimate in twenty-five years. Anticipation of the report sent cotton prices up steadily during the latter part of August, and when the report was released on September 1 quotations jumped day by day until October futures reached 20.75 on September 10. Spot cotton on the Carolina markets went even higher, and on one market reached 23 cents for middling. Since September 10 the market has weakened, but the declines appear to be the result of profit taking on exchanges and a natural reaction against the upward movement of recent weeks, and does not indicate a genuine bearish tendency. During the week ending September 17, the future market in New York declined something like 265 points, but spot cotton on the leading markets in the Fifth District declined only about 75 points. The higher prices have caused some selling, but on the whole the farmers are not yet satisfied that the crest of the rise has been reached, and no widespread tendency to unload the present crop or last year's carry-over has developed. The outstanding result of the rise in price has been the growth of an optimistic and cheerful attitude toward future business prospects, which is manifested in increasing activity in all business lines in the South. The increase in price has overshadowed the low production figures, and in view of large carry-over from last year's crops, the farmers consider themselves in a stronger position with a short crop and high prices than they would be in if the crop was large and prices low. Prices offered for cotton seed have followed cotton upward, the suddenness of the increase being even more marked than in the case of cotton. Around September 1 cotton seed brought an average of \$20 per ton, but on September 17 prices on the Carolina markets averaged above \$40 per ton.

The South Carolina tobacco markets have closed, the crop having been short and on the whole of unsatisfactory quality. Good tobacco brought satisfactory prices, some of it selling considerably above 50 cents per pound, but low grades were difficult to sell at any price. The Eastern North Caro-

lina markets opened early in September, and repeated the situation that developed earlier in South Carolina, the good to fine grades selling for good prices, while common or low grades were dull and cheap, with consequent lowering of market averages. The North Carolina and Virginia crops are far below last year's production. The Virginia crop is estimated to be the smallest since 1907, and on account of unfavorable weather much of the crop is of poor grade. The leading Virginia markets will open September 20.

The national outlook for this year's corn crop improved between July 25 and August 25, but the crops in the Fifth District deteriorated sharply on account of drought. Early corn is generally fair to good, but medium and late crops are very poor, especially in Virginia, where this year's production is estimated at 38,261,000 bushels against 50,100,000 bushels last year. The South Carolina crop is expected to reach 44,000,000 bushels against 42,370,000 bushels last year, the increase being due to larger acreage.

The condition of peanuts in Virginia declined from 82% on July 25 to 55% on August 25. The month of August was dry, and the lack of moisture at the most critical period in the development of the crop resulted in poor fruitage. The August 25 condition indicates a production of 3,523,000 bushels compared with 4,416,000 bushels last year, and a five year average of 5,308,000 bushels.

We give herewith a table showing the estimated production of the chief crops of the United State, based on the condition as of August 25, 1921, July 25, 1921, and the final estimates for 1920.

United States Total Crops—Forecast. 1921

Crop	September 1 Estimate	August 1 Estimate	1920 Final Estimate
Cotton (Bales) -----	7,037,000	8,203,000	13,365,000
Tobacco (Pounds) -----	948,000,000	889,000,000	1,500,000,000
Corn (Bushels) -----	3,190,000,000	3,032,000,000	3,232,000,000
Wheat (Bushels) -----	754,000,000	757,000,000	787,000,000
Oats (Bushels) -----	1,090,000,000	1,137,000,000	1,526,000,000
Irish Potatoes (Bushels) -----	323,000,000	316,000,000	430,000,000
Sweet Potatoes (Bushels) -----	110,000,000	114,000,000	112,000,000
Hay (All Kinds) (Tons) -----	94,000,000	97,100,000	108,200,000
Apples, Com'l. (Barrels) -----	18,900,000	21,327,000	38,300,000
Peaches (Bushels) -----	33,000,000	31,300,000	43,700,000

COAL.—The United States Geological Survey issued the following report relative to the production of bituminous coal during August, the report being released September 10.

“Production of bituminous coal averaged 1,270,000 tons on the 27 working days of August, and the total output for the month is placed at 34,538,000 tons. Although an increase of 4,153,000 tons over the revised figure for July, this was far below normal for August. In the eight years preceding the lowest figure for August occurred in 1914, yet even that month showed 3,213,000 tons more than did August 1921. Compared with the average of the eight years preceding, 1921 production is 62,000,000 tons in arrears and is steadily falling still further behind. Whether or not this subnormal production forecasts a shortage depends, of course, upon whether consumption has fallen off in like degree. That the business depression has greatly curtailed requirements is clear, but no one knows how great the curtailment has been nor what is the present condition of consumers' stocks of coal.

Retail coal dealers say that consumers are very slow about placing orders for their winter's coal, and they report that their yards are stocked to capacity. Consumers have stubbornly resisted existing prices for fuel, contending that they are too high, but retailers contend that they cannot reduce the prices until transportation costs come down. The mine prices are not much above pre-war quotations, but freight charges, labor, etc., are all higher now than in preceding years.

BUILDING MATERIALS.—The market for building materials of all kinds was more active during August and early September than for several months past, and in some lines prices showed a rising tendency. Lumber of the better grades has sold at slightly higher price levels than earlier in the summer, but lumber of the lower grades has been dull. Manufacturers claim that lumber is being sold below cost of manufacture, but they expect little increase in price until there is more demand than at present, due to the readiness of many small mills, now closed, to resume operations with any material increase of prices. The chief obstacle to a return to practically normal business in the lumber industry is said to be the absence from the markets of large buyers such as railroads, etc. Demand for brick is less active than lumber, and on the whole the demand is poor, with prices low. One correspondent reports quotations of \$8 per thousand for common brick compared with \$30 per thousand reached at the peak in 1920. The paint and varnish trade was better in August than in earlier months,

and plumbing supplies were extremely active, due to the completion of many buildings begun with the opening of construction activities in the spring and early summer. Builders' hardware continues a slow and reluctant decline, with orders not more than fair.

A recent contract let by the City of Richmond for a fire engine house shows concretely the decline in building costs within the past sixteen months. On April 15, 1920, the city authorities called for bids for the construction of a brick engine house for one of the suburbs, the lowest figures submitted being \$28,300. Considering all estimates prohibitive, the project was abandoned temporarily, but on April 15, 1921, new bids were called for and submitted on identically the same plans, the lowest figure this time being \$21,663, a decrease within the year of 23.5%. The authorities again postponed the award until the latter part of August, when bids were called for the third time. The contract was then let for \$13,495., a decrease in sixteen months of 52.3%, and in four months of 37.7%. While the successful bid was 52.3% below the lowest bid of April 15, 1920, it was something like 50% above pre-war figures, a similar engine house having been built in another suburb about five years ago for \$9,000.

BUILDING OPERATIONS FOR THE MONTHS OF AUGUST, 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.....	425	350	1,171	1,116	\$1,164,800	\$2,103,200	\$ 652,200	\$ 509,800	\$ 796,000—	30.5—	1
2	Cumberland.....	34	14	19	22	89,992	135,536	23,168	5,235	27,611—	19.6—	2
3	Frederick.....	2	2	0	1	700	4,800	0	1,000	5,100—	87.9—	3
VIRGINIA												
4	Lynchburg.....	18	8	16	10	33,550	9,100	4,260	2,700	26,010	220.4	4
5	Norfolk.....	63	57	84	27	378,411	252,988	67,716	52,843	140,296	45.9	5
6	Richmond.....	126	51	100	96	664,413	76,048	218,769	175,955	631,179	250.5	6
7	Roanoke.....	*119	*58			*147,692	*42,335			105,357	248.9	7
8	Staunton.....	7	2	1	1	21,750	4,200	4,500	1,250	20,800	381.7	8
WEST VIRGINIA												
9	Charleston.....	94	25	34	13	296,380	46,945	32,270	17,245	264,460	412.0	9
10	Huntington.....	*134	*59			*246,833	*185,245			61,588	33.2	10
11	Parkersburg.....					30,000	25,000	15,000	20,000			11
NORTH CAROLINA												
12	Asheville.....	49	26	57	11	132,235	26,497	79,891	9,422	176,207	490.6	12
13	Charlotte.....	36	20	5	11	216,410	170,420	1,625	62,400	14,785—	6.4—	13
14	Durham.....	20	5	10	13	53,900	84,000	13,410	41,690	58,380—	46.4—	14
15	Greensboro.....	24	14	7	7	138,675	116,725	7,150	5,150	23,950	19.7	15
16	High Point.....	21	*22	8		43,350	*165,000	12,600		109,050—	66.1—	16
17	Wilmington.....	27	10	4	8	187,500	102,200	18,500	13,350	90,450	78.3	17
18	Winston-Salem.....	59	18	54	55	102,277	170,550	30,555	28,490	66,208—	33.3—	18
SOUTH CAROLINA												
19	Charleston.....	13	20	20	15	42,275	380,000	14,660	10,473	333,538—	85.4—	19
20	Columbia.....	30	7	130	65	64,100	26,500	24,524	12,712	49,412	126.0	20
21	Greenville.....	26	22	31	26	94,900	180,120	19,210	25,070	91,080—	44.4—	21
22	Spartanburg.....	26	21	34	11	35,230	56,530	9,260	5,925	17,965—	28.8—	22
DIST. OF COLUMBIA												
23	Washington.....	284	129	521	507	2,831,706	2,649,894	476,779	389,380	269,211	8.9	23
Totals.....		1637	940	2,306	2,015	\$7,017,079	\$7,013,833	\$1,726,047	\$1,390,090	\$ 339,203	4.0	

*Includes both new and repairs.

—Denotes decrease.

Permits for new construction issued in twenty-three of the leading cities of the Fifth District during August 1921 totaled 1,637 compared with 940 issued in August 1920, a gain this year of 697 permits, or 74.1%. Total valuation of new work in August of this year amounted to \$7,017,079 compared with \$7,013,833 for August 1920, an increase of less than one-half of one percent. Permits for alterations and repairs issued in August 1921 totaled 2,306 compared with 2,015 permits issued in August 1920, an increase this year of 291 permits, or 14.4%. Total valuation for repair work in August 1921 was \$1,726,047 compared with \$1,390,090 in August 1920, an increase this year of \$335,957, or 24.2%. In combined valuation for both new work and repairs or alterations August 1921 witnessed a total of \$8,743,126 compared with \$8,403,923 in August 1920, an increase this year of \$339,203, or 4%.

The figures cited in the paragraph above are gratifying, and show that some progress is being made toward supplying the needed homes in our leading cities. The majority of permits issued are for the construction of residences, the need of which is greatest, and the number of permits issued in August 1921 not only exceeds the number issued in August 1920, as pointed out previously, but is greater than the number of permits issued for new construction during August 1919 in the same twenty-three reporting cities.

REPORT ON WHOLESALE TRADE

LINES SOLD	Net Sales in August, 1921, Compared With	
	Sales in July, 1921	Sales in August, 1920
Groceries (9)* -----	0.7	-27.0
Dry Goods (8)* -----	50.6	-32.9
Shoes (8)* -----	84.3	-21.3
Hardware (21)* -----	12.7	-38.0
Furniture (3)* -----	27.2	-35.5
Total Averages (49)*-----	31.6	-31.1

*Number of reporting firms.

The confidential reports on wholesale trade in groceries, dry goods, boots and shoes, hardware and furniture for the month of August show a decided increase in sales for the month over sales during July, a considerable part of the increase being seasonal, due to the placing of orders for fall delivery. All lines reported upon show increases. The average increase for the five lines was 31.6%. In comparison with sales during August 1920, the sales for August 1921 showed decreases averaging 31.1%, but since the average wholesale prices in the lines reported upon have declined more than 31.1% within the year, the decrease this year does not indicate a falling off in the actual volume of units of merchandise sold, with the possible exception of hardware which has suffered particularly from the low prices paid for farm products.

We increased the number of reporting hardware firms from 9 to 21 for this month, the reporting firms being located in every state in the Fifth District. This is indicative of the increased interest in the monthly reports that is being manifested by wholesalers.

The following table shows how the forty-nine wholesale firms classified their collections during August, 1921:

Lines Sold	Good	Fair	Slow	Poor	Total
Groceries -----	3	4	2	0	9
Dry Goods -----	1	6	1	0	8
Boots & Shoes -----	0	5	2	1	8
Hardware -----	1	11	5	4	21
Furniture -----	0	3	0	0	3
Totals -----	5	29	10	5	49

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage decrease in net sales during August under sales in August 1920-----	-17.4	-4.9	-1.4	-9.1	-9.8
Percentage decrease in net sales from July 1 through August 31, 1921, under sales during the same two months of 1920-----	-17.2	-11.0	-2.9	-10.3	-10.9
Percentage decrease in net sales during August 1921 under sales during July 1921 -----	1.6	-7.2	-1.8	-3.9	-1.5
Percentage decrease in stocks on hand at the end of August 1921 under stocks on hand at the end of August 1920-----	-26.1	-15.0	-20.8	-18.4	-22.2
Percentage increase in stocks on hand at the end of August 1921 over stocks on hand at the end of July 1921-----	6.7	5.4	8.9	4.8	7.0
Percentage of average stocks on hand at the end of each month since July 1, 1921, to average monthly sales during the same two months-----	475.1	459.0	458.3	501.8	472.3
Percentage of outstanding orders on August 31, 1921, to total purchases of merchandise during the calendar year 1920-----	9.8	12.0	6.9	9.0	9.0

- Denotes decrease.

Detailed reports from twenty-five of the leading department stores of the Fifth District show that the dollar value of sales made in August 1921 was 9.8% less than the dollar value of sales during the corresponding month last year, but indications are that the actual units of merchandise sold was greater this year than last. In calling for reports on August business we asked the co-operating stores to give us figures showing the actual number of sales they had made during the month and during the corresponding month of 1920. In reply to this request, the majority of stores wrote that they did not keep records of the number of transactions, but enough stores sent in figures to make the replies valuable. The reporting stores showed an increase in number of sales amounting to 17% in August 1921 in comparison with August 1920, and a few other stores wrote that while they had no accurate figures, they were sure that their volume of business measured by actual units of merchandise sold, had been greater in August of this year than last. The dollar value of sales in August was 1.5% less than the dollar value in July, the preceding month, but this is a regular seasonal dullness.

In stocks on hand at the end of the month, the August 1921 totals were 22.2% lower than those at the end of August 1920, but 7% greater than those at the end of July 1921. The reduction under last year's figures is doubtless due to price declines, and the increase over the July 1921 figures is seasonal, some fall goods having arrived during the latter part of August.

In outstanding orders for merchandise the reporting stores show 9.0% of total purchases for the calendar year 1920, indicating a continued caution in placing orders for future delivery. The stores are keeping their stocks up to approximately normal figures, but are doing it by placing many small orders for quick delivery as the goods are needed rather than placing their usual orders a season ahead.

The receipts of some fall goods toward the end of August sent the average of stocks on hand to net sales at the end of the months July and August, higher than the average at the end of July, the percentage being 472.3% at the end of August in comparison with 453.3% at the end of July. The percentage of stocks carried during July and August of 1920 to net sales during the same two months for practically the same stores reporting this year was 560.7%, indicating a quicker turn-over for this year than in 1920.

There has been little change in the type of buying done by the reporting stores or by their customers since our July Review was written. The stores continue their cautious policy in buying, and their customers continue to insist upon real value for their money, buying chiefly medium priced and standard articles.

(Compiled September 19, 1921)