

# FEDERAL RESERVE BANK OF RICHMOND

## General Business and Agricultural Conditions in the Fifth Federal Reserve District

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Signs that seem to point to a healthy business revival are slowly but steadily becoming more apparent in the Fifth Reserve District, a development that has its origin with the improved demand for cotton, cotton goods, and profitable prices for tobacco. The cotton crop report, issued by the Department of Agriculture, as of September 25, was more optimistic than had been expected, but the prices have not declined seriously, and are hovering persistently near the twenty cent mark. The effects of the present prices for cotton and tobacco have been felt in every line of business

in the District, and the reports received from leading firms in numerous lines are full of optimistic predictions for the future of business.

Condition reports received weekly from eighty three member banks in leading cities show increased reserves and lowered borrowings from the Reserve Bank. Other reports indicate that the selling of cotton and tobacco has enabled many banks to strengthen their position by reducing loans due to other than Federal Reserve Banks. Debits to Individual Account at clearing house centers show business in the Fifth District relatively more active than the average for the United States, as shown by the Federal Reserve Board's weekly statement. Business failures in the Fifth District in September were 57.4% more numerous than in September, 1920, but the average increase for the twelve Federal Reserve Districts was 116.5%. The labor situation has not changed materially as compared with former months this year.

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Textile manufacturers continue to receive increasing orders, and are making some profits out of the new business. Prospects in the clothing trade are fair, and the shoe business is good. Hosiery and knit goods manufacturers are operating their mills full time, with sufficient orders ahead to take their output for several months. Food dealers report good business in all lines during September, with an increasing tendency for jobbers to buy for future requirements. The coal output is increasing steadily, probably sufficiently to take care of increased orders as

industry gets back into operation. Tobacco and cotton are bringing the producer prices that appear to be sufficient to cover production costs, and some liquidation is noted of last year's obligations. Building construction in September was particularly good, more permits having been issued than in the corresponding month in either 1919 or 1920, and more permits than were issued during any month in 1920. Wholesale trade in dry goods, shoes and furniture is considerably ahead in the volume of sales for September, 1921, in comparison with September, 1920. Sales reported for September by sixty-six firms handling groceries, dry goods, boots and shoes, hardware and furniture show an increase of 6% over August, 1921 sales, and a decrease of only 13.3% under sales in September, 1920. Retail trade is taking on the usual seasonal briskness, though the warm weather somewhat slowed down this development during September.

### CONDITION OF SEVENTY-EIGHT REPORTING MEMBER BANKS IN SELECTED CITIES.

ITEMS	October 5, 1921	September 7, 1921	October 8, 1920
1. Total Loans and Discounts (exclusive of rediscounts) -----	\$ 405,391,000	\$ 403,523,000	\$ 496,064,000*
2. Total Investments in Bonds and Securities -----	124,899,000	119,291,000	76,983,000**
3. Total Loans and Investments -----	530,290,000	522,814,000	573,047,000
4. Reserve Balance with Federal Reserve Bank -----	30,732,000	28,723,000	35,947,000
5. Cash in Vaults -----	14,089,000	14,200,000	18,389,000
6. Demand Deposits -----	287,413,000	291,629,000	341,126,000
7. Time Deposits -----	117,646,000	117,776,000	105,791,000
8. Discounted with Federal Reserve Bank -----	66,983,000	68,168,000	81,925,000

\* Includes some miscellaneous investments.

\*\* Government Securities only.

In the table given above, the principal items of condition are shown for seventy-eight identical banks, located in thirteen cities of the Fifth Reserve District, as of the close of business October 5, 1921, September 7, 1921, and October 8, 1920, thus giving comparisons for the current month with the preceding month of this year and with the corresponding date 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 October 5, 1921, with those as of October 8, 1920, all items show decreases between the two dates except item 7, Time Deposits, which continues to hold up remarkably well, having increased from \$105,791,000 on October 8, 1920, to \$117,646,000 on October 5, 1921, a gain of \$11,855,000, or 11.2%. Every month this year has shown higher Time Deposits than the corresponding month of 1920. The decrease shown in all items except number seven are as follows: Total Loans and Investments decreased from \$573,047,000 as of October 8, 1920, to \$530,290,000 as of October 5, 1921, a decline of 7.5%; Reserve Balance with the Federal Reserve Bank decreased from \$35,947,000, to \$30,732,000, a decline of 14.5%; Cash in Vaults decreased from \$18,389,000 to \$14,089,000, a decline of 23.4%; Demand Deposits decreased from \$341,126,000 to \$287,413,000, a decline of 15.7%; and Discounts with the Federal Reserve Bank decreased from \$81,925,000, to \$66,983,000, a decline of 18.2%.

Comparing the figures as of October 5, 1921, with those as of September 7, 1921, some interesting facts are seen. Total Loans and Discounts increased within the month five-tenths of one per cent., and Total Investments increased 4.7%. Reserve Balance with the Federal Reserve Bank also shows an increase, amounting to 7%, but Demand Deposits, Time Deposits, and Discounts with the Federal Reserve Bank all register declines for the month. The figures alone, however, do not indicate the full amount of liquidation that has taken place, for at this time of the year there is a seasonal liquidation in county banks, as crops are marketed, but there is also a seasonal increase in loans in the city banks to finance the merchants, wholesalers and buyers of agricultural products, the liquidation of which loans normally occurs later in the season. In view of this counter demand for loans, the small increase for this period is immaterial. The decrease in bills discounted with, and the increase in reserves with the Federal Reserve Bank show that the reporting banks occupy a stronger position than previously this year.

#### DEBITS TO INDIVIDUAL ACCOUNT IN CLEARING HOUSE CITIES.

CITIES	For the Weeks Ending		
	October 5, 1921	September 7, 1921	October 6, 1920
Baltimore, Md. -----	\$ 112,468,000	\$ 94,105,000	\$ 124,101,000
Charleston, S. C. -----	6,186,000	6,090,000	7,461,000
Charlotte, N. C. -----	6,554,000	4,941,000	7,360,000
Columbia, S. C. -----	6,591,000	3,614,000	6,928,000
Greenville, S. C. -----	4,582,000*	2,695,000*	-----
Huntington, W. Va. -----	4,393,000	3,566,000	6,196,000
Norfolk, Va. -----	15,044,000	10,723,000	19,359,000
Raleigh, N. C. -----	4,000,000	3,700,000	4,280,000
Richmond, Va. -----	28,974,000	22,759,000	27,589,000
Washington, D. C. -----	39,948,000	29,998,000	38,992,000
Wilmington, N. C. -----	5,837,000*	4,016,000*	-----
Totals for 9 cities -----	\$ 224,158,000	\$ 179,496,000	\$ 242,266,000
Totals for 11 cities -----	234,577,000	186,207,000	-----

\* Not included in Totals for 9 cities.

Debits to Individual Account in nine clearing house centers for the week ending October 5, 1921, totaled \$224,158,000, compared with a total of \$242,266,000 reported from the same cities for the week ending October 6, 1920, a decline in debits for the 1921 week of 7.5%. The average decline between the two dates reported by 151 leading centers for the entire United States was 16.3%.

As compared with the week ending September 7, 1921, the week ending October 5, 1921, shows an increase of 24.9%, "which may," says the Federal Reserve Board, "be ascribed chiefly to large volume of end-of-month and end-of-quarter settlements effected during the week." The national increase between the two dates mentioned was 15.2%. It will be noted that the percentage changes in both comparisons made herein show that the volume of business transactions in the Fifth District is above the national average.

## MONTHLY CLEARINGS.

No.	CITIES	For Month of September		increase or Decrease	Per Cent of Increase or Decrease	No.
		1921	1920			
1.	Baltimore, Md. -----	\$ 274,010,837	\$ 419,609,008	\$ 145,598,171—	34.7—	1
2.	Charleston, S. C. -----	8,754,640	14,216,834	5,462,194—	38.4—	2
3.	Charleston, W. Va. -----	12,905,950*	-----	-----	---	3
4.	Charlotte, N. C. -----	10,277,091	11,575,957	1,298,866—	11.2—	4
5.	Columbia, S. C. -----	8,061,354	11,486,343	3,424,989—	29.8—	5
6.	Frederick, Md. -----	1,732,487	2,867,841	1,135,354—	39.6—	6
7.	Greensboro, N. C. -----	4,758,954	6,028,148	1,269,194—	21.1—	7
8.	Greenville, S. C. -----	6,993,800	7,317,376	323,576—	4.4—	8
9.	Hagerstown, Md. -----	2,525,739	3,322,327	796,588—	24.0—	9
10.	Huntington, W. Va. -----	6,432,671	7,980,570	1,547,899—	19.4—	10
11.	Newport News, Va. -----	1,515,049	3,462,855	1,947,806—	56.2—	11
12.	Norfolk, Va. -----	25,845,458	38,977,264	13,131,806—	33.7—	12
13.	Raleigh, N. C. -----	5,832,358	5,487,905	344,453	6.3	13
14.	Richmond, Va. -----	158,136,667	229,576,858	71,440,191—	31.1—	14
15.	Spartanburg, S. C. -----	2,997,252	3,682,520	685,268—	18.6—	15
16.	Washington, D. C. -----	66,754,029	65,663,286	1,090,743	1.7	16
<b>Totals</b> -----		<b>\$ 584,628,386</b>	<b>\$ 831,255,092</b>	<b>\$ 246,626,706—</b>	<b>29.7—</b>	<b> </b>

\* Not Included in Totals

— Denotes decrease this year.

The table shows bank clearings reported by sixteen clearing house centers in the Fifth District for the month of September, 1921, together with comparative figures from fifteen of the cities for the corresponding month of 1920. The table also shows the actual amount of increase or decrease in clearings in each city, and the percentage gain or loss in September, 1921, compared with September, 1920. An examination of the figures for the two months shows a decrease from \$831,255,092 reported for September, 1920, to \$584,628,386, reported for September, 1921, a decline of \$246,626,706, or 29.7%. Increases were reported this year by Raleigh and Washington, but all other cities show lower figures, the greatest percentage decline being 56.2%, for Newport News, Virginia. The percentage rate of decline is approximately the same that has been reported for several months, and continues to register approximately the lowered level of commodity prices and labor costs.

## 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 -----	124	73	69.9	\$ 2,725,247	\$ 1,360,762	100.3
New York, Second -----	317	145	118.6	10,439,409	14,551,283	28.3—
Philadelphia, Third -----	63	25	152.0	978,713	1,417,524	31.0—
Cleveland, Fourth -----	118	65	81.5	2,815,406	1,348,681	108.8
Richmond, Fifth -----	85	54	57.4	1,692,840	1,646,417	2.8
Atlanta, Sixth -----	125	44	184.1	2,328,764	500,371	365.4
Chicago, Seventh -----	179	67	167.2	6,777,026	5,679,728	19.3
St. Louis, Eighth -----	80	35	128.6	2,383,404	352,873	575.4
Minneapolis, Ninth -----	57	16	256.3	980,471	99,730	883.1
Kansas City, Tenth -----	61	26	134.6	1,042,641	466,451	123.5
Dallas, Eleventh -----	104	36	188.9	2,872,281	864,924	232.1
San Francisco, Twelfth -----	153	91	68.1	1,984,635	1,265,544	56.8
<b>Totals</b> -----	<b>1,466</b>	<b>677</b>	<b>116.5%</b>	<b>\$ 37,020,837</b>	<b>\$ 29,554,288</b>	<b>25.3%</b>

We give herewith the table reported by Dun's Review, showing the number of failures in the twelve Federal Reserve Districts for September, 1921 and 1920, with percentages of increase or decrease in both the number and the aggregate liabilities involved. The report shows 85 failures in September, 1921 in the Fifth District, compared with 54 reported in September, 1920, an increase this year of 57.4%. In total liabilities involved, September, 1921, shows \$1,692,840, compared with \$1,646,417 for September, 1920, an increase of only 2.8% this year. Among the twelve Reserve Districts, the Fifth District shows the lowest percentage increase in number and the third best record in total liabilities involved. The September number of failures, 85, is the lowest reported this year, with the exception of June, when 82 were reported, and total liabilities are lower than for any previous months this year except June and July, which were slightly lower than September. The average liability per failure in September in the Fifth District was \$19,915, and in the United States was \$25,252.

**LABOR**—The labor situation in the Fifth District is little changed from the previous two or three months. The reports reaching us vary widely as to unemployment, but in general it appears that there is not much more idleness than usual except in the larger cities to which labor tends to gravitate when jobs are scarce. There is much unemployment in the West Virginia coal regions, and even the miners who are employed are working only part time, from two to four days a week, but the situation and the future outlook are better than they were a month ago. Construction labor is fairly well employed, but the coming of winter makes the outlook for this class of labor somewhat problematical. Building permits issued in September, however, appear to insure the building trades fairly steady employment for the fall months. Reports from individual cities indicate that in Richmond minor clerical and unskilled workers predominated among those applying to the Public Employment Bureau for work. Calls from employers were fewer for skilled labor, but the number of calls for clerical workers, semi-skilled workers, and common labor increased, especially for the last named. Roanoke reports labor plentiful, with the unemployment list no larger than a month ago. Labor is said to be well employed at Bristol, Virginia, Chester, S. C., Rock Hill, S. C., Winston-Salem, N. C., Greensboro, N. C., and Charleston, W. Va., but in Norfolk, Baltimore and some of the other larger cities the situation is not so encouraging. There is quite a general complaint among the workers that retail food prices have not declined in keeping with wholesale prices or wage reductions, and reductions in rents have been negligible.

**TEXTILES**—The tendency toward improvement in the textile industry mentioned in our Review for August, continued during September, although the rate of increase in new business did not measure up to the increase in August over July. The Government cotton report released early in September disclosed a shorter supply of cotton than the earlier reports indicated and naturally there was a strong movement toward covering future requirements for cotton goods. The rapid increase in cotton prices, however, caused mills to be somewhat reluctant in accepting orders for future delivery, and some of the mills either withdrew their lines from the markets entirely or named temporary prices on a higher basis. Some of the mills also declined orders for deliveries later than the end of this year. The higher prices set by the mills somewhat checked buying, but in spite of this tendency the mills have sufficient orders to keep them running full time, and many of them are sold out several months ahead. The manufacturers of tire yarns and fabrics appear to be getting very satisfactory orders, one large mill reporting that their business has increased 50% in the past month, and another chain of mills reporting that they are not quoting for deliveries beyond 1921. Another large manufacturer writes that many mills have closed out nearly all their accumulated stocks and are operating at full capacity with production sold out well into the future. While prices quoted on cotton textiles have advanced with the rise in prices of raw cotton, the mills state that their prices have not more than kept pace with the advance in raw materials, and that they are still running on a very narrow basis, with little profit to themselves. Fearing that drastic increases in quotations for textiles might have a disastrous effect upon the buying movement that is now developing steadily, the mills are showing a cautious disposition in raising their prices.

**CLOTHING**—In the men's clothing trade, the usual seasonal activity is slow in beginning, due partly to continued warm weather and partly to a situation that has arisen between the consumers, retailers, and manufacturers, in which consumers are demanding a satisfactory suit, made of good materials, for about \$25, though the retailers claim that they cannot buy such a suit from the manufacturers at a price that will enable them to sell to the consumer for less than \$40. The manufacturers contend that the wages, cloth, sundries, and freight charges have not decreased sufficiently to enable them to produce clothing for the prices that are satisfactory to the retailers, the result being that there is marked reluctance in placing orders for future needs. In the overall trade, business is reported as good for September, though that was the first month this year in which anything like normal business has been reported. The hosiery mills are enjoying a satisfactory volume of business to keep them running full time, and this applies particularly to the mills that have made only slight advances in their prices since the recent rise in the prices for raw cotton. Reports indicate that reserve stocks in the hands of both retailers and jobbers are light, and unless advancing prices check the present buying tendency, the future in hosiery and knit goods lines appears bright. The retail shoe trade had a dull season in September, but business picked up during the latter part of the month, and is holding up remarkably well. Whether it be true or not is a question, but consumers generally think that shoe prices have reached a more reasonable level than clothing prices, a belief which has naturally caused the trade in shoes to be more active than in clothing lines.

**FOODS**—September is usually an active month in the provision business, and this year is no exception, though depressed conditions in industry and unemployment in the leading cities have had a bad effect on the trade. Because of the nature of the business, however, the depression in industry and unemployment have influenced the grocery trade less than any other line. A large packing house agency reports to us that their tonnage of sales in September was equal to their tonnage in September, 1920, but writes that the money value of the products sold was much less. A large packing house and coffee roaster reports a tonnage sold in September far in excess of the tonnage sales in

September of last year. Peanut cleaners and manufacturers report some improvement in their business, but complain of freight charges, and say further that unemployment in the cities has reduced consumption of peanuts considerably. Cannerymen of foods and fruit report that few packers operated this year, and say that wholesale grocers and jobbers are beginning to realize that there is a very small stock of canned goods in the country. This realization has caused buying to be much more active of late, and the greater volume of orders has brought some stiffening in the prices quoted for canned goods.

Some figures on food prices given out by the Department of Labor early in October are interesting. The figures show an average decrease in the cost of all foods during the year ending September 15, 1921, amounting to 26% in Baltimore, 22% in Richmond, and 21% in Washington, but at the same time the statement is made that retail food prices have increased since 1913 to an amount equal to 67% in Richmond, 65% in Washington, and 54% in Baltimore.

**COAL**—For five weeks in succession, ending October 15, the production of soft coal has climbed steadily upward. During the week ending September 17, total production for the United States passed the eight million ton mark for the first time since early in June, and during the week ending October 8, the nine million ton mark was passed, for the first time since January. The rate of production is still below the average in normal years for this season, however, the usual production for October being at least eleven million tons per week in comparison with the 9,105,000 tons dug during the week ending October 8. Production for the year 1921, through October 8, is approximately 55,000,000 tons behind 1919, 106,000,000 tons behind 1920, and about 135,000,000 tons behind the war years, but consumption for industrial purposes continues at a minimum, and therefore the shortage in stocks may not be as great as the figures indicate. The retail coal trade has been more active for the past month than previously, but there has been no marked increase. Prices have remained stationary in the retail trade.

**TOBACCO**—The bright tobacco crop is being marketed steadily on the North Carolina and Virginia markets. The crop is short, as forecasted in Federal and State government reports earlier in the season, but the prices realized for the tobacco seem to be fairly satisfactory to the growers. Prices have shown a rising tendency as the selling advanced, largely due to better grades coming on the floor. The grades from medium to fine are bought eagerly, and at prices that have on a few markets run as high as \$60 to \$70 per hundred pounds, but the prices offered for the common tobacco have continued low, and tend to keep down the market averages. Averages are running somewhat above \$20.00 per hundred on most markets.

The leaf dealers report an active business, especially for cigarette and smoking tobacco, and manufacturers are receiving their usual business for domestic consumption, but are not yet doing any appreciable foreign business. A tendency toward lower prices for manufactured goods is noticed, chiefly through the introduction of new brands of cigarettes and cigars offered in competition with the already established goods.

**COTTON**—In our August Review, compiled as of September 15, we told of the rapid increase in cotton prices following the Government report of a condition of 49.3%, with an expected yield of 7,037,000 bales. On September 15, the average spot prices on reporting markets in North and South Carolina was 19.48 cents, middling basis, and the price fluctuated around that point until the close of the month, the highest price, 20.3 cents, being reached on September 28. Early in October the Government's final condition report for the season was issued, giving the condition as of September 25, as 42.2% of normal, with a forecast of production of 6,537,000 bales. Anticipating a more unfavorable condition report than the above mentioned one, the market had previously discounted a loss of approximately a million bales from the August 25 report, and a reduction of only half a million bales caught the market over-bought, with a resulting liquidation that has slowly driven prices down about two cents below the average of 20.30 cents, reached on the Carolina markets on September 28. To the depressing effect of this report that was considered somewhat bearish, has been added the disturbing influence of the threatened traffic tie-up, resulting in violent fluctuations and nervous movements through a range of approximately one cent.

The crop is opening very rapidly, and reports indicate that by November 1, practically all of it will be open, and most of it picked. The top crop is disappointing, and boll weevil damage in South Carolina has been even more serious than appeared probable earlier in the season. The farmers are selling quite freely on the rises that touch twenty cents, but appear reluctant to sell for less. There is some disposition to hold for higher prices, but in the main the farmers appear to feel that, in view of the economy with which the crop was made this year, they can afford to sell at anything above twenty cents.

## BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER, 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			
<b>MARYLAND</b>												
1	Baltimore.....	358	339	1,229	809	\$2,074,600	\$290,700	\$500,000	\$242,700	\$2,041,200	382.7	1
2	Cumberland.....	27	12	21	18	125,305	46,851	11,630	8,875	81,209	145.7	2
3	Frederick.....	1	1	0	0	1,300	70	0	0	1,230	1,757.1	3
<b>VIRGINIA</b>												
4	Lynchburg.....	16	4	15	6	26,425	1,075	4,300	1,800	27,850	968.7	4
5	Norfolk.....	28	72	72	6	1,495,202	232,240	37,828	6,440	1,294,350	542.3	5
6	Richmond.....	126	51	120	122	687,111	65,004	99,786	102,689	619,204	369.2	6
7	Roanoke.....	*140	*64	.....	.....	*392,315	*70,145	.....	.....	322,170	459.3	7
8	Staunton.....	3	4	3	1	6,875	1,950	1,550	1,000	5,475	185.6	8
<b>WEST VIRGINIA</b>												
9	Charleston.....	81	36	16	7	404,289	137,335	8,750	2,900	272,804	194.5	9
10	Huntington.....	*125	*82	.....	.....	*157,434	*230,147	.....	.....	72,713	31.6	10
11	Parkersburg.....	.....	.....	.....	.....	25,000	40,000	15,000	20,000	20,000	33.3	11
<b>NORTH CAROLINA</b>												
12	Asheville.....	62	44	38	14	229,406	33,860	20,312	6,285	209,572	522.0	12
13	Charlotte.....	54	22	5	5	309,495	392,650	5,000	1,800	79,955	20.3	13
14	Durham.....	35	9	8	9	53,910	36,500	5,625	5,550	17,485	41.6	14
15	Greensboro.....	42	27	19	2	296,675	54,861	15,825	7,400	250,239	401.9	15
16	High Point.....	32	*20	4	.....	62,675	*30,825	575	.....	32,425	105.2	16
17	Wilmington.....	23	12	6	8	87,200	338,000	11,100	19,000	258,700	72.5	17
18	Winston-Salem.....	57	19	80	58	133,245	49,700	21,501	13,399	91,647	145.2	18
<b>SOUTH CAROLINA</b>												
19	Charleston.....	21	22	14	12	173,302	74,394	8,405	24,780	82,533	83.2	19
20	Columbia.....	35	8	11	64	135,192	56,500	21,492	23,655	76,529	95.5	20
21	Greenville.....	38	18	26	17	114,325	102,975	12,530	15,660	8,220	6.9	21
22	Spartanburg.....	34	16	27	18	84,365	10,425	3,948	13,270	64,618	272.7	22
<b>Dist. of Columbia</b>												
23	Washington.....	369	118	162	425	1,634,600	2,740,680	207,284	857,438	1,756,174	48.8	23
<b>Totals.....</b>		<b>1707</b>	<b>1,000</b>	<b>1,876</b>	<b>1,601</b>	<b>\$8,710,306</b>	<b>\$5,036,887</b>	<b>\$1,012,441</b>	<b>\$1,374,642</b>	<b>\$3,311,218</b>	<b>51.6%</b>	

\*Includes both new and repairs.

—Denotes decrease.

Permits for new construction issued in twenty-three of the leading cities of the Fifth District during September, 1921, totaled 1,707, compared with 1,000 issued in the same cities in September, 1920, a gain this year of 707 permits, or 70.7%. Total valuation of new work provided for in September amounted to \$8,710,306, compared with \$5,036,887 for September, 1920, an increase this year of \$3,673,419, or 72.9%. Permits for alterations and repairs issued in September, 1921, totaled 1,876, compared with 1,601 in September, 1920, an increase this year of 275, or 17.2%. Total valuation for repair work in September, 1921, totaled \$1,012,441, compared with \$1,374,642 in September, 1920, a loss this year of \$362,201, or 26.3%. In combined valuation for both new work and alterations or repairs, September, 1921, witnessed a total of \$9,722,747, compared with \$6,411,529 in September, 1920, an increase this year of \$3,311,218, or 51.6%.

The record for the month is very gratifying, in that the number of permits issued for new construction is higher than was reported for any month this year except March, and that month was only 11 permits ahead of the September number. The number issued in September was greater than during any month of 1920, and greater than during any month of 1919, except June and July. The new work provided for consists chiefly of dwellings and private garages. Baltimore reports 94 two-story brick dwellings, 73 two-story frame dwellings, and 1 four-story apartment house. Lynchburg reports 8 residences. Richmond reports 50 dwellings. Charleston, W. Va., reports 42 dwellings and 1 apartment house. Durham, N. C., reports 85% of building work to be small residences. Charleston, S. C., reports most of the work there for dwellings. In the reporting cities a large number of additional dwellings are being built outside the city limits, these not showing in the permits issued by city authorities.

Business in the building material field is fairly active, and reporters write that indications are bright for the future. Lumber is in better demand than in recent months, and a rising tendency in its price is mentioned in several letters from dealers. A prominent manufacturer of hardwood mill-work reports a considerable gain in orders, especially from New England, northern New Jersey and

around New York. Builders' hardware is in demand for residence work, and brick dealers report some increase in orders. The railroads have not yet entered the market to any extent, which is said to be delaying the return to normal in building and construction material lines. Complaint against existing freight rates is heard on every side in the building material field.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage decrease in net sales during September under sales in September 1920 -----	-18.9	-12.9	-11.8	-19.8	-16.2
Percentage decrease in net sales from July 1 through September, under sales during the same three months of 1920--	-17.8	-11.7	- 6.1	-13.0	-12.7
Percentage increase in net sales during September 1921 over sales in August 1921 -----	18.4	21.4	2.3	1.0	10.3
Percentage decrease in stocks on hand at the end of September under stocks on hand at the end of September 1920--	-21.1	-13.5	-17.5	-13.8	-17.9
Percentage increase in stocks on hand at the end of September over stocks on hand at the end of August 1921-----	17.4	15.4	11.8	17.0	16.8
Percentage of average stocks on hand at the end of each month since July 1, 1921, to average monthly sales during the same three months-----	477.9	460.2	481.4	553.9	490.4
Percentage of outstanding orders at the end of September 1921 to total purchases of merchandise during the calendar year 1920-----	7.9	12.7	6.4	6.3	7.7

-- Denotes decrease.

Confidential reports received at the end of September from twenty-five of the leading department and general stores in the Fifth District show a decrease in the dollar value of sales during that month in comparison with sales during September, 1920, amounting to 16.2%, the greatest decrease reported for any month this year in comparison with the corresponding month of 1920. Sales in September of this year were 10.3% greater than sales in August, however, but this is largely a seasonal increase, as fall buying gets under way. In comparison with the cumulative sales from the first of July through the end of September, the three months this year show a decrease of 12.7% under sales during the same three months of 1920.

The selling value of stocks on hand at the end of September was 17.9% less than stocks on hand at the same time last year, but 16.8% greater than the value of stocks on hand at the end of August, 1921, a natural increase at this season of the year. The average value of stocks on hand during the three months since July 1, 1921, was 490.4% of average monthly sales during the same three months, the highest figure shown for any similar period this year, which would seem to indicate that the retailers are becoming somewhat more confident of the stability of values and are therefore gradually increasing their stocks over the low point reached last spring.

Outstanding orders for merchandise at the end of September, 1921, amounted to 7.7% of total purchases of merchandise during the calendar year 1920, but this figure is not quite as significant this season as in normal years, because retailers are buying a large part of their goods for immediate delivery and are placing as few orders for future delivery as possible.

**REPORT ON WHOLESALE TRADE.**

LINES SOLD	Net Sales in September, 1921, Compared with	
	Sales in August 1921	Sales in September 1920
Groceries (9)* -----	7.5%	—30.5%
Dry Goods (7)* -----	8.1	— 3.4
Shoes (8)* -----	— 0.5	18.5
Hardware (19)* -----	10.3	—31.4
Furniture (23)* -----	2.7	4.0
Total Averages (66)* -----	6.0%	—13.3%

\*Number of reporting firms.

The confidential reports on wholesale trade received from dealers in groceries, dry goods, boots and shoes, hardware and furniture for the month of September reflect the improved situation in the business activity of the Fifth District. All lines reported upon show increased sales over the preceding month except boots and shoes, in which line sales were practically the same in September and August. In comparison with the corresponding month of last year, the September sales show up better than any previous month in 1921, the average for all lines reported upon being only 13.3% less than September, 1920, sales. The dollar value of business done in dry goods during September, amounted to only 3.4% less than in September, 1920. Boots and shoes sales were 18.5% greater than in September, 1920, and furniture sales were 4% greater this September than last. The grocery and hardware sales probably reflect the price declines since September, 1920.

We increased the number of reporting furniture factories and jobbers during September, and the averages given herewith were made up from twenty-three reports.

The following table shows how the sixty-six wholesale firms classified their collections during September, 1921:

Lines Sold	Good	Fair	Slow	Poor	Total
Groceries -----	2	6	1	0	9
Dry Goods -----	2	5	0	0	7
Boot and Shoes -----	0	7	1	0	8
Hardware -----	2	14	2	1	19
Furniture -----	3	16	4	0	23
TOTALS -----	9	48	8	1	66

(Compiled October 17, 1921)