

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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Business during October 1921 made a favorable contrast with business during October of last year. At this season in 1920 trade was depressed and was growing more sluggish day by day, but now signs point to a gradual awakening in the business world. In October 1920 a crop holding movement, especially of cotton, was well under way, and only a limited quantity was put on the market in the face of rapidly falling prices offered for a crop that had cost more to raise than any previous one. This fall the prices have been higher than during the summer months,

and with a new crop that was made very economically the growers have been selling sufficient cotton to meet their current debts, and in some cases have been making payments on obligations carried over from last fall. Tobacco has been bringing good prices for medium and fine grades. With the improved condition of agriculture, banks have been able to liquidate some of the frozen loans that have troubled them for so many months, and to add to their reserves and strengthen their positions. Debits to Individual Account at banks in clearing house cities compare favorably with previous months and with last year, and indicate a steady improvement in the trade of the District. Clearing house figures are increasing, and business failures are less in total liabilities involved than during the corresponding month of 1920. Unemployment is still troublesome, but is better than it might be because of the increasing volume of

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construction work. The textile field is occupied on new orders, and prices have adjusted themselves sufficiently to allow a fair profit to the mills. Clothing and shoe prices have declined materially since October 19-20, and retailers are no longer faced with high priced stock for which there is no sale, as was the case last year. Food prices have declined enough since October 1920 to meet wage reductions made within the year. The tobacco manufacturers are receiving their usual orders for domestic consumption, though foreign demand is negligible. Build-

ing operations are practically equal to any previous month this year, and are more than double the operations during October 1920. Wholesale trade in groceries, dry goods, boots and shoes, hardware and furniture is fairly good, and is steadily improving, and retail trade is taking on the usual fall briskness. Collections are good on all accounts made this year, although somewhat slow on obligations carried over from 1920.

The most encouraging feature of business at present is the optimistic attitude shown on every hand. At this season last year buyers and sellers were dead-locked, the buyers insisting upon price reductions that meant losses to many merchants, and the merchants determined to secure prices that would at least pay expenses of operating their business. Each group was complaining of the other, and pessimism was the order of the day. This fall the friction seems to have disappeared with a steady increase in business.

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

ITEMS	November 2, 1921	October 5, 1921	November 5, 1920
1. Total Loans and Discounts (exclusive of rediscounts) -----	\$ 406,348,000	\$ 405,391,000	\$ 490,354,000*
2. Total Investments in Bonds and Securities -----	120,922,000	124,899,000	76,633,000**
3. Total Loans and Investments -----	527,270,000	530,290,000	566,987,000
4. Reserve Balance with Federal Reserve Bank -----	29,163,000	30,732,000	35,297,000
5. Cash in Vaults -----	13,430,000	14,089,000	18,665,000
6. Demand Deposits -----	290,629,000	287,413,000	339,645,000
7. Time Deposits -----	123,563,000	117,646,000	108,539,000
8. Discounts with Federal Reserve Bank -----	57,042,000	66,983,000	76,410,000

* Includes some miscellaneous investments.

** Government Securities only.

We give, in the table above, comparative figures showing the principal items of condition for seventy-eight identical reporting member banks, located in thirteen cities of the Fifth Reserve District, at the close of business November 2, 1921, October 5, 1921, and November 5, 1920, thus giving comparisons for the current month with the preceding month this year and the corresponding month last year. All items are comparable except numbers 1 and 2, which include different kinds of assets in 1920 and 1921.

Comparing the figures at the close of business November 2, 1921 with those of November 5, 1920, decreases are found in all items except number 7, Time Deposits, in which item there is shown an increase of \$15,024,000 or 13.8% within the year. The Time Deposit total reported for November 2, 1921 is the highest figure yet reached by the banks that furnish the weekly statements, a very striking development at a time of much unemployment and part time work. The percentages shown in all items except number seven are as follows: total Loans and Investments decreased from \$566,987,000 as of November 5, 1920 to \$527,270,000 as of November 2, 1921, a decline of 7.0%; Reserve Balance with the Federal Reserve Bank decreased from \$35,297,000 to \$29,163,000, a decline of 17.4%; Cash in Vaults decreased from \$18,665,000 to \$13,430,000, a decline of 28.0%; Demand Deposits decreased from \$339,645,000 to \$290,629,000, a decline of 14.4%; and Discounts with the Federal Reserve Bank decreased from \$76,410,000 to \$57,042,000, a decline of 25.3%.

Comparing the figures as of November 2, 1921, with those reported as of October 5, 1921, four weeks earlier this year, increases are seen in items one, six and seven, but all others show declines. Total Loans and Discounts show a small increase of two-tenths of one percent, but Demand Deposits increased 1.1% within the four weeks, and Time Deposits rose 5.0%. Total Investments in Bonds and Securities declined 3.2%; Reserve Balance with Federal Reserve Bank declined 5.1%; Cash in Vaults declined 4.7%; and Discounts with the Federal Reserve Bank declined 14.8%. In view of the declining tendency in the prices of cotton, corn, wheat and live stock during October the amount of liquidation evidenced by the figures given above is encouraging.

DEBITS TO INDIVIDUAL ACCOUNT IN CLEARING HOUSE CITIES.

CITIES	For the Weeks Ending		
	November 2, 1921	October 5, 1921	November 3, 1920
Baltimore, Md. -----	\$ 115,282,000	\$ 112,468,000	\$ 110,483,000
Charleston, S. C. -----	5,899,000	6,186,000	6,220,000
Charlotte, N. C. -----	6,565,000	6,554,000	8,206,000
Columbia, S. C. -----	5,357,000	6,591,000	6,168,000
Greenville, S. C. -----	3,700,000*	4,582,000*	-----
Huntington, W. Va. -----	6,873,000	4,393,000	5,945,000
Norfolk, Va. -----	14,827,000	15,044,000	17,044,000
Raleigh, N. C. -----	3,700,000	4,000,000	3,900,000
Richmond, Va. -----	30,033,000	28,974,000	31,108,000
Washington, D. C. -----	37,904,000	39,948,000	38,052,000
Wilmington, N. C. -----	5,482,000*	5,837,000*	-----
Totals for 9 cities -----	\$ 226,440,000	\$ 224,158,000	\$ 227,126,000
Totals for 11 cities -----	235,622,000	234,577,000	-----

* Not included in Totals for 9 cities.

Debits to Individual Account in nine clearing house centers for the week ending November 2, 1921 totaled \$226,440,000, compared with a total of \$227,126,000 reported from the same cities for the week ending November 3, 1920, a decline for the 1921 week of three-tenths of one percent. The average decline between the two dates reported by 155 leading centers for the entire United States was 1.4%, which, according to the weekly statement of the Federal Reserve Board, is the smallest decrease reported for any week since January 5. The insignificance of the decrease is partly accounted for by the fact that the week ending November 3, 1920 included a holiday, Election Day, which naturally lowered the debits for the week.

As compared with the week ending October 5, 1921, the week ending November 2, 1921 shows an increase of 1.0% in the Fifth District, a very encouraging increase in view of the fact that the payments made during the week ending October 5, 1921 included many end-of-quarter settlements that do not appear in the figures for the week ending November 2, 1921. The debits for the current month indicate a very fair volume of business transactions, and reflect the moderate revival in trade that has developed during the past two or three months.

MONTHLY CLEARINGS.

No.	CITIES	For Month of October		Increase or Decrease	Per Cent of Increase or Decrease	No.
		1921	1920			
1.	Baltimore, Md. -----	\$ 314,966,372	\$ 440,313,214	\$ 125,346,842—	28.5—	1
2.	Charleston, S. C. -----	11,043,724	14,379,405	3,335,681—	33.2—	2
3.	Charleston, W. Va. -----	16,069,181*	-----	-----	-----	3
4.	Charlotte, N. C. -----	11,745,668	12,796,248	1,050,580—	8.2—	4
5.	Columbia, S. C. -----	9,684,339	12,727,097	3,042,758—	23.9—	5
6.	Frederick, Md. -----	1,724,658	2,867,841	1,143,183—	39.9—	6
7.	Greensboro, N. C. -----	6,202,075	6,900,594	698,519—	10.1—	7
8.	Greenville, S. C. -----	7,947,272	8,780,965	833,693—	9.5—	8
9.	Hagerstown, Md. -----	2,913,325	3,193,171	279,846—	8.8—	9
10.	Huntington, W. Va. -----	6,720,549	8,796,927	2,076,378—	23.6—	10
11.	Newport News, Va. -----	1,727,697	3,231,593	1,503,896—	46.5—	11
12.	Norfolk, Va. -----	31,198,653	39,221,215	8,022,562—	20.5—	12
13.	Raleigh, N. C. -----	6,814,121	6,057,361	756,760	12.5	13
14.	Richmond, Va. -----	195,203,431	244,107,162	48,903,731—	20.0—	14
15.	Spartanburg, S. C. -----	4,361,796	4,757,431	395,635—	8.3—	15
16.	Washington, D. C. -----	76,980,875	75,775,063	1,205,812	1.6	16
Totals -----		\$ 689,234,555	\$ 883,905,287	\$ 194,670,732—	22.0—	

* 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 October 1921, together with comparative figures from fifteen of the cities for the corresponding month of 1920. The table shows the actual amount of increase or decrease in clearings in each city, and the percentage gain or loss in October 1921 compared with October 1920. An examination of the figures for the two months shows a decrease from \$883,905,287 reported for October 1920 to \$689,234,555 reported for October 1921, a decline of \$194,670,732, or 22.0%. Increases were reported this year by Raleigh and Washington, this being the second month in succession that these two cities have shown higher figures than for the corresponding month of 1920. In comparison with the corresponding month last year the decline of 22% in October 1921 under clearings for October 1920 is the lowest percentage decline shown for any month this year since February.

BUSINESS FAILURES IN THE TWELVE FEDERAL RESERVE DISTRICTS

City and District	Number		Per Cent Increase	Liabilities		Per Cent of Increase or Decrease
	1921	1920		1921	1920	
Boston, First -----	135	59	128.8	\$ 1,550,137	\$ 937,595	65.3
New York, Second -----	350	275	27.3	17,525,697	15,462,866	13.3
Philadelphia, Third -----	77	27	185.2	7,890,928	2,902,609	171.8
Cleveland, Fourth -----	177	69	156.5	2,613,018	1,933,886	35.1
Richmond, Fifth -----	109	58	87.9	1,511,141	1,644,702	8.1—
Atlanta, Sixth -----	153	38	302.6	5,271,140	613,307	759.5
Chicago, Seventh -----	230	122	88.5	5,853,226	6,259,566	6.5—
St. Louis, Eighth -----	88	47	87.2	1,117,815	1,280,507	12.7—
Minneapolis, Ninth -----	70	16	337.5	1,833,103	83,769	2,088.3
Kansas City, Tenth -----	76	41	85.4	2,000,108	775,366	158.0
Dallas, Eleventh -----	109	42	159.5	2,455,126	2,947,957	16.7
San Francisco, Twelfth -----	139	129	7.8	3,437,220	4,071,529	15.6—
Totals -----	1,713	923	85.6	\$ 53,058,659	\$ 38,913,659	36.4

We give herewith the table reported by Dun's Review, showing the number of failures in the twelve Federal Reserve Districts for October, 1921 and 1920, with percentages of increase or decrease in both the number and the aggregate liabilities involved. The report shows a percentage increase in the number of failures in the Fifth District of 87.9%, October 1921 having witnessed 109 in comparison with 58 during the corresponding month last year. The percentage increase for the United States as a whole averaged 85.6%, a slightly lower figure than for the Fifth District. In liabilities involved, the Fifth District record is much better than the national average, October 1921 totals for this District being \$1,511,141 in comparison with \$1,644,702 reported for the District in October 1920, a decrease this year of 8.1% in comparison with a national increase in liabilities of 36.4% between the same two months. All districts in the United States show increases in the number of failures during October 1921, but decreases in total liabilities are reported for four Districts, namely, Richmond, Chicago, St. Louis and San Francisco. The highest percentage increase in both the

number of failures and the total of liabilities involved is reported from the Ninth, or Minneapolis District, and the second highest increase in both number and liabilities is reported from the Sixth, or Atlanta District. The average liability per failure in October in the Fifth District was \$13,863, and in the United States was \$30,974.

LABOR—The labor situation in the Fifth District has changed little within the past month, but the changes reflect a slight increase in unemployment in the cities. The situation appears to be that the surplus labor in the country and smaller towns has gone to the larger cities in the hope of securing employment temporarily. The leading cities, that did not previously have them, are opening employment bureaus, and are making every effort to secure work for unemployed persons for at least a few days each week, to tide them over the present depressions. In the Carolinas, with the exception of the larger cities, the conditions have improved with the resumption of operations in a number of the important lumber plants, and the taking on of additional help in many kinds of manufacturing establishments. In the cities the prospect of seasonally inclement weather has tended to slow down outdoor work, street improvements, etc., which has naturally lessened the demand for labor, especially unskilled. Oyster shippers on the coast are employing a normal number of men. Tobacco manufacturers are operating full time, and are using their usual quota of workers. Coal mines are steadily increasing their output, and are therefore giving employment to more men or longer hours to the men previously employed. Railroads are taking on in certain departments some of the employees laid off several months ago. All correspondents comment freely upon the increased stability and efficiency of the workers in comparison with their attitude eighteen months or two years ago.

TEXTILES—The increased interest in cotton textiles mentioned in our Review for August and September continued through October and early November, though the new business showed a more cautious tendency than during the previous two months. Our correspondents write that uncertainty as to the outcome in Congress of the present tax and tariff legislation has retarded the developing business revival, and has brought about a hesitancy on the part of buyers to commit themselves further until these questions are settled. All of our correspondents agree that some profit is being made on the present output of the Southern textile mills, though they claim that this profit is very small. They appear to feel that the business cannot really recover its normal position until cotton prices become more definitely fixed, in order that mills can calculate what it is going to cost them to manufacture cloth and buyers can be reasonably certain that future changes will not make it possible for competitors to secure goods at a figure that would enable them to undersell the buyers who placed orders ahead for their needs. The demand in the cloth market is somewhat more active than in that of yarn, and cloth manufacturers are realizing better prices for their output. In wollens, the continued warm weather through October has delayed the fall purchasing, but the business generally has been slowly improving for the past four or five months. The quotations for raw wool, dyes and chemicals show a tendency to advance and the buyers of wools are willing to place future orders. A large woolen manufacturer writes that the industry cannot return to normal, however, until some way is worked out which will enable consumers to buy good clothing at lower prices than is now possible in the retail stores.

CLOTHING AND SHOES—The clothing stores are getting a fair amount of business at present, and are selling fall clothing at considerable reductions from last fall's prices, but at about the same prices asked for goods in the spring of 1921. The same statements apply to the retail shoe business, in which prices are practically the same as those quoted for the same quality goods last spring. Price reductions in clothing have been very uneven, some articles having declined sharply, while others have declined very little. A letter from one of the largest wholesale clothing firms in the District reports that their October business was thirty-seven percent greater than October 1920 and nine percent greater than October 1919, which was the largest October business in their history. They attribute their record business to the increase in the sales of cotton and to better prices for tobacco. They report collections reasonably good, and anticipate better business during November and December this year than they had during the same two months of 1920.

FOODS—The United States department of labor reports that retail food prices between September 15 and October 15, 1921, declined 1 percent in Richmond and Washington, but remained the same in Baltimore. For the year ending October 15, 1921, decreases were reported amounting to 24 percent in Baltimore, 22 percent in Richmond, and 20 percent in Washington. As compared with the average cost in the year 1913, the retail cost of food on October 15, 1921, showed an increase of 65 percent in Richmond, 63 percent in Washington, and 54 percent in Baltimore.

With the coming of cool weather, the business of the meat packers has picked up sharply, and they report a decided increase in their business during the past month. The oyster packers and shippers are active, and orders for their product are plentiful, but they write that the supply of oysters is limited and the quality rather poor. Wholesale prices for oysters are slightly lower than they were

in the fall of 1920. Wholesale grocers report business fair, except in the cities and towns largely dependent upon railroad and shop forces. The failure of the fruit crop in this and other nearby Districts has had a stimulating effect on the demand for vinegars, jellies, preserves, and other fruit products.

The approach of Thanksgiving and Christmas is reflected in the usual upward trend in prices for certain goods, such as turkeys, chickens, eggs, butter, etc., but prices of staples remain steady.

TOBACCO—The tobacco markets of North Carolina and Virginia were active during October, and fairly large sales were reported, but the first two weeks of November witnessed still larger sales because of better weather for the preparation of the leaf for market. The Commissioner of Agriculture of Virginia has announced through the press that 9,274,223 pounds of bright leaf were sold in Virginia during October, and says that a total of 10,972,633 pounds have been sold this season, to November 1, for an average price of \$27.17 a hundred, or more than \$3 higher than the average price realized during the corresponding period last year. During the week ending October 29, Danville market sold 1,315,371 pounds for an average of \$28.28, the highest price paid for an individual lot being 97 cents per pound. During the same week the market at Wilson handled 2,476,690 pounds, at an average of \$31.53; the Winston-Salem market sold about 1,500,000 pounds, at an average of about \$35.25; and the Martinsville market sold 57,786 pounds, at an average of \$34.24. Prices in Lynchburg during the same week varied from \$6 a hundred for common lugs to \$54 for good leaf. After the rains of about the first of November, the grades coming on the markets have improved somewhat, and better prices have been realized than those quoted above. Fancy tobaccos and wrappers are in strong demand, some of the wrappers having brought as high as \$1 per pound during the first week in November. The large amount of low grade tobacco in this year's crop, is keeping the average price down. There is a poor demand for this, but medium and fine grades are advancing steadily and buyers appear to be anxious to secure all good leaf offered.

The demand for manufactured tobacco has been as strong during October as during any earlier month this year. Our correspondents report that orders from agricultural sections have increased. Export demand continues light, most of the orders coming from Latin-America. The offering of new brands at prices lower than those for established goods continues. Supplies used in the manufacture of tobacco products are readily obtainable.

COTTON—The development in the cotton market in October were disappointing to Southern interests. The price rise that began at the end of June and continued through July and August stopped in September, and a decline commenced during the second week in October. The decline began after the Government's announcement of a crop condition of 42.2% of normal as of September 25, with an estimated production of 6,537,000 bales. As mentioned in our Review last month, it had been anticipated that a lower production forecast would be issued, and in consequence the release of the report found the market over-bought. The price fell from an average of 20.05 cents per pound during the week ending October 1 to an average of 16.63 cents for the week ending November 12. It is interesting to recall that a similar decline occurred between the corresponding dates last year, the price decreasing from 29 cents at the beginning of October to 18.5 cents for the week ending November 13, 1920. The decline began last year at the first of July, however, and was more precipitate than in 1921. There were further declines this year early in November when the Census Bureau issued its November Ginner's Report, which showed ginnings of 6,646,136 bales to November 1, this being 109,136 bales more than the estimated total production for the year as announced by the Department of Agriculture on the basis of the September 25 crop condition. All reports received by us this month indicate that the percentage of the total crop ginned before November 1 is probably the greatest on record.

In the Fifth District the crop in the southern half of South Carolina was practically a failure, due to the ravages of the boll weevil. From Columbia northward the weevil did serious damage, but a fair crop has been gathered in that section and in North Carolina. However, the scanty use of fertilizer and unseasonable weather, together with acreage reduction, were greater factors in reducing production in upper South Carolina and in North Carolina.

Some of the leading citizens of South Carolina are making vigorous efforts to distribute to all planters information in regard to successful farming under boll weevil conditions; are calling attention to the necessity for producing at home sufficient foodstuffs for family consumption and maintenance of live stock; to the importance of proper fertilization and seed selection; and to the best methods of fighting the boll weevil itself.

BUILDING OPERATIONS FOR THE MONTHS OF OCTOBER, 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	358	1,219	1,083	\$1,170,000	\$ 856,800	\$ 606,000	\$ 900,200	\$ 19,000	1.1	1
2	Cumberland.....	28	11	13	20	138,875	14,587	8,120	10,282	122,126	491.1	2
3	Frederick.....	4	1	0	2	28,435	2,400	0	1,100	24,935	712.4	3
VIRGINIA												
4	Lynchburg.....	17	1	17	8	41,650	100	36,300	8,100	69,750	850.6	4
5	Norfolk.....	71	89	39	20	214,800	230,819	55,330	45,065	5,754	2.1	5
6	Richmond.....	105	52	98	97	464,515	279,473	89,368	72,665	201,745	57.3	6
7	Roanoke.....	*170	*69			*262,318	*66,240			196,078	296.0	7
8	Staunton.....	6	1	7	0	6,890	3,000	15,300	0	19,190	639.7	8
WEST VIRGINIA												
9	Charleston.....	86	42	14	9	160,873	117,950	9,425	5,050	47,298	38.5	9
10	Huntington**.....	*153				*423,193						10
11	Parkersburg.....					25,000	15,000	15,000	15,000	10,000	33.3	11
NORTH CAROLINA												
12	Asheville.....	64	29	17	40	95,268	126,200	11,268	26,335	45,999	30.2	12
13	Charlotte.....	38	17	6	5	250,320	90,460	64,680	3,175	221,365	236.4	13
14	Durham.....	26	3	6	4	66,800	12,900	4,850	1,210	57,540	407.8	14
15	Greensboro.....	31	13	12	7	208,620	67,000	5,115	17,600	129,135	152.6	15
16	High Point.....	23	*12	9		67,550	*38,100			34,025	89.3	16
17	Wilmington.....	13	14	5	2	62,000	72,200	8,500	1,000	2,700	3.7	17
18	Winston-Salem.....	50	23	95	71	124,380	101,100	31,695	25,070	29,905	23.7	18
SOUTH CAROLINA												
19	Charleston.....	27	25	26	12	113,231	223,500	20,327	8,449	98,391	42.4	19
20	Columbia.....	27	4	96	78	80,900	54,500	36,239	42,114	20,525	21.2	20
21	Greenville.....	24	15	28	15	254,560	30,550	14,650	5,695	232,965	642.8	21
22	Spartanburg.....	58	15	24	21	77,321	40,280	4,400	15,860	25,581	45.6	22
DIST. OF COLUMBIA												
23	Washington.....	259	100	500	481	3,128,315	600,350	256,293	205,658	2,578,600	319.9	23
Totals.....		1552	894	2,231	1,975	\$7,042,621	\$3,043,509	\$1,297,435	\$1,409,628	\$3,886,919	87.3%	

*Includes both new and repairs.

—Denotes decrease.

**Huntington 1920 figures not available.

Permits for new construction issued in twenty-two of the leading cities of the Fifth District during October 1921 totaled 1,552 compared with 894 issued in the same cities in October 1920, a gain this year of 658, or 73.6%. Total valuation of new work provided for in October amounted to \$7,042,621 compared with \$3,043,509 for October 1920, an increase this year of \$3,999,112, or 131.4%. Permits for alterations and repairs issued in October 1921 totaled 2,231 compared with 1,975 in October 1920, an increase this year of 256, or 13%. Total valuation for repair work in October 1921 totaled \$1,297,435, compared with \$1,409,628 in October 1920, a loss this year of \$112,193, or 8%. In combined valuation for both new work and alterations or repairs, October 1921 witnessed a total of \$8,340,056, compared with \$4,453,137 in October 1920, an increase this year of \$3,886,919, or 87.3%.

Considering that building operations usually decrease in late summer, the record of October is gratifying. Reports indicate that most of the work provided for in October represents residence construction. Lynchburg, Virginia, reports 9 residences planned, Richmond, 56, Norfolk, 19 dwellings and one apartment house. Durham, N. C. reports 80% of its total for residences.

Our correspondents in building materials lines report good business during October. Manufacturers of hardwood say that stocks are light, and that the past thirty to sixty days has witnessed a considerable increase in the demand, with a resulting tendency toward higher prices. A large paint manufacturer writes that his year ending November 30, 1921, will show a substantial increase over the previous year's business. Crushed stone has been in very active demand for the past two months. A good year for 1922 is expected in the stone business because of increasing interest in road building and street work. Cypress lumber manufacturers tell us that the demand for their product is excellent, and one large mill reports October sales as normal plus 50%. Philadelphia is said to be the most active market at present for cypress, but large sales have been made in Richmond, Baltimore, New York, and the New England States.

REPORT ON WHOLESALE TRADE.

LINES SOLD	Net Sales in October 1921, Compared with	
	Sale in September 1921	Sales in October 1920
Groceries (57)* -----	+2.2%	-24.7%
Dry Goods (18)* -----	-7.6	+28.5
Shoes (18)* -----	+6.5	+44.2
Hardware (18)* -----	+5.2	-24.8
Furniture (13)* -----	-6.0	+44.8
Total (124)* -----	-0.2%	-3.0%

*Number of reporting firms.

The table above gives in percentage form the increase or decrease in the dollar amount of sales made in October 1921 in comparison with (1) sales in September 1921, and (2) sales in October 1920. Reports giving complete figures for the three months were received from fifty-seven wholesale grocers, eighteen wholesale dry goods firms, eighteen wholesale shoe dealers or manufacturers, eighteen hardware wholesalers or jobbers, and thirteen furniture factories, a total of one hundred and twenty-four reports. The grocers report an increase of 2.2% in sales in October in comparison with September 1921, but a decrease of 24.7% in comparison with October 1920, a decline chiefly due to price changes. In dry goods the gains and losses are reversed, October 1921 sales being reported as 7.6% under September 1921 sales, but 28.5% greater than sales in October 1920, but in October 1920 the market in dry goods was undergoing readjustment, sales that month having been 47.4% less than sales in October 1919. Sales of shoes in October 1921 were 6.5% greater than in September 1921 and 44.2% greater than in October 1920. Hardware sales were 5.2% greater in October than in September 1921, but 24.8% under sales in October 1920. Furniture sales in October 1921 fell 6.0% under September's figures, but rose 44.8% above the October 1920 totals reported by the same firms.

The reporting firms wrote us their experience with collections, and estimated them as Good, Fair, Slow or poor. One hundred and thirty-eight firms sent this data, the opinions dividing as shown in the following table:

Lines Sold	Good	Fair	Slow	Poor	Total
Groceries -----	11	36	11	5	63
Dry Goods -----	1	16	3	0	20
Shoes -----	2	16	2	0	20
Hardware -----	0	13	3	2	18
Furniture -----	4	9	4	0	17
TOTALS-----	18	90	23	7	138

The figures show that 78.3% of the reporting firms classified their collections as either Good or Fair, which is an improvement over October 1920, when these classifications represented only 63.2% of the total reports. The collections in general are good on current accounts, but many bills were carried over by the wholesalers from 1920 and the spring of 1921, and on these accounts liquidation is slow.

We call attention to the increased number of reporting firms in groceries, dry goods, and shoes included this month. The reports came from all sections of the District, and are sufficiently representative to indicate accurately the trend of conditions in the several lines. The individual reports are strictly confidential, but we may state that total sales reported for October 1921 by fifty-seven wholesale grocers amounted to \$4,379,830; sales by eighteen dry goods firms totaled \$3,023,467; sales made by eighteen shoe jobbers or manufacturers totaled \$1,935,490; sales by eighteen hardware jobbers reached \$1,224,975; and sales by thirteen furniture factories amounted to \$735,739. The grand total of sales for the one hundred and twenty-four firms was \$11,299,501, compared with sales amounting to \$11,320,716 in September 1921 and \$11,650,783 in October 1920. In view of price declines within the year, a distinctly greater volume of units of merchandise sold in October 1921 is indicated in comparison with sales in October 1920.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage decrease in net sales during October compared with October 1920...	— 5.9	— 2.4	— 1.4	—15.2	— 5.6
Percentage decrease in net sales from July 1 through October 31, compared with sales during the same four months of 1920	—14.0	— 8.8	— 4.5	—13.7	—10.5
Percentage increase in net sales during October 1921 over sales in September 1921	43.3	37.2	51.3	38.7	44.4
Percentage decrease in stocks on hand at the end of October 1921 under stocks on hand at the end of October 1920....	—18.7	—11.8	—16.3	— 9.9	—15.8
Percentage increase in stocks on hand at the end of October 1921 over stocks on hand at the end of September 1921...	2.4	4.8	0.8	6.2	2.8
Percentage of average stocks on hand at the end of each month since July 1, to average net sales each month during the same period, four months.....	431.6	427.5	437.5	534.8	449.8
Percentage of outstanding orders at the end of October 1921 to total purchases of merchandise during the year 1920...	5.6	8.9	5.3	4.6	5.7

— Denotes decrease.

Confidential reports received for October from twenty-five of the leading department stores in the Fifth Federal Reserve District show net sales 5.6% less in dollar value than sales during October 1920, but 44.4% greater than sales during September 1921. Cumulative sales from July 1 through October 31 totaled 10.5% less in dollar value than sales during the corresponding four months of 1920.

The selling value of stocks on hand at the end of October was 15.8% less than at the end of October 1920, but 2.8% greater than at the end of September, a natural increase caused by the receipt of holiday merchandise. The average value of stocks on hand at the end of each month since July 1 was 449.8% of average monthly sales during the same four months. Outstanding orders for merchandise on October 31 was 5.7% of total purchases during 1920.

Examining the individual cities, Washington shows the smallest percentage decline under October 1920, and also shows the highest record in cumulative sales since July 1, but Richmond and Baltimore both report better rates of turnover, Richmond's being the more rapid. As is to be expected, the smaller stores included under other Cities show the slowest rate of turnover, but in cumulative sales since July 1 this year these miscellaneous cities show a slightly lower decline in comparison with the corresponding four months of 1920, than is shown by the Baltimore stores.

While the majority of our correspondents report that their customers are buying essentials chiefly, several stores write that they are selling a considerable volume of luxuries. The stores have begun buying with more freedom than they did last fall and spring, having liquidated the excessive stocks with which they were caught when price declines began in the summer of 1920. The confidence with which the future is viewed is much more apparent than at any previous time during the past eighteen months. Collections are better than could reasonably be expected, in view of considerable scaling down in wages and continued unemployment of many workers.

(Compiled November 15, 1921)