

FEDERAL RESERVE BANK OF RICHMOND

General Business and Agricultural Conditions in the Fifth Federal Reserve District

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RICHMOND, VIRGINIA, DECEMBER 31, 1921

November witnessed a continued reaction against the revival of business which appeared to have set in at the end of September. Cotton declined further, the price reaching 16½ cents per pound on December 1, on the Carolina markets, resulting in limiting sales. Liquidation of debts in the cotton section, which had begun in September, was checked late in October and November, though it continued in smaller volume. Owing to the uncertain cotton market, orders for textiles came in less freely. The labor situation has improved but little since our October Review was issued. Coal production continues at a very low rate, little if any better production being reported than for the dull months of summer. Retail trade has not held up to the seasonal volume, and shows an actual decrease in comparison with that of October. Wholesale trade is sluggish, and appears to be waiting until first of the year inventories are taken before placing further orders. Building construction

CONTENTS	
Introduction	
Condition of Member Banks	
Reserve Bank Operations	
Debits to Individual Account	
Monthly Clearings	
Business Failures	
Labor	
Textiles	
Clothing and Shoes	
Coal	
Tobacco	
Cotton	
Building Operations	
Retail Trade	
Wholesale Trade	
National Summary	
Cotton Prices and Credit	

met with the usual seasonal slump, though this phase of business is holding up better than most lines.

The month of November and early December witnessed a continuation of satisfactory prices for tobacco in North Carolina and Virginia, and large sales were made during that period. Due to satisfactory returns from these tobacco sales, although the sales of cotton and other agricultural products were limited, the credit situation shows improvement in seasonal liquidation. A considerable number of member banks paid off their outside loans

and reduced their borrowings at the Federal Reserve Bank. In turn, the Federal Reserve Bank of Richmond repaid, on December 5, the remainder of its discounts with other Federal Reserve Banks, and in view of the improvement in its reserve position, on December 10 reduced its discount rate to member banks from 5½ per cent. to 5 per cent. for all classes and maturities of paper. This was the second reduction in five weeks, the rate having been lowered early in November from 6 per cent.

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

ITEMS	December 7, 1921	November 2, 1921	December 3, 1920
1. Total Loans and Discounts (exclusive of rediscounts) -----	\$ 402,788,000	\$ 406,348,000	\$ 484,328,000*
2. Total Investments in Bonds and Securities -----	117,553,000	120,922,000	76,874,000**
3. Total Loans and Investments -----	520,341,000	527,270,000	561,202,000
4. Reserve Balance with Federal Reserve Bank -----	31,402,000	29,163,000	35,099,000
5. Cash in Vaults -----	14,367,000	13,430,000	17,970,000
6. Demand Deposits -----	294,818,000	290,629,000	332,729,000
7. Time Deposits -----	120,838,000	123,563,000	108,317,000
8. Discounts with Federal Reserve Bank -----	52,010,000	57,042,000	74,743,000

* Includes some miscellaneous investments.

** Government Securities only.

In the preceding table, we give figures showing the principal items of condition for seventy-eight identical reporting member banks, located in thirteen of the leading cities of the Fifth District, at the close of business December 7, 1921, November 2, 1921, and December 3, 1920, thus affording

comparisons of the current month with the preceding month this year and the corresponding month last year. All items are comparable except items 1 and 2, which were differently calculated in 1920 and 1921.

Comparing the figures as at the close of business December 7, 1921 with those of December 3, 1920, all items show decreases within the year, excepting number 7, Time Deposits. The decreases shown in all items except number seven are as follows: Total Loans and Investments decreased from \$561,202,000 as of December 3, 1920 to \$520,341,000 as of December 7, 1921, a decline of 7.3%; Reserve Balance with the Federal Reserve Bank decreased from \$35,099,000 to \$31,402,000, a decline of 10.5%; Cash in Vaults decreased from \$17,970,000 to \$14,367,000 a decline of 20%; Demand Deposits decreased from \$332,729,000 to \$294,818,000, a decline of 11.4%; and Rediscounts with the Federal Reserve Bank decreased from \$74,743,000 to \$52,010,000, a decline of 30.4%.

Comparing the figures as of December 7, 1921 with those reported for November 2, this year, increases are noted in Reserve Balances with Federal Reserve Bank, Cash in Vaults, and Demand Deposits; decreases are shown in Total Loans and Discounts, Investments in Bonds and Securities, Time Deposits, and Rediscounts with Federal Reserve Bank. The increase in Demand Deposits and the decrease in Loans and Discounts and in Rediscounts with the Federal Reserve Bank indicate an improvement in the credit situation. This is also reflected in the weekly published statements of the Reserve Bank.

FEDERAL RESERVE BANK OPERATIONS

Between November 2, 1921 and December 7, 1921, Cash Reserves in the Federal Reserve Bank increased from \$69,373,368.62 to \$72,390,438.67, Total Bills on Hand decreased from \$103,716,454.97 to \$99,245,288.18; Federal Reserve Notes in Actual Circulation decreased from \$111,417,655 to \$110,892,215; and Total Member Bank Reserves increased from \$54,483,097.91 to \$55,544,263.82. The increases and decreases enumerated all tend to show improvement in credit condition in the District.

DEBITS TO INDIVIDUAL ACCOUNT IN CLEARING HOUSE CITIES.

CITIES	For the Weeks Ending		
	December 7, 1921	November 2, 1921	December 8, 1920
Baltimore, Md. -----	\$ 112,746,000	\$ 115,282,000	\$ 110,435,000
Charleston, S. C. -----	5,455,000	5,899,000	5,203,000
Charlotte, N. C. -----	6,365,000	6,565,000	6,886,000
Columbia, S. C. -----	5,526,000	5,357,000	5,696,000
Greenville, S. C. -----	4,181,000*	3,700,000*	-----
Huntington, W. Va. -----	5,103,000	6,873,000	6,282,000
Norfolk, Va. -----	18,978,000	14,827,000	23,017,000
Raleigh, N. C. -----	3,400,000	3,700,000	4,900,000
Richmond, Va. -----	37,319,000	30,033,000	32,890,000
Washington, D. C. -----	42,151,000	37,904,000	37,615,000
Wilmington, N. C. -----	4,939,000*	5,482,000*	-----
Totals for 9 cities -----	\$ 237,043,000	\$ 226,440,000	\$ 232,924,000
Totals for 11 cities -----	\$ 246,163,000	235,622,000	-----

* Not included in Totals for 9 cities.

Debits to Individual Account in nine clearing house centers for the week ending December 7, 1921 totaled \$237,043,000, compared with a total of \$232,924,000 reported from the same cities for the week ending December 8, 1920, an increase for the 1921 week of 1.8 per cent. The average increase reported by 153 clearing house centers for the United States between the same weeks was 1.3%. Commenting upon the combined reports from the 153 centers, the Federal Reserve Board says, "For the first time since January 8 the volume of business for the week under review (the week ending December 7, 1921) was larger than for the corresponding week in 1920, the excess being about \$109,000,000. Larger figures for the most recent week of the current year are shown for the centers on the Atlantic and on the Pacific coasts, while the cities of the interior report reduced totals."

As compared with the week ending November 2, 1921, the week ending December 7, 1921 shows an increase of 4.7%, but the increase is confined to four cities, Columbia, S. C., Norfolk, Va., Richmond, Va., and Washington, D. C.. The other five of the nine cities show smaller figures than for the corresponding week a month ago. Of the two additional cities shown in the table given herewith, Greenville, S. C, shows an increase during the month but Wilmington, N. C., reports a decrease.

MONTHLY CLEARINGS.

No.	CITIES	For Month of November		Increase or Decrease	Per Cent of Increase or Decrease	No.
		1921	1920			
1.	Baltimore, Md. -----	\$ 294,809,371	\$ 397,840,545	\$ 103,031,174—	25.9—%	1
2.	Charleston, S. C. -----	8,900,286	13,827,729	4,927,443—	35.6—	2
3.	Charleston, W. Va. -----	14,450,785*	-----	-----	-----	3
4.	Charlotte, N. C. -----	9,798,226	11,259,757	1,461,531—	13.0—	4
5.	Columbia, S. C. -----	8,662,534	11,475,320	2,812,786—	24.5—	5
6.	Frederick, Md. -----	1,670,799	2,778,181	1,107,382—	39.9—	6
7.	Greensboro, N. C. -----	5,611,125	5,460,634	150,491	2.8	7
8.	Greenville, S. C. -----	6,655,461	8,085,220	1,429,759—	17.7—	8
9.	Hagerstown, Md. -----	2,373,252	2,877,669	504,417—	17.5—	9
10.	Huntington, W. Va. -----	6,843,600	9,416,585	2,572,985—	27.3—	10
11.	Newport News, Va. -----	1,830,658	3,569,283	1,738,625—	48.7—	11
12.	Norfolk, Va. -----	32,107,478	40,602,070	8,494,592—	20.9—	12
13.	Raleigh, N. C. -----	7,806,952	5,893,037	1,913,915	32.5	13
14.	Richmond, Va. -----	194,673,454	255,141,155	60,467,701—	23.7—	14
15.	Spartanburg, S. C. -----	3,426,839	4,281,723	854,884—	20.0—	15
16.	Washington, D. C. -----	78,102,513	75,253,428	2,849,085	3.8	16
Totals -----		\$ 663,272,548	\$ 847,762,336	\$ 184,489,788—	21.8—	

* 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 November 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 November 1921 compared with November 1920. An examination of the figures for the two months shows a decrease from \$847,762,336 reported for November 1920 to \$663,272,548 reported for November 1921, a decline of \$184,489,788, or 21.8%. Increases were reported this year by Greensboro, Raleigh and Washington, this being the third month in succession that the two last named cities have shown higher figures than for the corresponding month of 1920. In comparison with the corresponding month last year the decline of 21.8% in November 1921 under clearings for November 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 -----	132	105	25.7	\$ 2,302,167	\$ 3,486,558	34.—
New York, Second -----	368	281	31.0	7,672,732	10,776,972	28.8—
Philadelphia, Third -----	102	47	117.0	2,944,372	1,010,956	191.2
Cleveland, Fourth -----	141	66	113.6	10,689,437	1,113,724	859.8
Richmond, Fifth -----	143	47	204.3	3,825,412	1,184,105	223.1
Atlanta, Sixth -----	204	90	126.7	3,711,252	1,911,992	94.1
Chicago, Seventh -----	238	125	90.4	7,651,665	3,647,520	109.8
St. Louis, Eighth -----	98	58	69.0	2,028,340	829,889	144.4
Minneapolis, Ninth -----	120	37	224.3	3,413,504	1,235,761	176.2
Kansas City, Tenth -----	100	35	185.7	2,373,700	1,582,279	50.0
Dallas, Eleventh -----	145	50	190.0	3,484,803	839,548	315.1
San Francisco, Twelfth -----	197	109	80.7	3,372,455	3,138,826	7.4
Totals -----	1,988	1,050	89.3	\$ 53,469,839	\$ 30,758,130	73.8

We give herewith a table reported by Dun's Review, showing the number of failures in the twelve Federal Reserve Districts for November, 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 204.3%, November 1921 having witnessed 143 in comparison with 47 during the corresponding month last year. The percentage increase for the United States as a whole averaged 89.3%. In liabilities involved, the Fifth District record for November 1921 shows \$3,825,412 in comparison with \$1,184,105 reported for the District in November 1920, an increase this year of 223.1% in comparison with a national increase in liabilities of 73.8% between the same two months. All districts in the United States show increases in the number of failures during November 1921, but decreases in total liabilities are reported for two Districts, namely, Boston and New York. The average liability per failure in November 1921 in the Fifth District was \$26,751, and the United States was \$26,896.

LABOR—It is difficult to compare employment conditions existing at different periods, because there is always a floating population composed of persons who do not want to work regularly. Figures on unemployment are therefore deceptive, but there is no doubt that many worthy people who desire work can not find steady employment at present. November saw no appreciable change in the number of unemployed in the Fifth District, but the approach of winter naturally increases the gravity of the situation for those who are out of work. The seasonal slump in building operations is developing, which will tend to add to the number of unemployed, but on the other hand many industrial plants are gradually taking on new workers. A tendency toward much public work is visible in a number of cities and counties in the District, and contemplated sewer construction in Richmond is expected to give employment to several hundred laborers some time in December. Two of the District's important railroads have closed their shops until after the New Year, thereby releasing several thousand men, but this shut-down is temporary and does not add seriously to the problem of unemployment. In the matter of wages, changes have been few in recent months, most industries having made adjustments early in the year, but there is a downward trend that shows itself chiefly in the wages given new employees when they are taken on. Some industries have pretty well gotten wages down to a basis in keeping with the estimated reductions in living costs, but others have only made minimum reductions in wages. The largest decreases have been made in unskilled lines and in farm labor, but salaries to workers in clerical fields, retail selling, and many other lines have been variously reduced, sometimes in salary or wage reductions and sometimes in bonus changes.

TEXTILES—The gains in orders received in the textile industry noted in September and October were not sustained during November, but the mill owners expect the slump to be temporary. The price declines in spot cotton during October and November caused buyers of textiles to withhold their orders until cotton prices are thought to be more stable. The mills are generally running full time, however, and expect a revival of trade after January inventories are taken. The Census Bureau reports that 526,610 bales of lint cotton and 53,257 bales of linters were consumed in November, an increase of 47,000 bales over October's total and 194,000 bales over consumption in November 1920. Active cotton spindlers also increased in November 616,000 over October and 2,687,000 over November 1920. A few mills are planning changes of machinery in the expectation of business recovery and a large concern selling machinery and supplies writes that sales in November were greater than in any previous month this year. The first two weeks of December bring reports that apparently point to a returning confidence in the stability of values for raw cotton and textiles.

CLOTHING AND SHOES—The retail shoe trade is good, but the clothing business is dull, this being attributed chiefly to the mild weather during the fall season. Dealers bought conservative stocks for their fall trade, but have not found ready sales for even the reduced stocks they are carrying. The price question is still unsettled, but it is slowly becoming clear that consumers will no longer pay high prices for medium class merchandise, and numerous stores are displaying reasonably satisfactory suits for thirty-five dollars to forty dollars. A very good quality overcoat can be purchased around forty dollars. High grade shoes are bringing ten to twelve dollars, though there are still some lines marked at more than these figures.

COAL—In speaking of coal production, the United States Geological Survey, in its report of December 10, says: "Production of soft coal continues to plunge downward, and during the week ending December 3 touched the lowest level reached at any time since last April. The total output, including lignite and coal coked, was approximately 7,077,000 net tons. The daily rate 1,179,000 tons—shows a decrease of 16 per cent. in comparison with the rate in the previous week. In comparison with production in late October, the decrease was 36 per cent. The present slump is in large part a reaction against the artificial stimulus lent by the apprehension of consumers over a possible stoppage of transportation. While that apprehension was felt, coal was flowing into storage. Now that it is for the moment allayed, coal is flowing out of storage. How acute is the present depression may be judged from the fact that the output of 7,077,000 tons was the smallest in any full-time week since that of April 30, when 6,984,000 tons were produced."

TOBACCO—November and early December were marked by such activity in the tobacco markets of North Carolina and Virginia that when the warehouses closed for the Christmas holidays it is estimated that three-fourths of the season's crop will have been sold. The Commissioner of Agriculture of Virginia has announced in his monthly report on sales in warehouses that a total of 50,013,556 pounds of bright tobacco have been sold in Virginia this year previous to December 1, in comparison with 35,552,763 pounds sold before the corresponding date last year. The average price in Virginia in November 1921 was \$23.49 per 100 pounds compared with \$25.36 per 100 pounds for November 1920. Less dark tobacco has been sold this year than last, but the price this year averaged \$18.59 per 100 pounds in comparison with \$8.34 last fall. Prices on medium and better grades of all kinds of tobacco are generally considered satisfactory, and on specially good lots some fancy prices have been secured, but poor grades have been low and in little demand. The markets will close about December 20 for the holidays.

COTTON—The outstanding feature of the cotton situation in November and early December was the announcement by the Department of Agriculture that the estimates of acreage and production given out during the growing period were misleading and inaccurate. The Department predicted a yield of 6,537,000 bales on the basis of the supposed crop condition on September 25, but early in December it announced the final estimate of the year, as 8,340,000 bales, an increase of 1,803,000 bales over the former estimate. Previous to this report the Ginners' Report issued by the Department of Commerce as of November 1 and November 15 showed that the year's production had been greatly under-estimated, and the decline in cotton prices which began in October continued through November. The final estimate of an 8,340,000 bale crop depressed the market approximately a cent a pound, but quotations have reacted from the low point reached, the bullish tendency in the market being based upon favorable news from England in reference to the Irish negotiation, a hope that the Disarmament Conference will help general business, and a more steady demand from American and English spinners for spot cotton. Cotton is being sold only when absolutely necessary, a reaction having come from the free selling that was done in September, when prices were around twenty cents. Various associations of cotton growers have already begun considerable agitation for another short crop in 1922.

BUILDING OPERATIONS FOR THE MONTHS OF NOVEMBER, 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.....	403	275	966	894	\$1,076,300	\$1,188,360	\$ 497,640	\$ 736,900	\$ 351,320	18.2	1
2	Cumberland.....	18	16	9	16	38,408	34,104	3,000	6,286	1,018	2.5	2
3	Frederick.....	3	4	0	2	24,600	9,330	0	400	14,870	152.8	3
VIRGINIA												
4	Lynchburg.....	9	1	17	1	17,275	10,000	19,200	100	26,375	261.1	4
5	Norfolk.....	25	41	41	32	127,500	679,561	34,907	15,515	532,669	76.6	5
6	Richmond.....	90	43	84	77	381,901	44,997	218,951	69,464	486,391	424.9	6
7	Roanoke.....	*85	*39	.....	.....	*79,682	*41,960	.....	.....	37,722	89.9	7
8	Staunton.....	0	4	6	0	0	4,585	3,790	0	795	17.3	8
WEST VIRGINIA												
9	Charleston.....	69	22	21	8	257,576	223,480	13,343	8,400	39,039	16.8	9
10	Clarksburg**	19	.....	4	.....	52,085	.....	1,425	.....	.....	.....	10
11	Huntington.....	*106	*56	.....	.....	*115,987	*64,260	.....	.....	51,727	80.5	11
12	Parkersburg.....	.....	.....	.....	.....	100,000	20,000	30,000	15,000	95,000	271.4	12
NORTH CAROLINA												
13	Asheville.....	75	11	30	27	153,019	59,900	6,015	4,390	94,744	147.4	13
14	Charlotte.....	29	10	3	3	137,216	30,000	1,725	5,000	103,941	237.0	14
15	Durham.....	35	4	7	8	86,066	175,000	4,000	4,320	89,254	49.8	15
16	Greensboro.....	28	16	10	3	63,935	224,450	4,455	23,100	182,160	72.7	16
17	High Point.....	24	*5	6	.....	42,077	*6,760	4,750	.....	40,067	592.7	17
18	Wilmington.....	15	14	4	5	61,700	70,850	22,500	5,250	8,100	10.6	18
19	Winston-Salem.....	47	10	91	46	148,410	32,191	19,720	12,041	123,898	280.1	19
SOUTH CAROLINA												
20	Charleston.....	19	18	26	26	60,250	159,250	31,345	19,600	87,255	48.8	20
21	Columbia.....	28	1	87	60	59,850	3,000	25,240	14,765	67,325	379.0	21
22	Greenville.....	31	9	10	16	61,250	9,275	2,610	9,820	44,765	234.4	22
23	Spartanburg.....	45	15	33	6	107,640	17,830	4,520	1,125	93,205	491.7	23
DIST. OF COLUMBIA												
24	Washington.....	220	59	408	347	2,009,884	273,898	318,243	192,247	1,861,982	399.4	24
Totals.....		1404	673	1,859	1,577	\$5,210,526	\$3,383,041	\$1,265,954	\$1,146,723	\$1,946,716	43.0%	

*Includes both new and repairs.

—Denotes decrease.

**Clarksburg, W. Va. not included in totals.

Building permits for new construction issued in twenty-three cities of the Fifth District during November 1921 show a seasonal decline under those issued in recent months, the number being lower than for any month this year since February. The twenty-three cities reported 1,404 permits for new work in November of this year in comparison with 673 permits in November 1920 and 1,218 permits in November 1919. These figures show a gain of 108.6% for November 1921 over 1920 and of 15.3% over 1919. The total valuation of new work in November 1921 amounted to \$5,210,526 compared with \$3,383,041 in November 1920 and \$8,907,279 in November 1919. However, it should be noted that the November 1919 figure included a \$3,000,000 tire plant at Cumberland, Md.; also that

prices of construction work were much higher in 1919 than in 1921. Because of fluctuations in the cost of building, the valuation figures are less dependable indicators of activity in building lines than the figures that show the actual number of structures provided for.

During the past two years little variation is shown in number of permits for repairs or alterations. November 1921 permits totaled 1,859 compared with 1,577 in November 1920 and 1,451 in November 1919, an increase this year of 17.9% over the corresponding month of 1920 and 28.1% over the same month of 1919. Likewise little variation is shown in the estimated cost of these repairs or alterations, the November 1921 total being \$1,265,954, the November 1920 total being \$1,146,723, and the November 1919 total being \$1,078,667.

In combined valuation for both new and repair or alteration work, November 1921 witnessed a total of \$6,476,480, compared with \$4,529,764 in November 1920, an increase this year of \$1,946,716, or 43%.

Attention is called to the addition of Clarksburg, West Virginia, to the cities sending us monthly reports of building permits and valuations, but the November 1921 figures from that city were not counted in the totals because of the absence of comparative figures for previous years.

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

	Baltimore	Richmond	Washington	Other Cities	District
Percentage decrease in net sales during November compared with November 1920 -----	-14.7	- 9.1	- 8.0	-21.6	-12.9
Percentage decrease in net sales from July 1 through November 30, compared with sales during the same five months of 1920 -----	-14.2	- 8.8	- 5.4	-15.4	-11.0
Percentage increase in net sales during November 1921 over sales in October 1921 -----	0.5	- 3.2	- 3.7	- 5.3	- 2.1
Percentage decrease in stocks on hand at the end of November 1921 under stocks on hand at the end of November 1920..	- 8.6	- 3.5	- 9.9	- 2.6	- 7.7
Percentage increase in stocks on hand at the end of November 1921 over stocks on hand at the end of October 1921.....	- 1.7	2.9	0.3	- 0.7	- 0.5
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, five months-----	407.1	418.3	420.0	523.4	429.0
Percentage of outstanding orders at the end of November 1921 to total purchases of merchandise during the year 1920 -----	4.4	7.4	3.2	3.9	4.3

— Denotes decrease.

The confidential reports received from department stores this month indicate a decreased volume of business in retail lines during November, twenty-three stores reporting sales for the month 12.9% less in dollar value than sales in the same stores during the corresponding month last year, and 2.1% less than sales during October, 1921. Normally November sales are greater than those for October, the increase last year having been 6.3%. The mild weather this year had an influence in the decrease, and considerable unemployment also prevented usual holiday shopping that normally is done in the season of the year under discussion. The decrease in sales in November under November 1920 is not particularly important, in view of price changes within the year, but the decrease in November 1921 under October 1921 signifies a subnormal volume of fall trade.

Stocks on hand in the twenty-three stores at the end of November were 7.7% less in dollar value than at the close of November 1920, and five-tenths of one per cent. less than at the end of October 1921. Outstanding orders for merchandise were very low, being only 4.3% of total purchases during the calendar year 1920. The percentage of stocks on hand at the end of each month since July 1 this year to average monthly net sales during the same five months is 429.0%, which indicates a fair rate of turn-over.

The table given herewith shows the averages for Baltimore, Richmond, Washington and Other Cities separately, together with the combined averages for the entire District.

REPORT ON WHOLESALE TRADE.

LINES SOLD	Net Sales in November, 1921, Compared with	
	Sales in October 1921	Sales in November 1920
Groceries (49)* -----	-6.3	-20.2
Dry Goods (18)* -----	-33.6	- 1.4
Shoes (18)* -----	-31.6	23.7
Hardware (17)* -----	-14.7	-19.8
Furniture (9)* -----	5.2	149.1
Total (111)* -----	-19.9%	- 7.2%

*Number of reporting firms.

The table above shows in percentage form the increase or decrease in the dollar amount of sales made in November 1921 in comparison with (1) sales in October 1921, and (2) sales in November 1920. Reports giving complete figures for the three months were received from forty-nine wholesale grocery firms, eighteen wholesale dry goods firms, eighteen wholesale shoe dealers or manufacturers, seventeen hardware wholesalers or jobbers, and nine furniture factories, a total of one hundred and eleven reports. The grocers report November sales 6.3% under sales in October 1921, and 20.2% under November 1920. In dry goods, November's business was 33.6% under October of this year, and 1.4% less than in November 1920. Shoe sales fell in November 31.6% under October sales, but rose 23.7% above sales in November 1920. Hardware sales fell 14.7% in November from October's total, and were 19.8% under sales in November 1920. Furniture sales in November increased 5.2% over sales for October, and 149.1% over sales in November 1920. The furniture business has been steadily gaining for several months, and appears to be definitely out of the slump which it suffered in the summer and fall of 1920.

The reporting firms classified their collections as follows:

Lines Sold	Good	Fair	Slow	Poor	Total
Groceries -----	7	23	10	8	48
Dry Goods -----	1	11	7	1	20
Shoes -----	1	12	5	1	19
Hardware -----	2	10	3	1	16
Furniture -----	3	6	1	1	11
Totals -----	14	62	26	12	114
October Totals -----	18	90	23	7	138

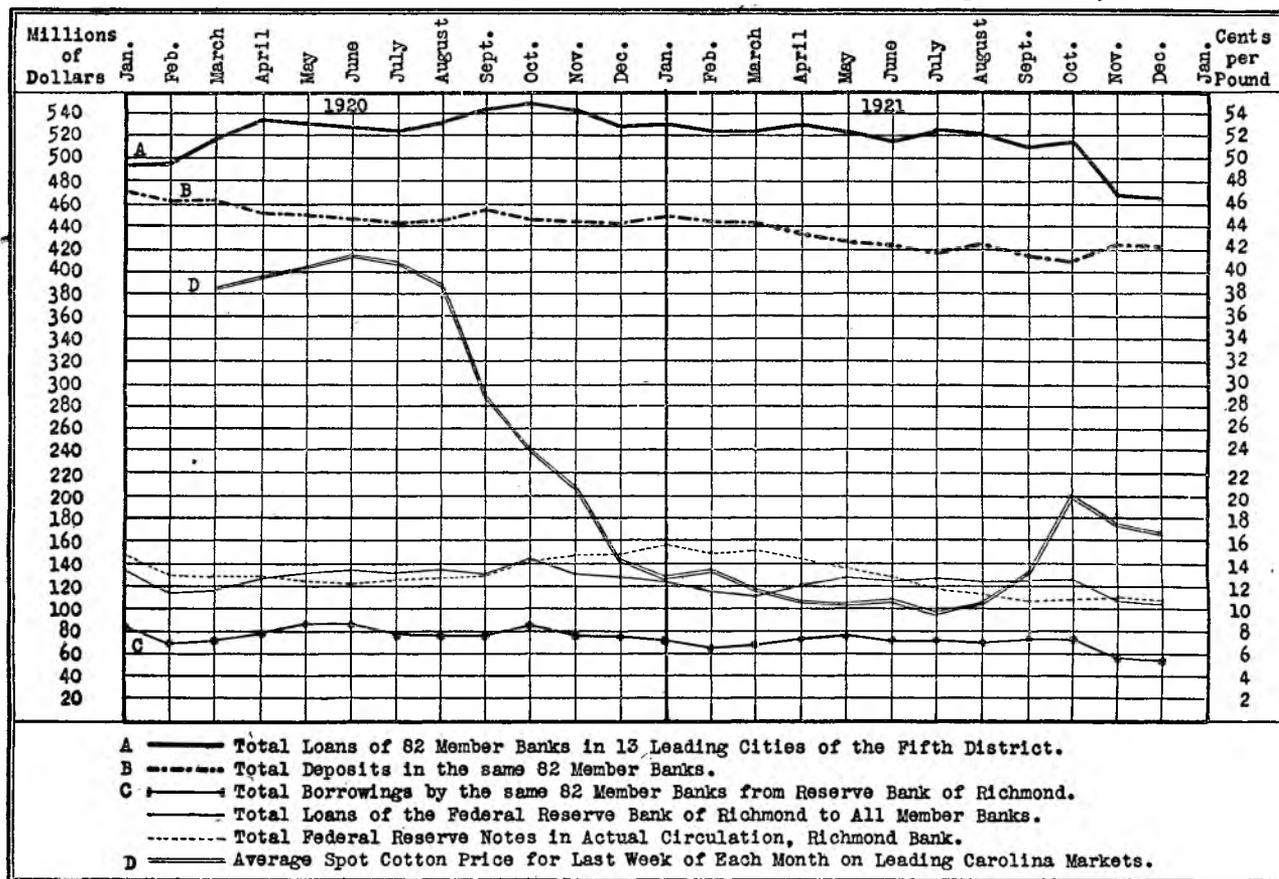
NATIONAL SUMMARY OF BUSINESS, INDUSTRY AND FINANCE, DECEMBER 1921.

(Compiled by Division of Analysis & Research, Federal Reserve Board.)

Comparison of the year-end reports with those for the corresponding month in 1920 demonstrates the continued upward movement of business and indicates general progress towards restoration of normal conditions. This is in spite of the fact that the month of December, which is normally a period of comparative slowing down or transition, indicates, as is usually the case, some recession from the higher levels of preceding autumn activity of business. Chief importance is usually assigned at the close of the year to the holiday trade, emphasis being rather on the side of distribution than on the side of production. This intensified demand serves to bring into actual use the goods produced in the earlier industrial period. The holiday trade is thus a test of the soundness of the preceding business activity. Reports from the various Federal Reserve Districts covering over half the month show that this year's demand in the Eastern Districts has registered an increase running as high as ten per cent. over that of 1920, while in other Districts the situation is pronounced satisfactory. Manufacturing lines, although slowed down because of lessened seasonal demand, generally report a fairly satisfactory condition, although a lack of forward orders still testifies to the uncertainty with which the prospects of the coming months are regarded by many firms. Freight rates continue as a disturbing factor, due to the belief that reductions already announced as affecting some commodities may be much more widely extended in the near future. The relatively lower prices which have been realized both for cereals and for cotton have proved discouraging to trade in agricultural districts, and have resulted in retarding the process of liquidating frozen loans representing past advances of credit. Wholesale prices are showing increased stability. Unemployment conditions on the whole are but little changed from those reported a month ago. A decided improvement in European exchanges has tended to some extent to help the foreign trade situation during the month of December, but the extreme caution in the extension of bank credit which was previously so notable a phase of our foreign trade still continues. Export figures indicate a still further decline of activity of staples, while imports show an advance. Disturbed conditions in various countries of Europe still render a maintenance of business relations with them uncertain and hazardous. Rates of interest which had already made a notable decline during the autumn have tended, on the whole, still further downward, partly owing to the fact that there was no foreign outlet for our capital.

(Compiled December 15, 1921)

Graphic Review of Bank Loans, Deposits, Rediscounts and Prices Of Spot Cotton, 1920-1921



Eighty-two member banks in thirteen leading cities of the Fifth District report to the Federal Reserve Bank weekly the important items in their financial statements. The resources of these banks approximate 60% of the aggregate resources of all member banks in the Fifth District, therefore a trend developed by the compilation of the statements from the reporting banks may be considered a fair "sample", and is thus representative of the general movement of banking funds. Through a reliable agency the Federal Reserve Bank is likewise supplied weekly with prices for spot cotton on principal markets in North and South Carolina. These prices are averaged and the figure thus developed may be fairly considered as representing the spot cotton price for the Carolinas, which are the leading cotton states of the Fifth District.

The accompanying chart shows the 1920-1921 trend for the above mentioned 82 member banks in leading cities recorded by curves; (A) total loans, (B) total deposits, (C) total rediscounts with Federal Reserve Bank. Curve (D) reflects the 1920-1921 trend of the average price of spot cotton on the Carolina markets, as referred to above. There is also inserted a light solid curve representing the trend of total loans by the Federal Reserve Bank to all member banks, and a light dotted curve representing the trend of total outstanding Federal Reserve Notes—these curves being determined from the official report published weekly by the Federal Reserve Bank of Richmond. The interesting comparison of the "sample" curve (C)—the trend of rediscounts with the Federal Reserve Bank by the eighty-two member banks in leading cities—with the light solid curve—the official figures on total loans by Federal Reserve Bank to all member banks—is indicative of the value and correctness of the trends herein reviewed. The chart graphically shows the fairly even course maintained during 1920-1921 in the total bank loans, total deposits, and total rediscounts with Federal Reserve Bank by the 82 member banks. Likewise the aggregate advances by the Federal Reserve Bank to all member banks have continued a comparatively even course during the two year period. The outstanding Federal Reserve Notes decreased during the first six months of 1920 and increased during the last half of that year to the highest point in January, 1921, since which time there has been a gradual and uninterrupted decline. Thus the even courses maintained in the curves representing total loans, total deposits, and total rediscounts with the Federal Reserve Bank show in sharp contrast with curve (D) reflecting spot cotton prices. The curve of cotton prices shows that the crest was reached in June, 1920, followed by a sharp break lasting through July. The more drastic decline came during later months of the year extending through December at a time when bank loans were actually increasing. The slight recovery in January, 1921 was succeeded by declines to the lowest price on July 1, when another recovery to 20¢ by October 1st is noted, followed by decreases to 16½¢ on December 10, 1921.