

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

FEBRUARY 28, 1925

The spurt in trade which developed in December led many people to expect a larger volume of business in January than materialized, but a considerable part of the dullness was due to severe weather. Retail trade suffered from an inability of shoppers to reach the stores on many days, and the dollar volume of business reported by 29 department stores fell 2.7 per cent under sales made in January 1924. Wholesale trade in January in four of six reporting lines fell below sales during the corresponding month last year, and one of the increases reported in sales was probably due to higher prices this year rather than to a larger volume of units of merchandise sold. Debits to individual accounts were less in amount than during the preceding month, but exceeded the total for January 1924. The increase, however, was less than the increase in the Department of Labor's wholesale price index. Business failures increased over those of December, a regular seasonal development, but they also exceeded those reported in January 1924 in both number and liabilities. Fewer building permits for new work were issued in January than in either December or January last year. Unemployment is probably more marked than seasonal causes alone justify. Agricultural work has been delayed by unfavorable weather.

Turning to the other side of the picture, and examining some other underlying indices of business, favorable factors show up strongly. The extremely severe weather in January adversely influenced a number of the business indicators mentioned in the preceding paragraph, but perhaps served merely to postpone trade. A large volume of construction work seems reasonably assured for the coming spring and summer, and this work will afford employment for those now involuntarily idle. Stocks of goods in both retail and wholesale houses are low, and if retail trade holds up to present levels a considerable volume of buying will have to be done. Both demand and time deposits in member banks are higher than a year ago, evidencing the large purchasing power of the public. Most of the crops of the District in 1924, while below the 1923 yields, turned out better than had been expected during the growing season and agricultural products have brought profitable prices this year, with the possible exception of cotton. The banks of the District are in a strong position and are prepared to meet any legitimate demands that appear likely to be made upon them. Taking the District as a whole, basic conditions appear to be sound, and there are no serious obstacles in the way of a satisfactory volume of business in sight at this time.

### FEDERAL RESERVE BANK OPERATIONS

The volume of member bank rediscounts held by the Federal Reserve Bank of Richmond continued to decline during the past month, dropping from \$25,484,000 on January 15th to \$22,896,000 on February 14th. Between the same dates a seasonal reduction in the volume of Federal Reserve Notes in actual circulation decreased the total outstanding from \$79,683,000 to \$76,984,000. Total reserve deposits of member banks held by this bank dropped from \$65,586,000 to \$64,255,000, and a decline from \$123,222,000 to \$121,272,000 took place in the Reserve Bank's cash reserves, both changes probably being only daily fluctuations. As a result of the several changes mentioned, the ratio of cash reserves to combined note and deposit liabilities rose from 83.03 per cent on January 15th to 84.05 per cent on February 14th.

A year ago, on February 15th, 1924, the Federal Reserve Bank of Richmond held member bank paper amounting to \$45,942,000, a little more than twice the \$22,896,000 held on February 14, 1925. Federal Reserve Notes in actual circulation in the middle of February last year totaled \$89,228,000, compared with \$76,984,000 this year. Reserve deposits of member banks rose from \$62,105,000 on February 15, 1924, to \$64,255,000 on February 14, 1925. The cash reserves of this bank increased from \$108,896,000 to \$121,272,000 during the year, and the ratio of cash reserves to combined note and deposit liabilities increased from 70.75 per cent to 84.05 per cent.

*The National Summary will be found on page 8*

## CONDITION OF SEVENTY-FOUR REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Feb. 11, 1925	Jan. 7, 1925	Feb. 13, 1924
1. Total Loans and Discounts (including all rediscounts).....	\$ 484,095,000	\$ 479,960,000	\$ 466,230,000
2. Total Investments in Bonds and Securities.....	132,750,000	134,469,000	125,287,000
3. Total Loans and Investments.....	616,845,000	614,429,000	591,517,000
4. Reserve Balance with Federal Reserve Bank.....	39,156,000	39,574,000	37,289,000
5. Cash in Vaults.....	13,659,000	15,461,000	13,342,000
6. Demand Deposits.....	376,939,000	364,201,000	346,456,000
7. Time Deposits.....	186,733,000	181,578,000	158,551,000
8. Borrowed from Federal Reserve Bank.....	7,843,000	13,250,000	24,989,000

The principal items of condition reported by seventy-four identical banks are shown in the accompanying table, figures being given as of February 11, 1925, January 7, 1925, and February 13, 1924. An opportunity is thus afforded for comparing the latest figures with those a month and a year earlier. The January 1925 figures were reported by seventy-five banks and the February 1924 figures by seventy-six banks, but the reduction in number is due to mergers among the reporting banks and therefore the figures are comparable.

During the month between January 7th and February 11th, this year, total loans to and discounts for customers increased from \$479,960,000 to \$484,095,000, while the total amount borrowed by the reporting banks from the Reserve Bank declined from \$13,250,000 to \$7,843,000, a combined asset gain of \$9,542,000. This increase in outstanding loans and decrease in Reserve Bank borrowing was made possible in part by reductions during the month in total investments in bonds and securities from \$134,469,000 to \$132,750,000; in reserve balance with the Reserve Bank from \$39,574,000 to \$39,156,000; in cash in vaults from \$15,461,000 to \$13,659,000; and by increases in demand deposits from \$364,201,000 to \$376,939,000 and in time deposits from \$181,578,000 to \$186,733,000. All of the changes noted in the figures between January 7th and February 11th were seasonal in character and did not indicate any development of importance in banking circles.

Between February 13, 1924 and February 11, 1925, total loans to customers made by the reporting banks increased from \$466,230,000 to \$484,095,000. Total investments in bonds and securities rose from \$125,287,000 to \$132,750,000. Reserve balances at the Reserve Bank increased from \$37,289,000 to \$39,156,000. Cash in vaults rose from \$13,342,000 to \$13,659,000. The volume of borrowing at the Reserve Bank declined from \$24,989,000 to \$7,843,000. All of these changes, denoting an improvement in the position of the reporting banks and totaling \$44,658,000, were made possible by increases in demand deposits from \$346,456,000 to \$376,939,000 and in time deposits from \$158,551,000 to \$186,733,000, a total gain in deposits amounting to \$58,663,000. It should be mentioned, however, that the reporting banks are located in the larger cities of the District, and the statistics used in the above discussion do not reflect conditions in country banks. Generally speaking, country banks are in a stronger position than they were a year ago, but the change has not been nearly so marked as in the city institutions.

### SAVINGS BANK DEPOSITS

Savings deposits reported by fourteen mutual savings banks in Baltimore continue to increase month by month. At the end of January 1925, total deposits in the fourteen institutions amounted to \$146,627,940, compared with \$146,163,741 a month earlier, December 31, 1924, and \$141,102,463 a year ago, January 31, 1924. On January 31, 1923 the total of deposits amounted to \$133,835,731; on January 31, 1922 to \$123,885,687; on January 31, 1921 to \$122,749,845; and on January 31, 1920 to \$118,733,466. The yearly increases since January 1920 averaged 4.33 per cent, the smallest gain having been nine tenths of one per cent in 1921 and the largest 8.03 per cent in 1922. The 1924 increase in total deposits amounted to 3.91 per cent.

### DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

In the accompanying table we show the total of all debits to individual, firm and corporation accounts—exclusive of debits to bank accounts—reported by the clearing house banks in twenty-three of the leading trade centers in the Fifth Reserve District, figures covering three periods of five weeks each being included. The totals for the five weeks ending February 11, 1925, are compared with those reported for the corresponding periods ending January 7, 1925 and February 13, 1924, thus affording an opportunity for comparing the latest five weeks for which data are available with the corresponding periods a month and a year earlier.

The five weeks ending February 11, 1925, witnessed a smaller volume of debits than the immediately preceding period, ending January 7, 1925, the decline being due to the large Christmas and first of the year payments included in the previous period. Total debits in the twenty-three reporting cities amounted to \$1,446,541,000 during the five weeks ending February 11th, compared with \$1,521,488,000 reported for the preceding period, ending on January 7th. The decrease was general throughout the District, nineteen of the twenty-three cities reporting lower figures for the later period.

In comparison with the five weeks ending February 13, 1924, when debits aggregating \$1,386,168,000 were reported, the total of \$1,446,541,000 reported for the corresponding period ending February 11th this year shows an increase of \$60,373,000, or 4.4 per cent, the increase probably being due to higher prices now

CITIES	TOTAL DEBITS FOR THE FIVE WEEKS ENDING		
	Feb. 11, 1925	Jan. 7, 1925	Feb. 13, 1924
Asheville, N. C. ....	\$ 25,117,000	\$ 26,098,000	\$ 25,840,000
Baltimore, Md. ....	441,601,000	459,531,000	430,100,000
Charleston, S. C. ....	32,134,000	37,074,000	28,458,000
Charleston, W. Va. ....	41,241,000	50,682,000	39,235,000
Charlotte, N. C. ....	52,344,000	58,531,000	52,036,000
Columbia, S. C. ....	23,684,000	23,902,000	29,227,000
Cumberland, Md. ....	9,493,000	10,109,000	9,284,000
Danville, Va. ....	13,883,000	14,976,000	14,148,000
Durham, N. C. ....	26,703,000	26,347,000	23,881,000
Greensboro, N. C. ....	25,540,000	31,281,000	27,331,000
Greenville, S. C. ....	28,891,000	30,610,000	30,170,000
Hagerstown, Md. ....	11,381,000	11,397,000	11,936,000
Huntington, W. Va. ....	32,313,000	35,879,000	29,320,000
Lynchburg, Va. ....	24,234,000	26,695,000	22,308,000
Newport News, Va. ....	8,932,000	9,471,000	8,039,000
Norfolk, Va. ....	83,873,000	97,806,000	84,527,000
Raleigh, N. C. ....	34,481,000	32,216,000	37,850,000
Richmond, Va. ....	165,477,000	160,791,000	153,071,000
Roanoke, Va. ....	28,752,000	34,501,000	26,656,000
Spartanburg, S. C. ....	13,430,000	19,985,000	14,463,000
Washington, D. C. ....	255,475,000	260,387,000	226,695,000
Wilmington, N. C. ....	23,918,000	26,070,000	24,683,000
Winston-Salem, N. C. ....	38,644,000	37,649,000	36,910,000
<b>Total</b> .....	<b>\$ 1,446,541,000</b>	<b>\$ 1,521,488,000</b>	<b>\$ 1,386,168,000</b>

prevailing in comparison with prices during the first month of 1924. Among the individual cities, fourteen reported higher figures this year while nine reported decreased totals, the largest percentage gain being 27.4 per cent reported by Spartanburg.

### BUSINESS FAILURES IN JANUARY

In eighteen of the past twenty years, business failures in January have exceeded those in the preceding December, reflecting the pressure that invariably develops in connection with annual settlements. This year insolvencies in January numbered 2,317, with liabilities totaling \$54,354,032, compared with 2,040 insolvencies in December 1924, with liabilities of \$45,279,281, an increase during January of 13.6 per cent in number and 20.0 per cent in total liabilities. In comparison with January 1924, the current month this year shows up favorably in both number of failures and total liabilities. Insolvencies in January 1924 numbered 2,108, with liabilities of \$51,272,508, compared with the 2,317 insolvencies and liabilities totaling \$54,354,032 reported for January 1925, an increase this year of 9.9 per cent in number and of 6.0 per cent in liabilities. There were fewer large defaults last month than in any previous January since 1920, but the 53 failures for \$100,000 or more in each case involved \$26,805,026 altogether, which is, with the exception of \$38,133,674 of January 1922, the largest sum reported for January in all years back to 1915.

There were 188 failures in the Fifth District during January 1925, with liabilities of \$4,029,401, compared with 152 failures and liabilities of \$2,771,624 in December 1924, and 152 failures and liabilities of \$3,505,170 in January last year. January 1925 failures exceeded those in January 1924 by 23.7 per cent in number and 15.0 per cent in liabilities, the Fifth District record for the month being worse than the national record in both number and liabilities.

**LABOR**—Unemployment has broadened considerably since the turn of the year, and there are at present a considerable number of workers who are involuntarily idle. The usual seasonal dullness in mid-winter was somewhat increased this year by exceptionally unfavorable weather that prevailed during January, which postponed the beginning of or delayed further work on many outdoor projects. The number of unemployed in the cities has been swelled by an influx of transients attempting to work their way to Florida and other Southern resorts, but there is little for such people to do. Tobacco factories in the District have laid off fewer people than usual at this season, and some of the local plants have recently increased their forces or are making plans to do so in the very near future. Textile plants are operating on a fuller time basis than a year ago, and operatives consequently have steadier employment. Agricultural labor continues scarce, but the unfavorable weather has prevented farmers doing much work recently and therefore the farm labor shortage has not been acutely felt as yet. The outlook for the future in labor circles is good, there being much construction work in prospect, and manufacturers as a whole are optimistic on future demands for their products.

**COAL**—The increased rate of bituminous coal production mentioned in our *Review* last month was not maintained during the latter half of January and the first half of February, the demand at the mines having softened distinctly. The United States Geological Survey, in its report of February 14th, says that telegraphic reports from the principal coal carrying railroads indicate that the present period of curtailment of production is not yet over. Total production of soft coal during the first 263 working days of the coal year 1924-1925 was 405,215,000 net tons, compared with the following tonnage produced in the same number of days during each of the past six years:

1918-19.....	495,469,000 tons	1921-22.....	365,164,000 tons
1919-20.....	417,776,000 tons	1922-23.....	355,396,000 tons
1920-21.....	479,363,000 tons	1923-24.....	485,943,000 tons

Revised figures on bituminous coal production in 1924, compiled by the Geological Survey, show that West Virginia produced 110,000,000 net tons, or approximately 23 per cent of the national output. West Virginia production was at the lowest point of the year in April, when 6,823,000 tons were mined, and the peak was reached with 11,520,000 tons in October. Virginia produced 10,900,000 tons and Maryland 1,720,000 tons in 1924.

**TEXTILES**—Textile mills in the Fifth Reserve District demonstrated their faith in the near future's business by consuming 241,646 bales of cotton during January 1925, compared with 231,953 bales consumed in January 1924 and 224,463 bales used in January 1923. North Carolina mills used 134,280 bales, South Carolina mills 96,459 bales, and Virginia mills 10,907 bales. The total consumption in the District during January 1925 was 59.9 per cent of total consumption in the cotton growing states and 41.0 per cent of national consumption. Most of the Southern mills are running at normal capacity, with sufficient orders to take their output as made up. Buyers continue to place orders for actual needs only, and no speculative purchasing of textiles is being done, but interest in the trade is increasing and prices are firm to higher on nearly all lines. Some shortages are reported in special lines and premiums have been paid for print cloths for spot delivery. The satisfactory way in which retail trade is being maintained adds to the confidence felt by manufacturers in making plans for spring business.

**COTTON**—In our *Review* last month we traced average weekly spot cotton prices in the Carolinas through the week ending January 17th, that week averaging 23.08 cents per pound. The following week, ending January 24th, the price remained practically unchanged at 23.05 cents, but the final week of the month witnessed a decline to 22.65 cents. The price turned upward early in February, however, and averaged 23.35 cents per pound during the week ending February 7th and 23.69 cents during the week ending February 14th, the latest period for which figures are available. The decline during the week ending January 31st was chiefly due to the influence of the Census Bureau's ginning report issued on January 23rd, which showed that the number of bales ginned prior to January 16th exceeded the estimated yield for the year, but optimistic reports of consumption and exports soon checked the decline and turned the market upward again.

On February 14th the Census Bureau released cotton consumption figures for January. The report showed 589,725 bales consumed during the month, a somewhat larger figure than had been expected by the trade, but the report had little effect upon the market, most of the advance over earlier months having been previously discounted. In January 1924 American mills used 578,468 bales. Total consumption for the season, from August 1, 1924 to January 31, 1925, amounted to 2,939,305 bales, compared with 3,087,560 bales a year ago. Cotton on hand in manufacturing establishments numbered 1,433,814 bales on January 31, 1925, compared with 1,319,265 bales on December 31, 1924 and 1,637,824 bales on January 31, 1924. Public warehouses and compresses held 3,863,475 bales at the end of January, compared with 4,623,863 bales so held a month earlier and 2,963,983 bales a year ago. Spindles active in January numbered 33,180,758, compared with 32,661,949 in December 1924 and 33,279,926 in January 1924. January imports totaled 54,822 bales, compared with 47,693 bales imported in January 1924, and exports in January amounted to 1,076,075 bales, compared with 546,853 bales sent abroad during the same month last year. Total exports during the six months ending January 31st this year numbered 5,420,751 bales, compared with 3,868,043 bales during the first half of the 1923-1924 cotton year.

On January 23rd the Census Bureau announced ginning figures prior to January 16th, and the report revealed that several states and the nation as a whole had exceeded the estimates of production made by the Department of Agriculture on December 8th. Total ginnings to January 16th amounted to 13,308,037 bales, compared with the December estimate of production of 13,153,000 bales, and ginnings last year of 9,944,032 bales before the middle of January. In detail, the report credited North Carolina with having ginned 821,937 bales compared with an expected yield of 765,000 bales, while South Carolina had ginned 821,749 bales compared with an expected yield of 750,000 bales. Virginia also exceeded expectations, ginnings totaling 34,918 bales comparing with the December estimate of 30,000 bales. Fifth District production has evidently exceeded the December estimate by at least 133,604 bales, but still falls approximately 175,000 bales short of the 1923-1924 production. South Carolina's crop this year is larger than the one of the previous year, but the yield was not evenly distributed, the Piedmont counties reporting good crops while the southern counties experienced a virtual crop failure.

**TOBACCO**—The Virginia auction markets sold 18,919,833 pounds of producers' tobacco in January, according to reports to the Commissioner of Agriculture and made public by the Agricultural Statistician. Of the total amount of tobacco sold, 9,164,778 pounds represented Bright tobacco, which brought an average price of \$20.30 per hundred pounds, compared with 9,360,008 pounds of Bright tobacco sold in January 1924 for an average of \$21.40 per hundred. The Dark markets sold 7,622,977 pounds in January, for \$19.66 per hundred, compared with 5,697,483 pounds sold at \$19.08 per hundred in January last year. Only a little Burley and Sun-cured tobacco was sold. Danville led the Bright markets in sales with 5,037,917 pounds, and Lynchburg with 2,354,837 pounds led the Dark markets. All of the Sun-cured tobacco was sold at Richmond, 1,144,845 pounds, while Abingdon sold 987,230 pounds of Burley, all of that type that was marketed. Total producers' sales to February 1st, including deliveries to the Tobacco Growers Association to January 1st, amounted to 98,238,565 pounds, compared with 104,736,277 sold or delivered to the same dates a year ago. It is estimated that 67.2 per cent of the year's crop was sold before February 1st this year in comparison with 65.8 per cent sold to the corresponding date in 1924.

Producers' sales of tobacco in North Carolina amounted to 16,591,102 pounds in January, only about 58 per cent of the 28,377,478 pounds marketed in January 1924. Season sales to February 1st amount to 225,228,900 pounds, compared with 290,386,420 pounds sold to the same date in 1924. The tobacco sold in January brought an average of \$21.13 per hundred in comparison with \$19.80 per hundred paid in January 1924. Warehousemen state that this year's crop is nearly all sold, and that January's offerings included a large amount of scrap and poor tobacco. Winston-Salem led the North Carolina markets in January with sales of 5,237,198 pounds.

### BUILDING OPERATIONS FOR THE MONTHS OF JANUARY, 1925 AND 1924.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease Total Valuation	Per Cnt of Increase or Decrease	No.
		New		Repairs		1925	1924	1925	1924			
		1925	1924	1925	1924							
1	Baltimore, Md.....	270	294	472	683	\$ 2,133,960	\$ 3,282,120	\$ 322,200	\$ 245,880	\$-1,071,840	- 30.4%	1
2	Cumberland, Md...	11	17	6	9	326,085	48,865	43,183	7,070	313,333	560.2	2
3	Frederick, Md.....	9	5	1	1	29,700	5,025	5,000	800	28,875	495.7	3
4	Hagerstown, Md....	*19		*7		*163,010		*13,375				4
5	Lynchburg, Va.....	8	17	22	18	103,225	62,642	14,315	101,658	- 46,760	- 28.5	5
6	Norfolk, Va.....	37	92	97	46	143,800	237,415	37,355	68,485	- 124,745	- 40.8	6
7	Petersburg, Va....	4	8	9	3	12,050	46,950	21,710	2,165	- 15,355	- 31.3	7
8	Richmond, Va.....	105	113	54	62	775,420	1,361,750	126,930	148,371	- 607,771	- 40.2	8
9	Roanoke, Va.....	47	67	24	21	273,125	179,375	9,020	10,864	91,906	48.3	9
10	Bluefield, W. Va..	17	14	4	5	40,400	115,490	5,050	1,700	- 71,740	- 61.2	10
11	Charleston, W. Va.	27	35	21	37	368,216	184,542	17,325	30,430	170,569	79.3	11
12	Clarksburg, W. Va	14	23	7	10	16,910	105,985	3,075	4,675	- 90,675	- 81.9	12
13	Huntington, W. Va	133	73	16	17	598,150	1,396,743	12,775	16,640	- 802,458	- 56.8	13
14	Parkersburg, W. Va	8	11	1	12	17,800	24,350	200	3,900	- 10,250	- 36.3	14
15	Asheville, N. C....	36	31	47	32	321,045	181,315	25,840	13,420	152,150	78.1	15
16	Charlotte, N. C....	30	33	15	4	567,224	1,393,955	18,290	2,475	- 810,916	- 58.1	16
17	Durham, N. C.....	9	18	4	4	53,400	92,000	4,550	7,450	- 41,500	- 41.7	17
18	Greensboro, N. C..	52	47	21	15	177,265	790,978	14,715	38,570	- 637,568	- 76.9	18
19	High Point, N. C...	30	35	4	4	60,540	54,647	4,380	1,550	8,723	15.5	19
20	Raleigh, N. C.....	35	56	8	5	578,810	198,936	10,490	11,300	379,064	180.3	20
21	Salisbury, N. C....	4	34	1	0	15,570	100,860	800	0	- 84,490	- 83.8	21
22	Wilmington, N. C..	5	11	6	2	18,800	40,000	4,250	5,550	- 22,500	- 49.4	22
23	Winston-Salem, N. C.	52	56	78	43	262,529	151,720	37,670	20,621	127,858	74.2	23
24	Charleston, S. C....	11	4	18	20	3,400	800	6,435	5,050	3,985	68.1	24
25	Columbia, S. C....	7	29	46	44	83,250	48,180	7,340	10,152	32,258	55.3	25
26	Greenville, S. C....	10	28	20	18	108,650	87,555	2,125	101,135	- 77,915	- 41.3	26
27	Spartanburg, S. C..	29	34	26	25	94,557	220,955	9,177	6,540	- 123,761	- 54.4	27
28	Washington, D. C.	199	247	75	178	4,027,925	1,255,205	241,890	717,370	2,297,240	116.5	28
	Totals.....	1,199	1,432	1,103	1,318	\$11,211,806	\$11,668,358	\$1,006,090	\$1,583,821	\$-1,034,283	- 7.8%	

\*Hagerstown figures not included in totals —Denotes decrease

NOTE-- The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments.

Both the number of permits and the estimated valuation for new construction issued in twenty-eight Fifth District cities during January fell below the number and valuations of either December 1924 or January 1924, but in view of the unfavorable weather that prevailed in January and the high number and valuation reported last year, the showing was not unsatisfactory. Permits for new work in January numbered 1,199, with estimated valuation of \$11,211,806, compared with 1,726 permits and a valuation of \$13,127,455 in December and 1,432 permits and \$11,668,358 in January last year. Alteration and repair permits totaled 1,103 in January, with estimated valuation of \$1,006,090, compared with 1,553 permits and valuation of \$1,307,122 in December, and 1,318 permits and valuation of \$1,583,821 in January 1924. Combined

valuation for all classes of work in January 1925 totaled \$12,217,896, or 7.8 per cent less than the total of \$13,252,179 reported for the corresponding month last year.

Although 1924 was a record year in construction work in the Fifth District, it does not appear that all housing needs have been met, and many plans are being considered for work to be undertaken in 1925. There is much agitation for highway improvement, and the North Carolina legislature has a \$20,000,000 road bond issue under discussion. Railroads are building up their properties, and a number of manufacturing establishments are enlarging their plants. Dealers in building materials of all kinds are optimistic on the future, and profess to expect a profitable amount of business for at least the next few months.

**AGRICULTURAL NOTES**—The weather from the first of the year to the middle of February was unfavorable for farm work, and little was done except on well drained land. The principal work has been fencing, cleaning up fields, hauling wood, etc. Bad roads in many localities have handicapped hauling.

In Virginia the greater part of the 1924 corn crop has been fed, and there is a smaller supply of corn on farms in the eastern part of the state than for a number of years. Wheat was covered with snow and consequently escaped serious damage from the December and January freezes, but the crop has made little growth and appears backward. Fall sown grasses and clovers have suffered in some sections from alternate freezing and thawing, or from excessive rain. Hay is becoming scarce in eastern counties. Preparations are being made for burning tobacco plant beds, but generally the ground has been too wet for such work. Farmers are preparing to seed the early potato crop, which will begin about March 1st. Peanuts brought good prices last year considering the quality of the crop, and it now appears likely that some farmers who took up cotton for the first time in 1924 will switch back to peanuts this year. Cattle wintered fairly well in Virginia, but the cold, wet weather caused a greater loss of lambs than usual. There is a shortage of brood sows throughout the state.

North Carolina farm work is about up to the average for this time of the year, but less plowing was done last fall than usual. Small grain is in good condition on the whole. The acreage in grain is smaller than a year ago. Seeding of spring oats is now being begun in eastern counties. Feed is scarce, especially in eastern counties, and hay and corn bring good prices.

**FIGURES ON RETAIL TRADE**  
As Indicated By Reports from Twenty-nine Representative Department Stores  
for the Month of January, 1925.

Percentage increase in net sales during January 1925, compared with January 1924:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
— 3.6	— 0.6	— 2.8	— 0.8	— 2.7
Percentage increase in net sales during January 1925, compared with average January sales during the five years 1920-1924 inclusive:				
— 7.9	27.2	2.0	2.4	0.3
Percentage increase in stocks at the end of January 1925, over stocks on January 31, 1924:				
0.5	10.9	— 5.7	— 9.0	— 2.0
Percentage increase in stocks at the end of January 1925, over stocks on December 31, 1924:				
— 5.7	— 7.6	— 8.8	— 1.9	— 6.4
Percentage of average stocks on hand at the end of January 1925 to average net sales during the same month:				
405.3	403.9	388.2	520.6	411.4
Percentage of outstanding orders at the end of January 1925, to total purchases of merchandise during the year 1924:				
6.2	6.7	7.4	7.6	6.8

— Denotes decreased percentage; other figures show gains.

Retail trade in January, as reflected by sales in twenty-nine leading department stores in the Fifth District, was 2.7 per cent less in dollar amount than in January 1924, but was 0.3 per cent greater than average January sales during the five years 1920-1924, inclusive. Reports indicate that the unfavorable weather was chiefly to blame for January's slump under sales a year ago, rain, snow and ice keeping many prospective shoppers off the streets.

Stocks on the shelves of the reporting stores at the end of January 1925 averages 2.0 per cent less in selling value than on January 31, 1924 and 6.4 per cent less than on December 31, 1924. Considering that January is seasonally a dull month, the rate of stock turnover was good, the percentage of stock on hand at the end of that month being only 411.4 per cent of net sales reported for January.

Outstanding orders for merchandise on January 31st amounted to 6.8 per cent of total merchandise purchases in 1924.

In future, current sales will be compared to average sales during the corresponding month over a five year period, 1920-1924 inclusive, instead of over a three year period as heretofore. Averages of sales during the longer period should give more accurate base figures for use in future comparisons.

**WHOLESALE TRADE**  
**January, 1925.**

Percentage increase (or decrease) in net sales in January 1925, compared with sales in December 1924:					
42 Groceries	15 Dry Goods	13 Shoes	18 Hardware	6 Furniture	13 Drugs
— 2.8	36.2	— 9.3	8.9	29.2	9.3
Percentage increase (or decrease) in net sales in January 1925, compared with sales in January 1924:					
4.6	—24.7	—19.1	— 8.3	24.2	— 2.5
Percentage increase (or decrease) in stocks on January 31, 1925, compared with December 31, 1924:					
8.5(10)	19.1(8)	4.4(6)	— 1.6(6)	16.0(3)	.....
Percentage increase (or decrease) in stocks on January 31, 1925, compared with January 31, 1924:					
17.5(9)	—22.4(8)	—12.2(6)	— 5.2(5)	—11.5(3)	.....

— Denotes decreased percentage.

NOTE:—The number of firms reporting stock figures for the dates compared is shown in parenthesis immediately after the percentage figure.

The accompanying table shows in percentage form the increase or decrease in the dollar amount of sales made in January 1925 by representative wholesale firms dealing in groceries, dry goods, shoes, hardware, furniture and drugs, in comparison with (1) sales made in December 1924, and (2) with sales in January 1924. In addition, a number of the firms reported inventory figures at the end of the several months used in the comparisons, and percentage increases or decreases in stock on hand are shown.

Dry goods, hardware, furniture and drug sales increased in January in comparison with December, while grocery and shoe sales decreased. Stocks increased in groceries, dry goods, shoes and furniture during the past month, a seasonal development following the inventory period. Hardware stocks declined slightly in January.

In comparison with January 1924, the current month this year does not show up favorably. Decreased sales this year were reported in dry goods, shoes, hardware and drugs, groceries and furniture showing the only increases. Stocks on January 31, 1925, were larger in grocery establishments, but were smaller in all other lines.

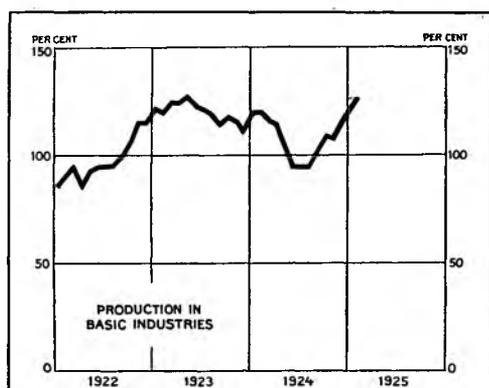
Collections continue slower than a year ago, when 82.8 per cent of the reporting firms classified collections as either *Good* or *Fair*, compared with 75.3 per cent so classifying them in January this year. Ninety-three of the reporting firms classified their collections both last year and this, the grouping made being as follows:

Lines	Good		Fair		January Collections Reported As				Total	
	1925-1924		1925-1924		Slow		Poor		1925-1924	
Groceries .....	7	11	21	21	7	4	1	0	36	36
Dry Goods .....	1	1	9	8	5	6	0	0	15	15
Shoes .....	0	0	8	8	2	3	1	0	11	11
Hardware .....	2	5	9	9	3	1	1	0	15	15
Furniture .....	1	1	3	3	2	2	0	0	6	6
Drugs .....	5	4	4	6	1	0	0	0	10	10
January Totals .....	16	22	54	55	20	16	3	0	93	93

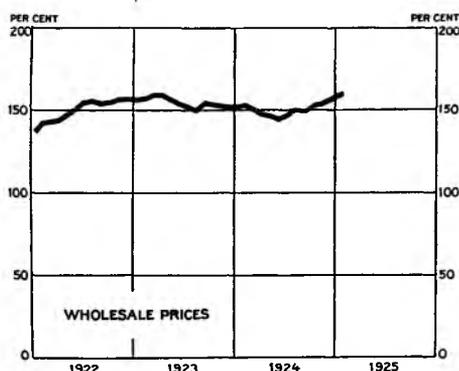
(Compiled February 20, 1925)

# BUSINESS CONDITION IN THE UNITED STATES.

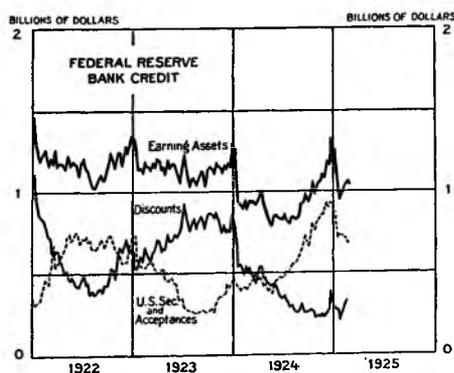
Compiled by the Federal Reserve Board



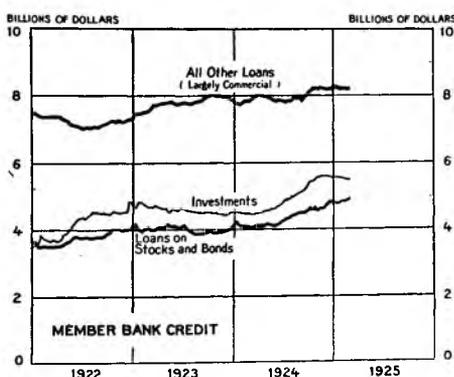
Index of 22 basic commodities corrected for seasonal variation (1919-100). Latest figure-January 12th.



Index of U. S. Bureau of Labor Statistics (1913-100, base adopted by Bureau) Latest figure-January 16th.



Weekly figures for 12 Federal Reserve banks. Latest figures, February 18th.



Weekly figures for Member Banks in 101 leading cities. Latest figures, February 11th.

Further growth in production during January carried the output of basic commodities to the highest point reached since the spring of 1923. Employment at industrial establishments increased slightly, but remained below the level of a year ago. Prices of farm products continued to advance and there were smaller increases in the wholesale prices of most of the other groups of commodities.

**PRODUCTION.** Production in basic industries, after a rapid increase in recent months, advanced 8 per cent in January and was 34 per cent above the low point of last summer. The most important factor in the increase in the level of production since August has been the greater activity in the iron and steel industry, but in January the output of lumber, minerals, food products, and paper, and the mill consumption of cotton also showed considerable increases. The woolen industry was somewhat less active in January and output of automobiles, though larger than in December, was considerably smaller than a year ago. Further increases during the month in employment in the metal, textile, and leather industries were largely offset by seasonal declines in the number employed in the building materials and food products industries. Building activity, as measured by contracts awarded, though less in January than during the closing months of 1924, was near the high level of a year ago.

**TRADE.** Railroad shipments were in record volume for this time of year, and loadings of merchandise and miscellaneous products were particularly heavy.

Wholesale trade in January, however, was slightly smaller than in December. Sales of groceries, shoes, and hardware were in smaller volume, while sales of dry goods and drugs increased. Department store sales in most districts were somewhat smaller than a year ago, but sales of mail order houses were considerably larger.

**PRICES.** Wholesale prices, as measured by the index of the Bureau of Labor Statistics, rose 2 per cent during January to the highest level in four years. The increase of 10 per cent in the index since last June represents an advance of 19 per cent in prices of agricultural commodities and 3 per cent in other commodities. In the first half of February prices of grains, wool, coal, and lead declined, while petroleum and gasoline prices advanced sharply, and cotton, silk, and rubber showed smaller increases.

**BANK CREDIT.** Loans and investments of member banks in leading cities, following the rapid growth during the last half of 1924, declined by about \$100,000,000 between the middle of January and the middle of February. This decrease represents a reduction in the holdings of investments, chiefly at banks in New York, partly offset by an increase in loans. Loans on stocks and bonds increased though less rapidly than in the latter part of 1924, while loans for commercial purposes declined slightly from the high level reached in the middle of January. Net demand deposits, owing largely to decreases at New York City banks, declined sharply from the high point reached in the middle of January.

At the Federal reserve banks the seasonal liquidation resulting from the return flow of currency from circulation came to a close by January 21 and during the following four weeks there was an increase in total earning assets. This increase reflected largely the demand for gold for export, which led member banks to increase their discounts at the reserve banks. Reserve bank holdings of United States securities declined further, while acceptances showed relatively little change for the period.

Money rates, after remaining comparatively steady during most of January, showed a firmer tendency during the early part of February, when rates for prime commercial paper advanced to 3 3/4 per cent.