

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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February trade was fully up to seasonal average in the Fifth Reserve District, and business leaders profess a high degree of optimism with regard to prospects for spring and early summer. The unfavorable weather which handicapped trade in January changed completely in February, and spring activity opened promptly. Condition reports of member banks in leading cities showed a growth in loans to customers as a result of increased agricultural and business activities, and borrowing at the Reserve Bank also rose between the middle of February and the middle of March. Demand deposits in member banks registered the usual decline at this season, but time deposits increased in both member and non-member banks, testifying to the economic well-being of the banking public. Debits to individual accounts, one of the best available indicators of business volume, were larger during the four weeks ending March 11, 1925, than during either of the corresponding periods ending February 11th this year or March 12th last year. Business failures in the Fifth District declined 5.5 per cent in number

during February in comparison with February, 1924, although liabilities involved were 6.8 per cent larger during the 1925 month. Labor is well employed for this season, and prospects for full time work a little later are unusually good. Textile mills are operating on an approximate full time schedule, and while orders for future delivery are scarce, a large volume of orders for prompt shipment are being received. Cotton prices moved upward during the past four or five weeks, and consumption and export figures continued large. Tobacco prices were good during February, considering the quality of the tobacco offered. Farmers are farther advanced with spring work than usual, and agricultural prospects appear to be quite promising except in the weevil infested sections of the cotton growing states of the District. Building operations, as indicated by permits issued for new construction, broke all previous February records during that month this year. Finally, retail trade slightly exceeded trade in February, 1924, and wholesale trade was about up to seasonal expectations in nearly all lines reported upon.

FEDERAL RESERVE BANK OPERATIONS

Seasonal needs for additional credit in connection with preparations for planting 1925 crops brought about some material changes in the principal items in the Federal Reserve Bank of Richmond's condition statement between February 14th and March 14th, both this year. Member bank borrowing from the Reserve Bank increased from \$22,896,000 to \$32,082,000 during the month, and the volume of Federal Reserve notes in actual circulation rose from \$76,984,000 to \$77,859,000. Between the same dates, member bank reserve deposits declined from \$64,255,000 to \$62,779,000. As a result of the changes in the items mentioned, the cash reserves of the Reserve Bank dropped from \$121,272,000 on February 14th to \$102,985,000 on March 14th, and the ratio of cash reserves to combined note and deposit liabilities declined from 84.05 per cent to 73.08 per cent.

Reserve Bank credit is outstanding in less volume now than a year ago in the Fifth District. On March 14, 1924, the volume of member bank paper held by the Federal Reserve Bank of Richmond amounted to \$51,835,000, compared with \$32,082,000 so held on March 14, 1925. Federal Reserve notes in actual circulation totaled \$86,054,000 on the 1924 date and \$77,859,000 this year. Member bank reserve deposits aggregated \$60,848,000 on March 14, 1924, and \$62,779,000 on March 14, 1925. The cash reserves of the Federal Reserve Bank of Richmond totaled \$96,795,000 in March last year and \$102,985,000 this year. The ratio of cash reserves to note and deposit liabilities combined was naturally lower a year ago than now, the figures being 64.39 per cent on March 14, 1924, and 73.08 per cent on March 14, 1925.

The National Summary will be found on page 8

CONDITION OF SEVENTY-THREE REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	Mar. 11, 1925	Feb. 11, 1925	Mar. 12, 1924
1. Total Loans and Discounts (including all rediscounts).....	\$ 484,658,000	\$ 484,095,000	\$ 465,145,000
2. Total Investments in Bonds and Securities.....	131,448,000	132,750,000	124,284,000
3. Total Loans and Investments.....	616,106,000	616,845,000	589,429,000
4. Reserve Balance with Federal Reserve Bank.....	38,582,000	39,156,000	35,960,000
5. Cash in Vaults.....	14,389,000	13,659,000	13,218,000
6. Demand Deposits.....	370,132,000	376,939,000	333,948,000
7. Time Deposits.....	188,167,000	186,733,000	161,097,000
8. Borrowed from Federal Reserve Bank....	11,204,000	7,843,000	30,642,000

The above table gives a comparative statement of the principal items of condition in seventy-three regularly reporting member banks, located in thirteen cities of the Fifth District, as of the close of business March 11th and February 11th, 1925, and March 12, 1924. All items in the table are comparable.

Comparing the March 11, 1925, figures with those reported a month earlier, February 11, 1925, the beginning of the usual spring expansion is shown. Item 1, Total loans and discounts (including all rediscounts), increased from \$484,095,000 on February 11th to \$484,658,000 on March 11th. Between the same two dates, Item 2, Total investments in bonds and securities, declined from \$132,750,000 to \$131,448,000; Item 4, Reserve balance with the Federal Reserve Bank, decreased from \$39,156,000 to \$38,582,000; and Item 6, Demand deposits, dropped from \$376,939,000 to \$370,132,000. All of these changes indicate an increased demand upon the banks for funds or credit during the four weeks under review, and Item 8, Borrowed from Federal Reserve Bank, with an increase from \$7,843,000 on February 11th to \$11,204,000 on March 11th, further indicates the beginning of spring activity in business and agriculture. The table shows an increase during the four weeks in Item 7, Time deposits, this figure having increased from \$186,733,000 on February 11th to \$188,167,000 on March 11th.

A comparison of the March 11, 1925, figures with those reported for March 12, 1924, shows marked improvement this year in the condition of the reporting banks. Item 1, Total loans and discounts, totaled \$484,658,000 on March 11th this year, compared with \$465,145,000 on the corresponding date in 1924, an increase of \$19,513,000. Item 2, Total investments in bonds and securities, shows an increase from \$124,284,000 so invested on March 12, 1924, to \$131,448,000 on March 11, 1925. Item 4, Reserve balance with the Federal Reserve Bank, rose from \$35,960,000 to \$38,582,000 during the year. Item 6, Demand deposits, increased from \$333,948,000 on March 12th last year to \$370,132,000 on March 11th this year, and Item 7, Time deposits, increased from \$161,097,000 to \$188,167,000 between the same two dates. Finally, Item 8, Borrowed from the Federal Reserve Bank, decreased from \$30,642,000 on March 12, 1924, to \$11,204,000 on March 11, 1925. The most striking thing shown in the table is the large gain in deposits, demand and time deposits combined having increased \$63,254,000 during the year, an increase of 12.8 per cent. The gain in deposits exceeds the increase in outstanding loans to customers by \$43,741,000.

SAVINGS BANK DEPOSITS

The Federal Reserve Bank of Richmond has tabulated deposits in fourteen mutual savings banks in Baltimore each month since January 1920, and the total on deposit on February 28, 1925, exceeded the amount reported for any other month during the period covered by the record. The fourteen banks had aggregate deposits of \$146,867,172 on February 28, 1925, compared with \$146,627,940 on January 31, 1925 and \$141,084,827 on February 29, 1924. On February 28, 1923, the same banks reported a total of \$134,045,000; on February 28, 1922 a total of \$124,282,395; on February 28, 1921 a total of \$122,742,831; and on February 29, 1920 a total of \$119,097,809. The increase between February 1920 and February 1925 amounted to 23.3 per cent, an average gain of 4.7 per cent each year.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

Debits to individual accounts reported by the banks in twenty-three leading business centers of the Fifth Reserve District during the four weeks ending March 11, 1925, amounted to \$1,176,095,000, and exceeded the total of \$1,149,664,000 reported by the same cities for the four weeks' period ending February 11, 1925, by \$26,431,000, or 2.3 per cent. Twelve of the twenty-three reporting cities showed increased figures during the more recent period, and about half of the decreases shown were very small. The most notable increase was reported by Raleigh, but much of this gain was due to transfers of State funds and did not reflect a material increase in business.

In comparison with the four weeks' period ending March 12, 1924, in which total debits amounted to

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	March 11, 1925	Feb. 11, 1925	March 12, 1924
Asheville, N. C.	\$ 19,627,000	\$ 19,781,000	\$ 18,480,000
Baltimore, Md.	353,590,000	350,936,000	343,556,000
Charleston, S. C.	26,094,000	25,640,000	22,224,000
Charleston, W. Va.	31,517,000	32,000,000	32,791,000
Charlotte, N. C.	44,884,000	41,680,000	39,219,000
Columbia, S. C.	21,223,000	18,936,000	21,163,000
Cumberland, Md.	7,746,000	7,629,000	7,686,000
Danville, Va.	8,791,000	11,338,000	8,657,000
Durham, N. C.	20,983,000	21,303,000	16,719,000
Greensboro, N. C.	21,454,000	20,652,000	20,067,000
Greenville, S. C.	24,727,000	21,876,000	23,419,000
Hagerstown, Md.	13,116,000	8,999,000	8,553,000
Huntington, W. Va.	19,850,000	25,178,000	23,707,000
Lynchburg, Va.	17,586,000	19,478,000	16,987,000
Newport News, Va.	7,025,000	7,117,000	5,986,000
Norfolk, Va.	66,238,000	66,293,000	60,701,000
Raleigh, N. C.	55,985,000	27,461,000	27,780,000
Richmond, Va.	124,409,000	132,500,000	116,831,000
Roanoke, Va.	22,899,000	23,440,000	22,082,000
Spartanburg, S. C.	15,967,000	14,344,000	11,388,000
Washington, D. C.	200,455,000	203,745,000	174,424,000
Wilmington, N. C.	21,058,000	19,005,000	18,408,000
Winston-Salem, N. C.	30,871,000	30,333,000	27,076,000
Total	\$ 1,176,095,000	\$ 1,149,664,000	\$ 1,067,904,000

\$1,067,904,000, the corresponding period this year witnessed an increase of \$108,191,000, or 10.1 per cent. All of the reporting cities except Huntington and Charleston, West Virginia, show higher figures this year, the average increase of 10.1 per cent coinciding almost exactly with the year's increase in the Federal Reserve Board's wholesale price index.

BUSINESS FAILURES IN FEBRUARY

In commenting on the business mortality record for February 1925, *Dun's Review* of March 7th says, "With the shorter month, the number of commercial failures in the United States during February not un-naturally decreased, the total being 1,793. This is 22.6 per cent below the 2,317 defaults of January, and the February liabilities of \$40,123,017 are 26.2 per cent less than the \$54,354,032 of the earlier period. Comparing the February 1925 figures with the 1,730 failures of February 1924, however, a numerical increase of 3.6 per cent is shown, while last month's indebtedness is 11.6 per cent above the \$35,942,037 of a year ago. Most of the increase in aggregate indebtedness last month, as compared with the totals for February 1924, was due to the larger amount involved by failures for \$100,000 or more in each case. These numbered 59 for \$18,551,896 altogether, against 53 such defaults a year ago for \$15,394,558."

In the Fifth District, business failures in February numbered 121, with liabilities amounting to \$3,690,398, compared with 128 failures and liabilities of \$3,456,937 in February 1924, a decrease in number of 5.5 per cent but an increase in liabilities of 6.8 per cent. In both number and total liabilities the Fifth District record for February is better than the national average.

LABOR—The demand for labor was fully up to seasonal average during February, and the number of unemployed workers did not increase, but instead probably decreased slightly. Building activities were greater than usual for that month of the year, and many jobs were begun, thus giving additional employment to all classes of men enrolled in the building trades. There is a surplus of clerical workers in the Fifth District, and a scarcity of agricultural hands and good domestic servants, but in all other lines the supply of workers and the demand for their services appear to be pretty well balanced. The industrial plants of the District operated up to seasonal average in February and early March. Relations between employers and employees are harmonious.

COAL—The production of bituminous coal declined steadily from the middle of January through the last week in February, but the decline was halted, at least temporarily, during the first week in March. Average daily production stood at 2,098,000 tons during the week ending January 10th, but declined to a daily average of 1,501,000 tons during the week ending February 28th. The week ending March 7th averaged 1,566,000 tons per day. The steady decline was due to an absence of demand, which was doubtless the result in part of mild weather prevailing during much of February and to confidence on the part of consumers in their ability to secure coal promptly without stocking. During the 1924-1925 coal year through March 7th, a total of 442,696,000 tons of bituminous coal was mined, compared with 529,173,000 tons mined dur-

ing the corresponding period of the 1923-1924 coal year. Preliminary estimates place the February 1925 production at 38,963,000 net tons, a decrease of 25 per cent under January production, but part of the February decline was due to fewer working days in that month. Retail dealers had no trouble during the winter in filling their customers' orders promptly, and prices were raised less during the cold weather than in average years.

TEXTILES—The textile industry continued to operate at approximately full time in the Fifth District during February, and sufficient orders were received to take the output of the mills. There has been some talk of restricting running time of yarn mills in certain sections as soon as orders now on hand are filled, but nothing definite has yet been decided upon. The volume of orders the mills are receiving is comparatively large, but it is practically all for prompt shipment, and the mills hesitate to make up goods for stock. Most of our correspondents among textile executives profess to be optimistic on the amount of business in sight for the next few months, but the majority of them state that profits are very small. The situation in the industry is better than it was a year ago, both in the amount of business actually being done and the prospects for future business.

During February 1925, the mills in the Fifth District consumed 219,517 bales of cotton, compared with 241,646 bales used during the longer month of January this year and 205,116 bales used in February 1924. North Carolina mills consumed 120,995 bales in February, South Carolina mills consumed 88,362 bales, and Virginia mills 10,160 bales, the total consumption in the Fifth District amounting to 58.9 per cent of consumption in cotton growing states and to 39.9 per cent of National consumption.

COTTON—Influenced by large consumption and export figures, lack of rain in the Southwest, and prospects of serious danger from boll weevils this season, cotton prices have been moving upward since the middle of February. In our *Review* last month we quoted the average price paid for spot cotton in the Carolinas during the week ending February 14th, the figure being 23.69 cents per pound, middling basis. The following week, ending February 21st, the price remained practically the same, averaging 23.67 cents, but the week ending February 28th witnessed a rise to 24.36 cents, and the first week in March averaged 25.15 cents. A slight decline occurred during the week ending March 14th, the average price dropping to 24.99 cents per pound.

On March 14th, the Census Bureau gave out cotton consumption figures for February 1925, and they were slightly higher than the trade had expected. The report showed 550,132 bales of lint consumed in February, in comparison with 589,725 bales in January this year and 508,677 bales in February last year. February 1925 contained 11.5 per cent fewer working days than January 1925 and 4.3 per cent fewer than February 1924, but cotton consumption declined only 6.7 per cent in February in comparison with January and exceeded February 1924 consumption by 8.1 per cent. Cotton on hand in consuming establishments at the end of February totaled 1,546,210 bales, compared with 1,433,814 bales on January 31, 1925, and 1,583,439 bales on February 29, 1924. There were 3,075,140 bales in public warehouses or compresses on February 28th this year, compared with 3,863,475 bales so held on January 31, 1925, and 2,497,075 bales on February 29th last year. Imports during February totaled 59,984 bales, compared with 54,822 bales in January 1925 and 48,602 bales in February 1924, and exports totaled 811,838 bales in February this year, 1,076,075 bales in January 1925, and 482,146 bales in February 1924. Exports from August 1, 1924, through February 1925 totaled 6,232,589 bales, compared with 4,350,187 bales sent abroad during the corresponding seven months ending February 29, 1924.

It is too early to form any opinion as to the acreage likely to be planted in cotton or as to crop prospects this year in the Fifth District, but there are certain factors to be noticed that probably will influence the size of this year's crop. The preparation of land for planting is well advanced for this season, but fertilizer prices are higher than last year and reports indicate that sales to date have been smaller. Conditions appear to be favorable for serious boll weevil damage this season, the winter having been so mild in the South that a large number of weevils are believed to have survived the winter. Last fall the weather was unseasonably mild, and therefore an unusually large number of young, vigorous weevils went into hibernation. With the early spring now opening up, and comparatively little really cold weather during the past winter, the danger of weevil damage is probably greater than it has been since the pest invaded the Fifth District about five years ago. Fortunately, the agricultural leaders in the cotton growing states of the District are fully alive to the danger, and are putting forth their best efforts in instructing the farmers how to combat the menace.

TOBACCO—Most of the Bright tobacco markets closed for the season during February, and the remaining ones will close during March. Auction markets sold 11,724,051 pounds of all types of tobacco in Virginia during February, for an average price of \$16.94 per hundred pounds, in comparison with 10,049,166 pounds sold in February 1924 at an average of \$17.69 per hundred pounds. The total sales for the season to March 1st, including deliveries to the Tobacco Growers' Co-operative Association, amounted to 137,922,656 pounds, which is 94.4 per cent of the estimated production for 1924-1925. Last year 142,478,823 pounds, or 89.5 per cent of the season's total sales, had been received by March 1st. Tobacco in February graded 18 per cent Good, 32 per cent Medium, and 50 per cent Common, compared with 24 per cent Good, 37 per cent Medium, and 39 per cent Common in January, and 20 per cent Good, 33 per cent Medium,

and 47 per cent Common in February 1924. Danville led all Virginia markets in 1924-1925 by a wide margin, selling 31,236,957 pounds, or 55 per cent of all Bright tobacco sold at auction in the State. South Boston came second with total sales of 8,918,719 pounds, and Lynchburg came third—and led the Dark markets—with 7,917,463 pounds. Richmond sold 3,333,265 pounds of Sun-cured tobacco, and Abingdon sold 1,839,553 pounds of Burley.

AGRICULTURAL NOTES—The weather changed for the better about the middle of February, and since that time has been quite favorable for farm work. Farmers have taken advantage of this condition, and spring work is unusually well advanced for this season of the year.

In Maryland, reports indicate that peach prospects were severely hurt by the cold weather of January, but other fruit crops have apparently escaped damage. Growers of canning tomatoes are negotiating contract prices for this year with canners, and prospects are for a larger acreage. Maryland's wheat crop passed through the winter safely. Much seed corn is low in germinating power, and farmers are being urged to test their corn carefully before planting.

Virginia's farmers are optimistic as they begin their year's work. Wheat made considerable growth during the first two weeks in March, and early sown fields are generally looking well. The stands on many late sown fields are thin. Fall sown grasses were injured during the winter, but are now beginning to improve and if the spring weather continues favorable they will make rapid recovery. Commercial growers have planted a large part of the Irish potato crop, and in a few sections sweet potato beds have been prepared. Conditions in commercial orchard sections have been favorable for pruning and spraying fruit trees. There has been some uneasiness felt owing to the warm weather which has caused fruit buds to swell. In the southern part of the State peaches, plums and pears are in bloom, and there is danger that fruit in this section may be killed by late frosts. Apple buds have not yet developed sufficiently in the commercial sections to be in much danger, however. The planting of commercial crops of green peas, onions and other truck crops has made excellent progress. Weather conditions have been unusually favorable for lambing, and a very large percentage of lambs has been saved. There is a scarcity of hogs throughout the State.

Light freezes and frost on March 16th damaged early vegetables and fruit to some extent in North Carolina, but otherwise farm prospects in that State are quite promising. Wheat, rye and barley are good in growth and stands, and oats are better than a year ago, although not up to other grains. Small grain acreage is below last year. The shortage of hay and other feed crops is now telling seriously on farms, and more than the usual amount is being purchased. Pastures are greening up nicely and earlier than usual, which should soon give some relief in the feed situation.

In South Carolina, peach, pear and plum trees are in full bloom, with no frost damage thus far. Winter grains and truck made good growth during the first half of March, and potato stands are good in the coastal trucking section. Early corn, cucumbers and beans have been planted in many sections, and farm gardens are better than for several years.

WHOLESALE TRADE February, 1925.

Percentage increase (or decrease) in sales in February 1925, compared with sales in January 1925:					
43 Groceries	15 Dry Goods	13 Shoes	18 Hardware	6 Furniture	13 Drugs
— 7.7	0.3	43.4	—13.5	—12.4	— 8.0
Percentage increase (or decrease) in sales in February 1925, compared with sales in February 1924:					
— 2.0	—20.3	— 0.5	—12.2	3.2	— 1.4
Percentage increase (or decrease) in cumulative sales since January 1st, compared with sales during the corresponding two months of 1924:					
1.3	—22.5	— 9.1	—10.2	13.4	— 2.0
Percentage increase (or decrease) in stocks on February 28, 1925, compared with January 31, 1925:					
— 0.2(10)	— 0.02(8)	— 7.4(6)	1.1(6)	— 6.4(3)	.....
Percentage increase (or decrease) in stocks on February 28, 1925, compared with February 29, 1924:					
16.7(10)	—23.3(8)	—16.1(6)	3.2(6)	—17.4(3)	.....

— Denotes decreased percentage.

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

One hundred and eight wholesale firms, representing six lines, reported on February 1925 sales in comparison with sales in January 1925 and February 1924. Increased sales were reported in comparison with January in dry goods and shoes, but groceries, hardware, furniture and drugs showed declines. There were 11.5 per cent fewer business days in February than in January, however, which probably accounts for most of the declines. In comparison with February 1924, sales in February 1925 were less in every line reported

upon except furniture, which reported a gain of 3.2 per cent, but here again a difference in the number of business days probably played a part in the decreases, February 1924 having had an extra day on account of Leap Year. Cumulative sales during January and February this year exceeded sales during the corresponding two months of 1924 in groceries and furniture, but were lower in the other lines reported upon.

Stocks decreased between January 31st and February 28th in all lines except hardware, which showed an increase of 1.1 per cent, but stocks at the end of February this year were larger than at the end of February a year ago in grocery and hardware firms.

Collections continue unusually slow. Of ninety firms classifying their collections both this year and last, only 72.2 per cent of them reported February collections as either *Good* or *Fair*, in comparison with 75.3 per cent so reporting in January this year and 84.4 per cent in February 1924.

Lines	Good		Fair		February Collections Reported As Slow		Poor		Total	
	1925-1924		1925-1924		1925-1924		1925-1924		1925-1924	
Groceries	6	12	19	18	9	3	0	1	34	34
Dry Goods.....	0	1	9	10	6	4	0	0	15	15
Shoes	0	0	8	7	3	3	0	1	11	11
Hardware	2	5	9	10	5	1	0	0	16	16
Furniture	1	1	2	2	1	1	0	0	4	4
Drugs	3	5	6	5	1	0	0	0	10	10
February Totals	12	24	53	52	25	12	0	2	90	90
January Totals.....	16	22	54	55	20	16	3	0	93	93

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

Percentage increase in February 1925 sales over sales in February 1924:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
— 1.3	15.7	2.5	4.1	2.0
Percentage increase in cumulative sales from January 1st through February over cumulative sales during the same two months in 1924:				
— 2.5	7.0	— 0.2	1.6	— 0.4
Percentage increase in February 1925 sales over average February sales during the five year period 1920-1924, inclusive:				
3.6	41.3	4.6	7.7	8.7
Percentage increase in stock on February 28, 1925, over stock on February 29, 1924:				
— 0.3	10.1	— 7.1	—10.1	— 3.1
Percentage increase in stock on February 28, 1925, over stock on January 31, 1925:				
6.9	8.8	10.1	9.0	8.3
Percentage of sales during February 1925 to average stock carried during the month:				
22.8	23.8	25.3	18.0	23.1
Percentage of sales from January 1st through February 28th to average stock carried during the two months:				
46.3	47.0	49.1	36.7	46.0
Percentage of outstanding orders on February 28th, to total purchasers of merchandise in 1924:				
6.9	7.4	6.4	10.6	7.1

— Denotes decreased percentage; other figures show gains.

Retail trade in February, as reflected by sales in twenty-nine leading department stores in the Fifth District, was 2.0 per cent greater in dollar amount than in February 1924, and was 8.7 per cent greater than average February sales during the five years 1920-1924, inclusive. Mild, clear weather during the latter half of February stimulated retail sales, and enabled merchants to regain practically all of the ground lost in January. Cumulative sales from January 1st through February 28th this year were only four-tenths of 1 per cent less than sales during the corresponding two months last year, and last year the period had an additional business day, 1924 being a Leap Year.

Stocks on hand in the reporting stores at the end of February 1925 were 3.1 per cent less valuable, measured by selling values, than a year ago, but were 8.3 per cent more valuable than on January 31, 1925, reflecting the receipt during February of much spring merchandise. Outstanding orders for merchandise at the end of February amounted to 7.1 per cent of total 1924 purchases.

An important change is made this month in the method of figuring rate of turnover. In the past we have shown the percentage of stock carried to total sales, but hereafter this figure will be discontinued, and in its place two new averages will be used. The first will show the percentage of sales each month to average stocks on hand during the same month, and the second will show the percentage of cumulative sales

from January 1st through the month reported upon to average stocks carried each month during the period covered. The average monthly stocks will be calculated by adding the figures reported at the beginning of the period to the figures reported at the end of each month, and dividing the sum by the number of figures included. For example, average stocks for January and February was found by adding the figures reported on December 31, 1924, January 31, 1925, and February 28, 1925, and dividing the sum by three. As the table shows, cumulative sales during January and February amounted to 46.0 per cent of average stocks carried during the same two months. The new figures simplify the calculation of an annual rate of turnover.

BUILDING OPERATIONS FOR THE MONTHS OF FEBRUARY, 1925 AND 1924.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease Total Valuation	Per Ccnt of Increase or Decrease	No.
		New		Repairs		1925	1924	1925	1924			
		1925	1924	1925	1924							
1	Baltimore, Md.....	449	460	579	672	\$ 3,884,640	\$ 2,780,160	\$ 404,880	\$ 565,440	\$ 943,920	28.2%	1
2	Cumberland, Md...	29	27	12	11	590,460	95,840	8,915	18,044	485,491	426.3	2
3	Frederick, Md.....	7	9	3	2	21,175	17,470	3,050	675	6,080	33.5	3
4	Hagerstown, Md...	*24	.....	*13	.....	*78,500	.....	*7,635	.....	.....	.....	4
5	Danville Va.....	*8	.....	0	.....	*48,080	.....	0	.....	.....	.....	5
6	Lynchburg, Va.....	19	21	15	29	80,065	65,065	6,630	34,752	— 13,122	— 13.1	6
7	Norfolk, Va.....	67	119	72	54	81,915	454,525	51,359	115,635	— 436,886	— 76.6	7
8	Petersburg, Va.	4	3	0	9	11,150	14,400	0	5,260	— 8,510	— 43.3	8
9	Richmond, Va.....	170	176	70	76	2,024,024	1,356,703	56,703	83,911	640,113	44.4	9
10	Roanoke, Va.....	85	119	39	44	238,500	349,828	16,559	23,346	— 118,115	— 31.7	10
11	Bluefield, W. Va...	23	26	6	10	73,775	162,700	12,300	6,935	— 83,560	— 49.3	11
12	Charleston, W. Va.	14	37	12	27	18,509	1,280,816	17,901	16,085	—1,260,491	— 97.2	12
13	Clarksburg, W. Va	17	11	8	6	35,076	29,850	6,650	13,190	— 1,314	— 3.1	13
14	Huntington, W. Va	†159	98	.....	24	†399,455	487,325	.....	12,330	— 100,200	— 20.1	14
15	Parkersburg, W.Va	25	18	5	6	78,050	35,260	3,875	4,350	42,315	106.8	15
16	Asheville, N. C.	42	44	48	64	195,840	233,516	43,950	28,620	— 22,346	— 8.5	16
17	Charlotte, N. C.	55	48	6	14	1,134,170	354,865	5,705	33,325	751,685	193.6	17
18	Durham, N. C.	21	24	6	2	76,250	308,150	20,300	1,256	— 212,856	— 68.8	18
19	Greensboro, N. C.	56	34	31	25	157,312	89,860	48,190	44,460	71,182	53.0	19
20	High Point, N. C....	68	47	0	6	131,065	140,166	0	1,350	— 10,451	— 7.4	20
21	Raleigh, N. C.....	58	44	15	0	187,724	92,300	19,200	0	114,624	124.2	21
22	Salisbury, N. C.	24	20	9	0	175,615	41,925	24,600	0	158,290	377.6	22
23	Wilmington, N. C.	7	9	5	2	38,575	19,200	2,350	2,800	18,925	86.0	23
24	Winston-Salem, N. C.	62	75	82	57	591,265	302,839	27,115	36,625	278,916	82.2	24
25	Charleston, S. C. ...	9	5	23	12	6,775	7,040	6,056	5,490	301	2.4	25
26	Columbia, S. C.	14	24	55	45	46,750	78,283	8,789	4,635	— 27,379	— 33.0	26
27	Greenville, S. C....	12	21	10	12	83,805	74,275	12,280	4,965	16,845	21.3	27
28	Spartanburg, S. C.	20	24	24	17	76,600	94,475	10,860	7,685	— 14,700	— 14.4	28
29	Washington, D. C.	557	172	169	306	4,777,550	2,031,400	119,241	264,819	2,600,572	113.3	29
	Totals.....	2,073	1,715	1,304	1,532	\$15,216,090	\$10,998,236	\$937,458	\$1,335,983	\$ 3,819,329	31.0%	

*Hagerstown and Danville figures not included in totals —Denotes decrease

†Includes both new work and repairs

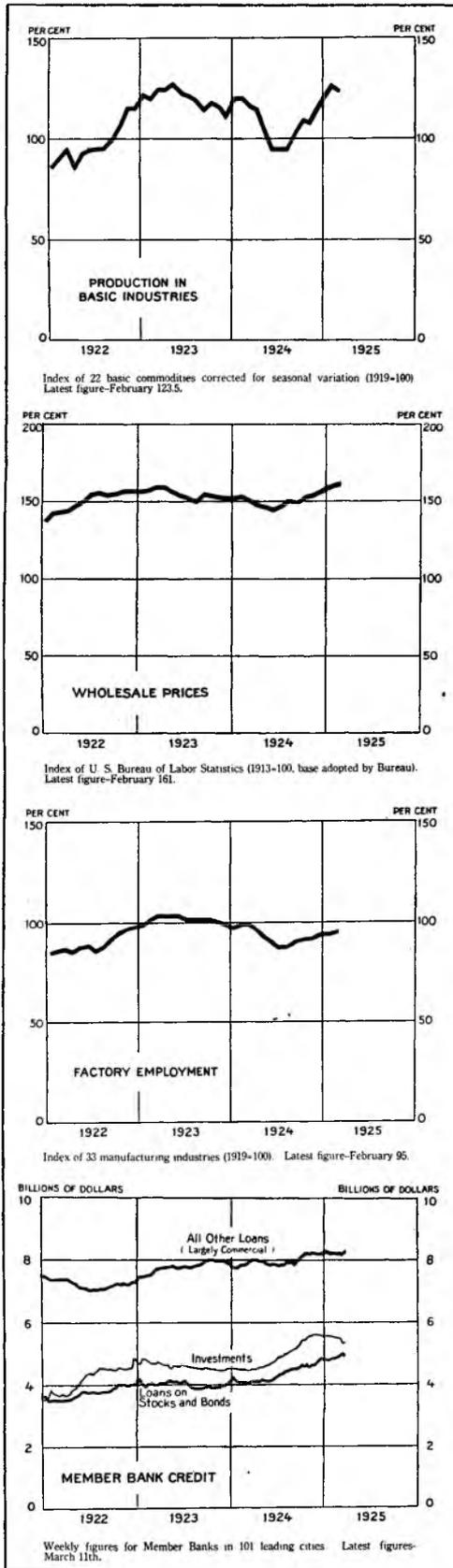
NOTE-- The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments.

The total number of permits for new construction issued in twenty-seven Fifth District cities during February was greater than the number issued during any other February on record, and the estimated valuation of the proposed work was also very large. The twenty-seven reporting cities issued 2,073 permits for new work, estimated to cost \$15,216,090, in February, compared with 1,715 permits and a valuation of \$10,998,236 issued in the same cities in February 1924, an increase this year of 20.9 per cent in the number of permits and 38.4 per cent in total valuation for new construction. More than 2,073 new buildings are provided for in the permits issued, many of them including several buildings under a single permit. In alteration and repair work, February 1925 witnessed 1,304 permits, valued at \$937,458, compared with 1,532 permits and a valuation of \$1,335,983 issued in February last year. Combined valuation for all types of work amounted to \$16,153,548 in February 1925 and \$12,334,219 in February 1924, an increase of \$3,819,329, or 31.0 per cent, during the 1925 month. Fourteen of the twenty-seven cities reported higher valuation figures in February 1925 than in February 1924, Cumberland, Parkersburg, Charlotte, Raleigh, Salisbury and Washington showing gains of more than 100 per cent. Cumberland led in percentage gain in valuation, while Washington reported a very large increase in the number of permits issued.

(Compiled March 20, 1925)

BUSINESS CONDITION IN THE UNITED STATES.

Compiled by the Federal Reserve Board



Production in basic industries declined in February from the high rate of output in January, but continued above the level of a year ago. Notwithstanding a decline in prices of agricultural commodities, the average of wholesale prices rose slightly owing to a further advance in prices of certain other commodities.

PRODUCTION. The Federal Reserve Board's index of production in 22 basic industries, which is adjusted to allow for differences in the number of working days and for seasonal variations, declined 3 per cent in February, but continued to be higher than at any time since the peak reached in May 1923. Average daily output of iron and steel was exceptionally heavy, and copper production per day was the largest since 1918. There was a slight decline in activity in the woolen industry, and more considerable reductions in the output of lumber, cement, bituminous coal, and crude petroleum. Production of automobiles increased 19 per cent in February, the largest monthly increase in nearly two years, but the output was still over 25 per cent smaller than a year ago. Factory employment increased by about 2 per cent in February, considerable increases being reported for the automobile, iron and steel, and clothing industries, while the number of workers in the packing and cement industries declined. Earnings of industrial workers in February were larger than in January, reflecting in part the resumption of full-time work after the inventory period.

Reports of the Department of Agriculture of intentions to plant in 1925 indicate that the acreage of practically all grains and of tobacco will be larger, and that of white potatoes smaller than in 1924.

TRADE. Total railroad freight movements continued at approximately the same daily rate in February as in January, and shipments of merchandise increased in recent weeks and were much larger than a year ago. Wholesale and retail sales were smaller during February than a year ago, owing partly to the fact that this year February had one less business day. Department store sales were 1 per cent smaller in February than in the corresponding month of 1924. Wholesale trade in all lines, except meats and hardware, was less than a year ago, and showed in February about the usual seasonal changes. Sales of groceries, meats, and drugs decreased, while sales of dry goods and shoes increased.

PRICES. The slight rise in the wholesale price index of the Bureau of Labor Statistics was due to advances in the fuel and lighting group, largely in petroleum, and in building materials, while prices of all the other commodity groups declined. In the first three weeks of March prices of hogs, cotton goods, and rubber increased, while prices of many other commodities decreased, the largest decreases being those for wheat and other grains.

BANK CREDIT. Loans of member banks in principal cities continued to increase between the middle of February and the middle of March, and on March 11th were larger than at any time in the past four years. The volume of loans for commercial purposes has been at a high and almost constant level since last autumn, and loans on stocks and bonds, which have increased continuously since the summer of 1924, reached in March the largest amount on record. Increases in loans were accompanied by further reduction in the holdings of securities, particularly at banks in the financial centers.

At the reserve banks demand for credit increased between the end of January and the middle of March, chiefly as the result of the export demand for gold and the growth in domestic currency requirements, with the consequence that earning assets increased. After March 15th, however, temporary abundance of funds arising out of Treasury operations resulted in a sharp reduction in member bank borrowings.

Somewhat firmer conditions in the money market in the latter part of February and the early weeks of March were indicated by a rise of the rate on 4-6 months prime commercial paper from 3 1/4 to 4 per cent.