

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

MAY 31, 1925

The business outlook is probably less favorable at the end of May than it was a month earlier this year, but it is better than at the same time last year. The chief changes during the past month were in the textile industry and in agriculture, in which expected improvement did not materialize. Textile mills have begun to accumulate more stock than they think desirable, and curtailment of operations is being widely advocated, while dry weather in April and unseasonably cool weather in May retarded crop development and partly neutralized the advantages the farmers had secured from early preparation of land for planting. Farm labor is scarce and high, fertilizer prices are higher than a year ago, and farmers are comparatively short of working capital, all of which tends to make the agricultural outlook uncertain. Farm work is from ten days to two weeks ahead of last year, however, and favorable weather could overcome the ill effects of the recent dry and cool weather.

Favorable factors are not lacking in the present situation. Banks are in a strong position, generally speaking, and credit is available for any legitimate

needs that appear likely to arise. Debits to individual accounts are running ahead of 1924, indicating that a large volume of trade is being done. Business failures in the Fifth District were fewer in number and lower in liabilities in April than in April last year. The labor supply and demand is practically balanced, except in agricultural lines where the shortage of workers is less marked than in 1924. Cotton consumption and exports continue larger than in 1924, and there will be no disturbingly large carryover into the new cotton year which begins on August 1st. Prospects for this year's tobacco crop are good. Retail trade in April exceeded the volume of trade in April 1924, in spite of the earlier Easter this year, and stocks on the shelves are comparatively low. Wholesale trade during the first four months this year exceeded trade during the same period in 1924 in groceries, furniture and drugs, but declined in dry goods, shoes and hardware. Finally, construction work is holding up remarkably well, and the number of projects under way and planned assure employment in the building trades and good business for building supply dealers for some months to come.

FEDERAL RESERVE BANK OPERATIONS

Between April 15th and May 15th, this year, the demand for credit at the Federal Reserve Bank of Richmond increased seasonally, due to crop planting. The volume of member bank borrowing at the Reserve Bank rose from \$40,652,000 on April 15th to \$46,201,000 on May 15th, and member bank reserve deposits were reduced during the same period from \$66,266,000 to \$60,824,000. The volume of Federal Reserve notes in actual circulation decreased from \$75,356,000 on April 15th to \$73,352,000 on May 15th, the need at this season being for book credit rather than currency. As a result of the changes in the items mentioned, the cash reserves of the Federal Reserve Bank of Richmond dropped from \$94,039,000 on April 15th to \$83,684,000 on May 15th, and the ratio of cash reserves to combined note and deposit liabilities declined from 64.90 per cent to 60.77 per cent.

Although the spring expansion in the demand for credit was much more marked this year in the Fifth District than was the case in the spring of 1924, the volume of credit outstanding at the Federal Reserve Bank of Richmond is smaller now than on May 15, 1924, an apparently paradoxical condition made possible by the low point to which credit demand sank in midwinter. On May 15, 1924, member bank borrowing at the Federal Reserve Bank of Richmond totaled \$58,223,000, compared with \$46,201,000 on May 15th this year. Member bank reserve deposits rose from \$60,601,000 to \$60,824,000 during the year, and the cash reserves of the Federal Reserve Bank of Richmond increased from \$83,397,000 to \$83,684,000, both gains being little more than daily fluctuations. The ratio of cash reserves to note and deposit liabilities combined rose from 59.15 per cent on May 15th last year to 60.77 per cent on the same date this year. Between February 15th and May 15th, this year, member bank borrowing at the Federal Reserve Bank of Richmond rose approximately \$23,000,000, and the Reserve Bank's reserve ratio declined 23.88 points, while between the same two dates in 1924 member bank borrowing increased only \$12,000,000 and the reserve ratio declined only 11.60 points. Outstanding loans to member banks a little more than doubled between February 15th and May 15th this year.

CONDITION OF SEVENTY-THREE REPORTING MEMBER BANKS IN SELECTED CITIES

| ITEMS | May 13, 1925 | April 8, 1925 | May 14, 1924 |
|---|----------------|----------------|----------------|
| 1. Total Loans and Discounts (including all rediscounts)..... | \$ 486,757,000 | \$ 492,032,000 | \$ 467,867,000 |
| 2. Total Investments in Bonds and Securities | 136,134,000 | 137,279,000 | 118,869,000 |
| 3. Total Loans and Investments..... | 622,891,000 | 629,311,000 | 586,736,000 |
| 4. Reserve Balance with Federal Reserve Bank | 38,399,000 | 39,716,000 | 39,935,000 |
| 5. Cash in Vaults | 14,143,000 | 14,222,000 | 13,408,000 |
| 6. Demand Deposits | 348,901,000 | 356,567,000 | 326,880,000 |
| 7. Time Deposits | 195,999,000 | 187,593,000 | 165,370,000 |
| 8. Borrowed from Federal Reserve Bank.. | 21,892,000 | 18,383,000 | 29,292,000 |

In the above table comparative figures reported by seventy-three identical member banks are shown as at the close of business May 13, 1925, April 8, 1925, and May 14, 1924, thus affording an opportunity for comparing banking developments during the past month and the past year in the thirteen leading cities of the Fifth Reserve District. While the figures shown in the table reflect conditions on the dates mentioned, they are not necessarily the highest or lowest figures that occurred during the periods under review.

Between April 8th and May 13th, both this year, total loans and discounts in the reporting member banks declined from \$492,032,000 to \$486,757,000, an unusual reduction at this season of the year when agricultural activities require additional credit. Between the same dates, investments in bonds and securities were reduced from \$137,279,000 to \$136,134,000, reserve balances at the Reserve Bank declined from \$39,716,000 to \$38,399,000, cash in vaults dropped from \$14,222,000 to \$14,143,000, and demand deposits declined from \$356,567,000 to \$348,901,000. On the other hand, time deposits rose from \$187,593,000 on April 8th to \$195,999,000 on May 13th, and total borrowing by the reporting banks at the Reserve Bank increased from \$18,383,000 to \$21,892,000.

Between May 14, 1924, and May 13, 1925, total loans and discounts for customers rose from \$467,867,000 to \$486,757,000, and investments in bonds and securities rose from \$118,869,000 to \$136,134,000, a combined increase in outstanding loans and investments amounting to \$36,155,000. Between the same dates, demand deposits rose from \$326,880,000 to \$348,901,000, and time deposits increased from \$165,370,000 to \$195,999,000, a total increase in deposits of \$52,650,000. Cash in vaults increased during the year from \$13,408,000 to \$14,143,000. On the other hand, reserve balances at the Reserve Bank declined from a total of \$39,935,000 on May 14th last year to \$38,399,000 on May 15th this year, and rediscounts at the Reserve Bank declined from \$29,292,000 to \$21,892,000 during the same period.

SAVINGS BANK DEPOSITS

Deposits in fourteen mutual savings banks in Baltimore totaled \$149,301,650 at the close of business April 30, 1925, the highest figure reported for any month since the Federal Reserve Bank of Richmond began tabulating deposit figures in 1920. A year ago, on April 30, 1924, deposits in the same banks totaled \$143,237,747. On April 30, 1923, deposits aggregated \$135,948,482; on April 30, 1922, \$127,295,173; on April 30, 1921, \$121,132,192; and on April 30, 1920, \$121,710,304.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

The accompanying table shows total debits in the clearing house banks in twenty-three of the chief trade centers of the Fifth Reserve District during three equal periods of five weeks each, ending May 13, 1925, April 8, 1925, and May 14, 1924, thus affording an opportunity for comparing the latest five weeks period with (1) the preceding like period this year, and (2) the corresponding period last year.

Debits during the five weeks ending April 8, 1925, amounted to \$1,484,986,000, while debits during the later period ending May 13th totaled \$1,476,355,000, a decrease of \$8,631,000, but the earlier period contained the income tax date of March 15th and the April 1st quarterly settlements, and also included all of the early Easter trade, while the latter period included only three days of Easter's cash business, although of course Easter bills swelled the May 1st settlements.

Debits during the five weeks ending May 14, 1924, aggregated \$1,345,386,000, compared with \$1,476,355,000 reported for the corresponding five weeks this year, ending May 13, 1925, an increase this year of \$130,969,000, or 9.7 per cent, a little larger increase than the 8 per cent rise shown in the Federal Reserve Board's wholesale commodity price index during the year. Seventeen of the twenty-three cities reported higher figures this year, the most marked increases being shown by Newport News with 27.3 per cent, Char-

lotte 22.6 per cent, Durham 21.9 per cent, Baltimore 16.0 per cent, Columbia 16.0 per cent, Washington 13.8 per cent, and Winston-Salem 10.0 per cent.

| CITIES | TOTAL DEBITS FOR THE FIVE WEEKS ENDING | | |
|---------------------------|--|------------------------|------------------------|
| | May 13, 1925 | April 8, 1925 | May 14, 1924 |
| Asheville, N. C..... | \$ 29,282,000 | \$ 29,670,000 | \$ 27,395,000 |
| Baltimore, Md. | 489,770,000 | 462,267,000 | 422,077,000 |
| Charleston, S. C..... | 27,590,000 | 34,742,000 | 29,576,000 |
| Charleston, W. Va..... | 38,810,000 | 44,170,000 | 41,199,000 |
| Charlotte, N. C..... | 60,827,000 | 60,370,000 | 49,614,000 |
| Columbia, S. C..... | 26,301,000 | 25,081,000 | 22,667,000 |
| Cumberland, Md. | 10,309,000 | 9,828,000 | 10,416,000 |
| Danville, Va. | 9,000,000 | 10,185,000 | 8,802,000 |
| Durham, N. C..... | 26,013,000 | 25,605,000 | 21,339,000 |
| Greensboro, N. C. | 27,201,000 | 27,014,000 | 26,524,000 |
| Greenville, S. C..... | 25,981,000 | 26,544,000 | 24,367,000 |
| Hagerstown, Md. | 12,389,000 | 12,687,000 | 12,562,000 |
| Huntington, W. Va..... | 30,175,000 | 31,458,000 | 30,838,000 |
| Lynchburg, Va. | 21,283,000 | 22,951,000 | 21,202,000 |
| Newport News, Va..... | 9,657,000 | 9,278,000 | 7,587,000 |
| Norfolk, Va. | 79,570,000 | 79,002,000 | 77,345,000 |
| Raleigh, N. C..... | 32,036,000 | 31,652,000 | 37,124,000 |
| Richmond, Va. | 143,747,000 | 150,841,000 | 127,137,000 |
| Roanoke, Va. | 29,527,000 | 29,233,000 | 27,479,000 |
| Spartanburg, S. C. | 17,742,000 | 21,823,000 | 17,048,000 |
| Washington, D. C..... | 265,627,000 | 275,703,000 | 233,500,000 |
| Wilmington, N. C..... | 24,398,000 | 26,716,000 | 24,022,000 |
| Winston-Salem, N. C. | 39,120,000 | 38,166,000 | 35,566,000 |
| Total | \$1,476,355,000 | \$1,484,986,000 | \$1,345,386,000 |

BUSINESS FAILURES IN APRIL

Dun's *Review* for May 9, 1925, in commenting on the April failure record, says, "The number of commercial failures in the United States rose during April, totaling 1,939. This is 80 more than the number for March, and is 232, or 13.6 per cent, in excess of the 1,707 defaults for April 1924. It is, moreover, the largest number reported for April since 1922. Despite the increased number of failures, however, last month's liabilities of \$37,188,622, though \$3,184,000 above those for March, are about \$11,715,000 below the \$48,904,452 of April 1924. This is a decrease of 24 per cent, and it is necessary to go back to 1920 to find an April indebtedness smaller than that of this year. All of the increase in number of failures in April over the total for that month of 1924 was in the trading division. Fewer large failures occurred in April than in that month of all years since 1920, and the liabilities are also the smallest reported for the period in five years. Numbering 45 defaults for \$100,000 or more in each case last month compare with 71 in April 1924, and the indebtedness of \$15,332,375 contrasts with \$29,060,961 in the earlier year. The showing for the manufacturing division is especially favorable, there being a decrease of 17 in the number of large failures in this classification from the total for April of last year, and a reduction of practically \$10,300,000 in the liabilities."

Business failures in the Fifth District during April numbered 109, with liabilities amounting to \$2,079,733, compared with 121 defaults and liabilities of \$3,351,299 in April 1924, a decrease of 9.9 per cent in number and of 37.9 per cent in liabilities, the District record being better than the national record in both instances.

LABOR—Nothing of importance has happened in labor circles since our April 30th *Review* was written. Labor is fairly well employed, although there is some surplus of workers here and there in the District. Somewhat less activity in construction and road work has increased the supply of farm laborers to some extent, and there is less shortage in that field than was the case last year. On the other hand, farmers are not seeking as many laborers this year as usual, probably because funds with which to pay wages are not in hand. Industrial workers appear to be more fully employed than other classes, since practically all of the District's industries are operating on full or nearly full time. There are some indications that steady employment may not continue much longer in the textile and lumbering industries, the present rate of production in both exceeding demand. In contrast with last year, little has been heard of negro workers migrating to northern industrial centers.

COAL—The daily average production of bituminous coal has been moving upward since the middle of April, and since the end of March has been above the daily average for the corresponding periods in

1921, 1922 and 1924. The Geological Survey estimates April production at 33,690,000 net tons, compared with 30,404,000 tons mined in April 1924. The cumulative output for 1925 through May 9th was 172,768,000 tons, which was 5,390,000 tons behind production to the corresponding date in 1924 but was considerably ahead of production during the first four months of 1919, 1921 and 1922. During the week ended May 2, 1925, a daily output of 342,300 net tons was reported for West Virginia, the highest figure of all coal producing states.

Retail coal prices have been reduced sharply at many yards during the past month, and the usual effort is being made to persuade consumers to fill their cellars during the early summer.

TEXTILES—Developments in the textile industry were distinctly disappointing during April, the volume of business that appeared to be in prospect earlier in the spring having failed to materialize. The optimistic feeling in the industry has changed to one of uncertainty, and there is much talk of curtailment in operations. Many mills are said to be accumulating too much manufactured stock, and those in close touch with the industry freely predict early restriction in running time and output unless orders appreciably increase in the near future. The mills making staples are especially hard hit, those manufacturing specialties and novelties securing the bulk of the business that is to be had.

The mills in the Fifth District consumed 234,108 bales of cotton in April, compared with 189,176 bales used in April 1924, all of the cotton manufacturing states in the District reporting higher figures this year. North Carolina mills consumed 127,520 bales compared with 104,177 bales in April last year, South Carolina mills used 96,518 bales compared with 76,391 bales in 1924, and Virginia mills used 10,070 bales compared with 8,608 bales during the corresponding month of 1924. Fifth District consumption in April 1925 amounted to 39.2 per cent of national consumption, compared with 39.4 per cent in April 1924.

COTTON—Spot cotton prices gradually worked downward between April 11th and May 16th, continuing the trend begun in March. Prices paid for spots in the Carolinas during the weeks ending April 11th and 18th averaged 23.77 cents and 23.76 cents per pound, respectively, for short staple upland, middling basis. The price rose to an average of 24.02 cents during the week ending April 25th, but dropped again to 23.64 cents on May 2nd and still further to 23.21 cents on May 9th. The average for the week ending May 16th, the latest period for which figures are available, was 22.19 cents, the lowest weekly average since last September.

On May 14th, the Census Bureau released its April cotton consumption report, and it proved distinctly above expectations. Cotton consumed in American mills during April totaled 597,104 bales of lint, compared with 582,674 bales in March this year and 480,010 bales in April 1924. Total consumption for the season to date—August 1, 1924 to April 30, 1925—amounted to 4,669,215 bales, compared with 4,559,374 bales consumed during the nine months ending April 30, 1924. Cotton on hand in consuming establishments totaled 1,514,514 bales on April 30, 1925, compared with 1,644,793 bales on hand a month ago and 1,329,901 bales a year ago. Public warehouses and compresses held 1,666,147 bales on April 30, 1925, compared with 2,237,115 bales on March 31, 1925, and 1,510,619 bales on April 30, 1924. Imports of cotton in April totaled 22,409 bales, compared with 33,955 bales in March 1925 and 40,435 bales in April 1924, while exports during April totaled 472,555 bales, compared with 734,697 bales in March this year and 320,774 bales in April last year. Active spindles in April numbered 33,412,650, compared with 33,225,182 in March 1925 and 31,863,454 in April 1924.

Cotton consumed in cotton growing states in April amounted to 399,465 bales, compared with 391,492 bales used in March and 327,031 bales in April 1924.

The new cotton crop is up to a poor stand in most of South Carolina, and the cotton which has been planted and is up in North Carolina is from poor to fair. Unseasonably cool weather during the first half of May delayed germination of seed and greatly retarded development of the growing plant. Cotton is a hot weather plant, and grows practically none when the weather is cool. The young plants especially need hot nights. A considerable acreage remains to be planted in North Carolina and Virginia. No official acreage estimates are available this year, but unofficial figures indicate that there will be some increase over the record acreage of 1924. In spite of the expected increase in acreage, however, prospects for the new crops are not very favorable at present, and exceptionally good weather will be necessary during the summer to enable growers to repeat their 1924 production.

TOBACCO—Some tobacco planting has been completed in the southern part of Virginia, and by the time this *Review* is printed practically all of the crop will have been planted. Recent rains left the ground in excellent order. There is some complaint over the scarcity of plants, and many reports state that plants are small. In North Carolina plants were rather scarce, but the outlook for the crop is from fair to good. Nearly all of the North Carolina tobacco has been planted, and the present condition is reported as about 75 per cent of normal. There has been a considerable reduction in acreage in northern Piedmont counties, but in other sections increases are shown. South Carolina's crop is all planted, and transplanting was done about two weeks earlier than usual. Seed beds look well in Maryland.

AGRICULTURAL NOTES

MARYLAND farmers took advantage of the favorable weather in April and advanced their spring operations rapidly. Corn land has been plowed and prepared for planting. Seeding has begun and is progressing steadily. Frosts during April damaged fruit in Western Maryland, practically destroying the peach crop and considerably injuring apples. The damage varied widely in other sections of the state, however, so that the prospects for peach and apple crops are uncertain. Maryland's strawberry crop is being marketed during May. The crop is up to standard in quality, but a lower yield is expected. Federal and State inspection, which is being inaugurated at three shipping points, is expected to improve the quality of the fruit going to market. Maryland's wheat crop is in relatively good condition. Little winter damage was reported and the spring has been favorable for development. Pastures are in good condition. The canning tomato situation is uncertain, growers and canners not having agreed on prices in some counties, and comparatively little of the prospective crop is under contract. Indications, however, are that a good crop will be raised and growers are optimistic over the outlook.

VIRGINIA farm work made excellent progress during the first ten days of May. Rain from the 10th to the 15th interrupted planting, but was very beneficial to wheat, hay and pastures. The soil is now thoroughly wet, and crops will make rapid progress as soon as warm weather comes. The greater part of the corn crop was planted before the rains, and favorable weather had enabled the farmers to prepare their land better than usual. Many early planted fields are up to excellent stands, but there is some fear that cold, wet weather may have caused much of the late planted seed to rot. Wheat was improved by the cool, damp weather of the middle of May, but the stand is thin in many fields, growth is backward, and the general condition is below average. All hay crops made wonderful progress during May, and pastures also improved, but the low temperature retarded growth. The early potato crop is making favorable growth, and the stand is reported to be very good. Shipments will probably begin ten days earlier than usual, beginning in the Norfolk section about June 1st. Frost damage was serious to fruit in some sections, but it is too early to estimate prospects accurately. Some varieties of apples appear to be in very good condition, while others are almost a failure. The commercial peach crop will be much less than last year, owing to light bloom and frost injury. The commercial strawberry crop ripened earlier than usual, but the yield was comparatively small because of unfavorable weather.

NORTH CAROLINA corn is showing a good condition with good stands and is looking unusually promising. About 85 per cent of a normal stand is reported, and no serious damage has been experienced. Oats and rye conditions average from fair to good, with about 85 per cent of a normal stand. Prospects for early hay crops look promising, though dry weather has retarded growth. Early truck crops, especially Irish potatoes, are in better condition than usual, and range from fair to good. Marketing of early truck has been very active. Apple prospects are about 73 per cent of normal, and peaches average about 70 per cent. Farm labor is somewhat more plentiful and efficient than for several years, and is perhaps cheaper.

SOUTH CAROLINA suffered from lack of rain in April and early May, and the condition of nearly all crops sharply declined. Wheat condition on May 1st was 78 per cent, indicating a probable production of 1,206,000 bushels compared with 1,476,000 bushels harvested last year. This year's acreage is about 4 per cent smaller. Oats declined in condition from 87 per cent on April 1st to 74 per cent on May 1st, spring plantings being almost total losses in some sections. The crop is being harvested ten days earlier than usual. Condition of Irish potatoes declined from 84 per cent to 78 per cent during April, and a low yield is expected in commercial areas.

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

Building permit reports were received for both April 1925 and April 1924 from twenty-six identical cities in the Fifth District, and two others, Hagerstown and Danville, reported for April 1925 only. Huntington, W. Va., which has been included in our table heretofore, did not report April figures in a form that was comparable with the other cities, and consequently that city had to be omitted.

Permits for new work issued in April 1925 totaled 2,182, compared with 2,449 issued by the same cities in April 1924. Estimated valuation totaled \$18,461,319 in April 1925, compared with \$14,739,944 in April 1924. Alteration and repair permits totaled 2,653 in April this year, with estimated valuation of \$1,696,277, compared with 2,704 permits and a valuation of \$1,743,144 in April last year. In combined valuation for all classes of work, April 1925 totaled \$20,157,596, an increase of \$3,674,508, or 22.3 per cent, over the total valuation of \$16,483,088 reported in April 1924. Most of the increase during the 1925 month was due to great activity in Baltimore and Washington, the combined gains reported by these two cities being greater than the district increase.

| No. | CITIES | Permits Issued | | | | New Construction | | Alterations | | Increase or Decrease of Total Valuation | Per Cnt of Increase or Decrease | No. |
|-----|-----------------------|----------------|-------|---------|-------|------------------|--------------|-------------|-------------|---|---------------------------------|-----|
| | | New | | Repairs | | 1925 | 1924 | 1925 | 1924 | | | |
| | | 1925 | 1924 | 1925 | 1924 | | | | | | | |
| 1 | Baltimore, Md..... | 776 | 658 | 1,376 | 1,326 | \$ 6,299,400 | \$ 3,914,880 | \$ 575,400 | \$ 636,960 | \$ 2,322,960 | 51.0% | 1 |
| 2 | Cumberland, Md.... | 49 | 40 | 8 | 20 | 141,665 | 105,865 | 6,648 | 19,559 | 22,889 | 18.2 | 2 |
| 3 | Frederick, Md..... | 11 | 16 | 2 | 5 | 45,425 | 56,480 | 1,025 | 4,975 | — 15,005 | — 24.4 | 3 |
| 4 | Hagerstown, Md.... | *62 | ..... | *25 | ..... | *153,050 | ..... | *52,215 | ..... | ..... | ..... | 4 |
| 5 | Danville Va..... | *12 | ..... | * 2 | ..... | *113,980 | ..... | * 106 | ..... | ..... | ..... | 5 |
| 6 | Lynchburg, Va..... | 20 | 18 | 35 | 29 | 28,487 | 108,241 | 20,660 | 71,858 | — 130,952 | — 72.7 | 6 |
| 7 | Norfolk, Va..... | 114 | 122 | 72 | 73 | 217,200 | 627,220 | 63,264 | 80,134 | — 426,890 | — 60.4 | 7 |
| 8 | Petersburg, Va.... | 7 | 22 | 14 | 6 | 146,046 | 28,780 | 6,098 | 2,240 | 121,124 | 390.5 | 8 |
| 9 | Richmond, Va..... | 166 | 230 | 88 | 112 | 1,345,695 | 2,088,810 | 166,354 | 105,020 | — 681,781 | — 31.1 | 9 |
| 10 | Roanoke, Va..... | 93 | 132 | 60 | 67 | 327,490 | 313,115 | 45,390 | 36,070 | 23,695 | 6.8 | 10 |
| 11 | Bluefield, W. Va.. | 35 | 39 | 15 | 7 | 107,075 | 163,650 | 4,270 | 2,400 | — 54,705 | — 32.9 | 11 |
| 12 | Charleston, W. Va. | 48 | 73 | 20 | 35 | 101,875 | 397,244 | 63,525 | 126,080 | — 357,924 | — 68.4 | 12 |
| 13 | Clarksburg, W. Va | 25 | 74 | 26 | 49 | 33,835 | 211,065 | 15,035 | 45,010 | — 207,205 | — 80.9 | 13 |
| 14 | Parkersburg, W. Va | 33 | 40 | 11 | 22 | 100,334 | 85,300 | 6,280 | 12,750 | 8,564 | 8.7 | 14 |
| 15 | Asheville, N. C.... | 61 | 56 | 71 | 90 | 622,880 | 437,262 | 30,579 | 43,572 | 172,625 | 35.9 | 15 |
| 16 | Charlotte, N. C.... | 62 | 79 | 15 | 9 | 425,310 | 478,600 | 30,775 | 29,830 | — 52,345 | — 10.6 | 16 |
| 17 | Durham, N. C..... | 31 | 48 | 21 | 3 | 153,325 | 242,000 | 22,400 | 11,000 | — 77,275 | — 30.5 | 17 |
| 18 | Greensboro, N. C.. | 89 | 77 | 35 | 20 | 432,452 | 422,117 | 48,845 | 8,345 | 50,835 | 11.8 | 18 |
| 19 | High Point, N. C... | 79 | 50 | 20 | 12 | 232,075 | 114,350 | 63,300 | 6,225 | 174,800 | 145.0 | 19 |
| 20 | Raleigh, N. C..... | 58 | 74 | 13 | 9 | 428,925 | 562,175 | 18,400 | 15,100 | — 129,950 | — 22.5 | 20 |
| 21 | Salisbury, N. C.... | 21 | 26 | 3 | 6 | 74,850 | 149,525 | 310 | 5,400 | — 79,765 | — 51.5 | 21 |
| 22 | Wilmington, N. C. | 15 | 10 | 6 | 2 | 56,450 | 45,950 | 37,300 | 25,200 | 22,600 | 31.8 | 22 |
| 23 | Winston-Salem, N. C. | 75 | 86 | 71 | 111 | 776,100 | 568,415 | 18,275 | 61,907 | 164,053 | 26.0 | 23 |
| 24 | Charleston, S. C. ... | 12 | 7 | 18 | 15 | 102,325 | 31,535 | 31,557 | 7,815 | 94,532 | 240.2 | 24 |
| 25 | Columbia, S. C.... | 25 | 18 | 42 | 64 | 79,800 | 198,425 | 40,348 | 10,065 | — 38,342 | — 42.4 | 25 |
| 26 | Greenville, S. C.... | 27 | 21 | 8 | 22 | 66,800 | 105,200 | 5,600 | 12,605 | — 45,405 | — 38.5 | 26 |
| 27 | Spartanburg, S. C. | 36 | 36 | 30 | 23 | 132,275 | 225,575 | 23,520 | 13,059 | — 82,839 | — 34.7 | 27 |
| 28 | Washington, D. C. | 214 | 397 | 573 | 567 | 5,983,225 | 3,058,165 | 351,119 | 349,965 | 2,926,214 | 85.9 | 28 |
| | Totals..... | 2,182 | 2,449 | 2,653 | 2,704 | \$18,461,319 | \$14,739,944 | \$1,696,277 | \$1,743,144 | \$ 3,674,508 | 22.3% | |

*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.

WHOLESALE TRADE
April, 1925

| | | | | | |
|---|---------------------|-----------------|--------------------|--------------------|-----------------|
| Percentage increase (or decrease) in sales in April, 1925, compared with sales in March, 1925: | | | | | |
| 43 <i>Groceries</i> | 15 <i>Dry Goods</i> | 12 <i>Shoes</i> | 18 <i>Hardware</i> | 6 <i>Furniture</i> | 13 <i>Drugs</i> |
| — 2.5 | —19.4 | —13.3 | —6.5 | — 4.1 | — 3.3 |
| Percentage increase (or decrease) in sales in April, 1925, compared with sales in April, 1924: | | | | | |
| 2.8 | — 6.4 | — 6.3 | — 9.2 | 6.8 | 4.1 |
| Percentage increase (or decrease) in sales since January 1, 1925, compared with sales during the corresponding four months of 1924: | | | | | |
| 2.7 | —12.9 | — 3.3 | — 6.9 | 12.2 | 0.5 |
| Percentage increase (or decrease) in stocks on April 30, 1925, compared with March 31, 1925: | | | | | |
| —11.9(10) | — 3.5(8) | 2.4(6) | — 3.5(6) | 16.3(2) | ..... |
| Percentage increase (or decrease) in stocks on April 30, 1925, compared with April 30, 1924: | | | | | |
| 7.2(10) | —21.3(8) | —17.9(6) | — 8.0(6) | 24.1(2) | ..... |

— 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 seven wholesale firms reported on sales for April 1925, and thirty-two firms reported the value of stock in their warehouses at the close of the month. Six lines of trade were reported upon, as shown in the accompanying table, and sales in all lines were lower in dollar amount than sales made by the same firms in March 1925. In comparison with April 1924, sales in April this year were larger in groceries, furniture and drugs, but were less in dry goods, shoes and hardware. Cumulative sales from January 1st through April 30th this year exceeded total sales during the corresponding four months of 1924 in groceries, furniture and drugs, but fell under total sales during the 1924 period in dry goods, shoes and hardware.

Stocks carried by the reporting wholesalers were greater in furniture and shoes at the end of April than at the end of March this year, but were less in groceries, dry goods and hardware. In comparison with stocks on hand April 30, 1924, those on hand April 30, 1925, were greater in groceries and furniture, but less in dry goods, shoes and hardware.

Collections continued unsatisfactory during April. Ninety-eight firms classified their collections during that month as *Good*, *Fair*, *Slow*, or *Poor*, of which 71.4 per cent were listed as either *Good* or *Fair* in comparison with 73.7 per cent so classifying in March and 74.5 per cent in April 1924. The classifications made this month were as follows:

| <i>Lines</i> | <i>Good</i> | | <i>Fair</i> | | <i>Slow</i> | | <i>Poor</i> | | <i>Total</i> | |
|-----------------------|-------------|----|-------------|----|-------------|----|-------------|---|--------------|----|
| | 1925-1924 | | 1925-1924 | | 1925-1924 | | 1925-1924 | | 1925-1924 | |
| Groceries | 7 | 7 | 25 | 24 | 7 | 7 | 0 | 1 | 39 | 39 |
| Dry Goods | 0 | 1 | 8 | 9 | 6 | 3 | 0 | 1 | 14 | 14 |
| Shoes | 0 | 0 | 5 | 7 | 5 | 2 | 1 | 2 | 11 | 11 |
| Hardware | 1 | 3 | 9 | 8 | 6 | 5 | 0 | 0 | 16 | 16 |
| Furniture | 2 | 1 | 3 | 4 | 1 | 1 | 0 | 0 | 6 | 6 |
| Drugs | 4 | 2 | 6 | 7 | 2 | 2 | 0 | 1 | 12 | 12 |
| April Totals | 14 | 14 | 56 | 59 | 27 | 20 | 1 | 5 | 98 | 98 |
| March Totals | 12 | 16 | 58 | 56 | 24 | 20 | 1 | 3 | 95 | 95 |
| 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 April, 1925.

| | <i>Baltimore</i> | <i>Richmond</i> | <i>Washington</i> | <i>Other Cities</i> | <i>District</i> |
|---|------------------|-----------------|-------------------|---------------------|-----------------|
| Percentage increase in April, 1925, sales over sales in April, 1924: | 2.8 | 13.9 | 3.1 | — 1.9 | 3.4 |
| Percentage increase in sales from January 1st through April over sales during the same four months in 1924: | 2.4 | 14.3 | 3.2 | 2.3 | 3.7 |
| Percentage increase in April, 1925, sales over average April sales during the years 1920-1924, inclusive: | 12.3 | 38.5 | 14.8 | 3.0 | 14.7 |
| Percentage increase in stock on April 30, 1925, over stock on April 30, 1924: | 1.2 | 10.7 | —8.3 | — 8.0 | — 2.3 |
| Percentage increase in stock on April 30, 1925, over stock on March 31, 1925: | 1.2 | 3.5 | —2.0 | 2.3 | 0.6 |
| Percentage of sales during April, 1925, to average stock carried during that month: | 29.2 | 28.0 | 29.0 | 21.4 | 28.0 |
| Percentage of sales from January 1st through April 30th to average stock carried during the four months: | 103.8 | 103.6 | 105.8 | 79.3 | 101.2 |
| Percentage of outstanding orders on April 30th, to total purchases of merchandise in 1925: | 4.8 | 4.2 | 3.5 | 5.5 | 4.3 |

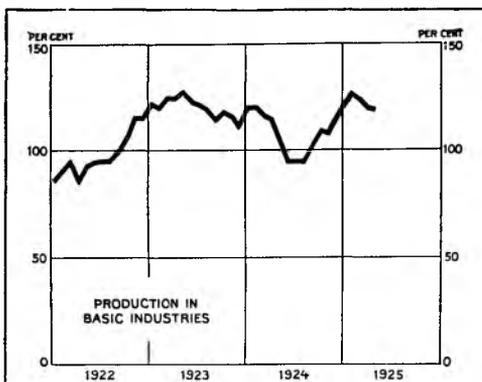
— Denotes decreased percentage; other figures show gains.

The volume of retail trade in April 1925, as represented by the dollar amount of sales made by twenty-nine representative department stores, was 3.4 per cent larger than in April 1924, and 14.7 per cent greater than average April sales during the five years 1920-1924, inclusive. Cumulative sales from January 1st through April exceeded sales during the corresponding four months last year by 3.7 per cent. Stocks on the shelves at the end of April 1925 were 2.3 per cent smaller than on April 30, 1924, but were 0.6 per cent greater than on March 31st this year. The percentage of sales during April to stock carried during that month averaged 28.0 per cent in the reporting stores, while the percentage of total sales since January 1st to average stocks carried each month during the period was 101.2 per cent, indicating an annual rate of turnover of slightly more than three times. Outstanding orders for merchandise on April 30, 1925, amounted to 4.3 per cent of total 1924 purchases.

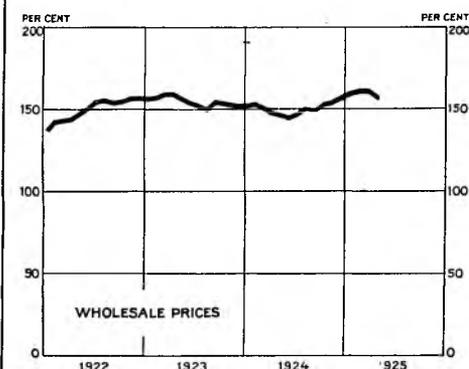
(Compiled May 20, 1925)

BUSINESS CONDITION IN THE UNITED STATES.

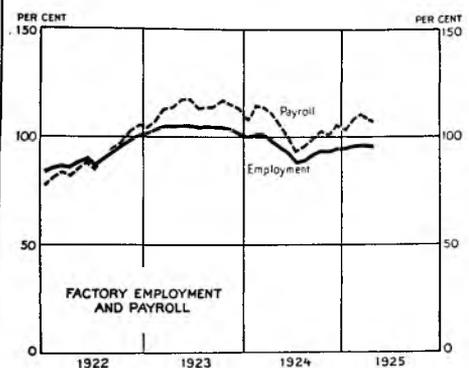
(Compiled by the Federal Reserve Board)



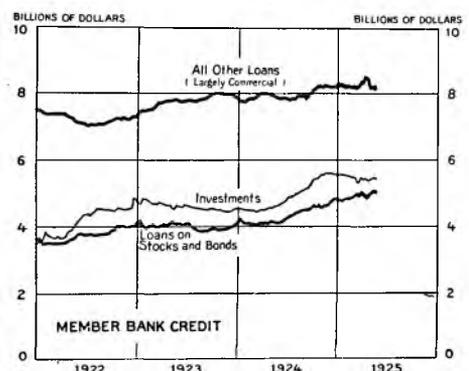
Index of 22 basic commodities corrected for seasonal variation (1919-100). Latest figure-April 119.



Index of U. S. Bureau of Labor Statistics (1913-100, base adopted by Bureau). Latest figure-April 156.2.



Index of 33 manufacturing industries (1919-100). Latest figures-April.



Weekly figures for Member Banks in 101 leading cities. Latest figures-May 13th.

Production in basic industries and factory employment continued at approximately the same level during April as in March, factory pay rolls were smaller, and wholesale prices declined sharply. Distribution of commodities was maintained at higher levels than a year ago.

PRODUCTION. The output in basic industries declined less than one per cent in April. Decreased production in iron and steel, flour, and copper was largely offset in the Federal Reserve Board's production index by increases in mill consumption of cotton and in the production of newsprint and petroleum. The output of automobiles, which is not included in the index, has increased rapidly since December and in April was the largest ever recorded. Automobile tire production was maintained at the high level reached in March. Number of men employed at industrial establishments remained practically the same in April as in March, but owing to less full time operation, particularly in the textile, leather and food industries, total factory pay rolls decreased about 2 per cent. Building contracts awarded during April were the largest on record both in value and in square feet. Estimates by the Department of Agriculture on May 1st indicated a reduction of 6 per cent from the April forecast in the yields of winter wheat and rye. The winter wheat crop is expected to be 25 per cent smaller than last year and the indicated yield of rye is 9 per cent less.

TRADE. Wholesale trade was smaller in all lines except hardware during April than in March. Compared with a year ago sales of groceries and shoes were less but sales of meats, dry goods and drugs were larger. Sales at department stores and by mail order houses showed more than the usual seasonal increase in April and were larger than during April 1924. Wholesale stocks of groceries, shoes and hardware were smaller at the end of April than a month earlier, while dry goods stocks were larger. Merchandise stocks at department stores showed less than the usual seasonal increase in April but were in about the same volume as a year ago. Freight car loadings of merchandise were greater than in March and larger than in any previous April.

PRICES. Wholesale prices, according to the index of the Bureau of Labor Statistics, declined 3 per cent in April, following an almost uninterrupted rise since the middle of 1924. All groups of commodities shared in the decline of prices except house furnishings and the miscellaneous group. The largest declines were in farm products and foods, which had shown the most rapid increases. During the first three weeks in May prices of grains, beef, hogs, flour and rubber advanced, while declines occurred in cotton, wool, lumber and iron prices.

BANK CREDIT. At the middle of May total loans and investments of member banks in leading cities were near the level which had prevailed, with only minor fluctuations, since the first of the year. Loans chiefly for commercial purposes declined slightly between the middle of April and the middle of May, while loans on securities rose to a high point at the end of April and decreased somewhat during the first two weeks of May. Total investment holdings, which increased considerably during the first half of March, have declined somewhat since that time. Net demand deposits increased considerably from the low point at the end of March, but were still \$500,000,000 less than at the middle of January. At the Reserve banks there was a marked decline in the volume of member bank borrowing after the first week in May and total earning assets of the Federal reserve banks on May 20th were less than \$1,000,000,000 for the first time since January. Acceptances and holdings of United States securities on that date were in about the same volume as a month earlier. Money conditions continued relatively easy during the latter part of April and the first part of May at 3 3/4 to 4 per cent. The open market rate for prime commercial paper was slightly below the level for the preceding month.

THE RETURN TO GOLD PAYMENTS IN EUROPE



The announcement on April 28 of the decision of the British government to restore gold payments in Great Britain is one of the most important of a series of events which have been leading gradually to the reorganization of world trade and finance on a more normal basis.

A large part of Europe is now included by countries whose currencies and exchanges are effectually stabilized, government budgets balanced, and whose production and trade have been restored to approximately the pre-war volume.

In the map accompanying this article, the shaded portions show the countries of Europe which have made some definite pronouncement as to gold redemption, or stabilization with reference to gold. In addition, the Swiss exchange is quoted above par, and the exchanges of a number of other countries have been held to fluctuations of very narrow limits.

Some of the more important steps which have led gradually to this world recovery are indicated in the following table:

1922

SEPTEMBER 28—Bank of Lithuania established and new currency unit adopted, called the *litas*, based upon gold.

OCTOBER 11 —Russian Soviet State Bank authorized to issue the *chervonetz*, based upon gold.

NOVEMBER 1 —Bank of Latvia established and new currency created, to become convertible into gold one year after the resumption of gold payments by the Bank of England.

1923

JANUARY 2 —Austrian National Bank established under auspices of League of Nations.

OCTOBER 15 —German Rentenbank established, and temporary currency stabilization secured.

1924

JANUARY 1 —Free City of Danzig establishes the Bank of Danzig and stabilizes currency with reference to sterling.

APRIL 1 —Sweden removes restrictions upon gold exports and resumes specie payments.

APRIL 28 —Bank of Poland established, and new currency introduced, based on gold.

JUNE 24 —Hungarian National Bank established and currency stabilized with reference to pound sterling.

SEPTEMBER 1 —Reparations Commission proclaims the Dawes plan to be in effect.

OCTOBER 12 —German Reichsbank reorganized and the new *reichsmark* introduced.

DECEMBER 17 —Germany removes restrictions on the export and import of gold and silver.

1925

JANUARY 12 —Government of the Union of South Africa announces intention to resume gold payments July 1, 1925.

MARCH 7 —Austria announces adoption of new currency, the *schilling*.

APRIL 28 —Great Britain re-establishes free gold market. Holland, Australia, New Zealand and Dutch East Indies withdraw embargo on gold exports.

The return to a free gold market in Great Britain is a peculiarly important step, because England for many years has been such an important international banker, and so large a part of the trade of the world always has been carried on in sterling. Certain exchanges, as indicated above, have previously been stabilized with reference to sterling, and hence the return of sterling to par will automatically bring those exchanges to a gold parity. Simultaneously with the action of the British government the governments of Holland, Australia, New Zealand, and the Dutch East Indies, announced their intention to resume a free gold market.

The benefits likely to accrue from stabilized currency and exchanges are so many and so great that they can only be summarized briefly in an article of this sort.

Instability of the exchanges has been a constant hazard and a serious obstacle to world commerce. The lessening of exchange risks will aid greatly in the restoration of a free flow of world trade.

A further advantage likely to result from the return of gold payments is greater price stability. When gold is moving freely it tends to be exported from a country when commodity prices rise above the world's levels; the credit volume tends to be reduced, and prices to fall. Conversely, when prices in a country fall below the world's level gold tends to be imported, with the result that the credit volume is increased and prices tend to rise. There are, of course, many limitations and exceptions to the free operation of these influences, but at least the existence of a free movement of gold provides an automatic tendency toward price adjustment, which does not exist when gold movements are restricted.

Free gold movements also tend to greater stability of interest rates, since gold tends to flow from the cheaper to the dearer markets, and there is thus an automatic readjustment in the capital markets.

But more important than all else, the return of Great Britain and other countries to gold payments marks a return to international confidence. Confidence is at the basis of successful world trade. Since the war, all international trade has been carried on in the midst of constant uncertainties. Every step in lessening these uncertainties is a stimulus to international trade.