

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT

RICHMOND, VIRGINIA

JULY 31, 1925

Business in the Fifth District was relatively better in June than in May, although some seasonal decreases in certain lines of trade were noted. The volume of business done in June was distinctly above that of June 1924, and correspondents in practically all lines are optimistic on prospects for the second half of 1925.

A year ago three outstanding unfavorable factors were affecting the business outlook, but all of them show improvement this year. The depression in the textile industry continues, but is distinctly less marked than in June 1924. Bituminous coal mines in West Virginia are producing more coal than at this time last year, and West Virginia appears to occupy a stronger position in the coal mining industry than any other state. The agricultural outlook is better than last year, when an exceptionally late spring and excessive rain had delayed planting and cultivation of the growing crops. June weather was too dry this year in most of the Fifth District, and certain sections, especially Virginia, will suffer

serious losses in yields unless general rains fall before August 1st, but on the whole the dry weather has probably been more helpful than otherwise this year. Farmers have their fields free of grass and weeds, crops have been unusually well cultivated, and the hot, dry weather favored boll weevil control.

Other important business indicators point to good prospects for the fall months. Bank deposits are higher than ever before, testifying to the purchasing power of the District, and labor continues well employed at good wages. Debits to individual accounts are running well ahead of last year. Business failures during June in the Fifth District were less in both number and liabilities than in June 1924. The Carolinas appear to have fine tobacco crops, and cotton is also more promising than a year ago in both Carolinas. Building operations continue in record volume, assuring steady employment for workers in building trades, and both retail and wholesale sales in June were in larger volume than during the corresponding month last year.

### FEDERAL RESERVE BANK OPERATIONS

The volume of member bank borrowing at the Federal Reserve Bank of Richmond declined slightly during the month between June 15th and July 15th, this year, falling from a total of \$52,707,000 to \$47,439,000, and member bank reserve deposits at the Reserve Bank rose from \$64,040,000 to \$66,150,000 between the same dates. The volume of Federal Reserve notes in actual circulation declined from \$71,206,000 on June 15th to \$69,637,000 on July 15th. The changes in the items mentioned caused the cash reserves of the Federal Reserve Bank of Richmond to rise from \$78,208,000 to \$83,382,000 within the month, and brought a corresponding increase in the ratio of cash reserves to combined note and deposit liabilities from 57.40 per cent on June 15th to 60.97 per cent on July 15th.

On July 15, 1924, member bank borrowing at the Federal Reserve Bank of Richmond totaled \$44,934,000, compared with \$47,439,000 on July 15th this year; member bank reserves on deposit at the Reserve Bank totaled \$59,425,000 last year and \$66,150,000 this year; Federal Reserve notes of the Richmond Bank in circulation totaled \$71,305,000 on July 15th last year and \$69,637,000 on the corresponding date this year; and the cash reserves of the Federal Reserve Bank of Richmond amounted to \$88,917,000 last year compared with \$83,382,000 this year. A year ago the ratio of cash reserves to combined note and deposit liabilities stood at 66.61 per cent in comparison with 60.97 per cent on July 15, 1925.

*The National Summary will be found on page 8*

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

ITEMS	July 8, 1925	June 10, 1925	July 9, 1924
1. Total Loans and Discounts (including all rediscounts) .....	\$ 496,200,000	\$ 487,868,000	\$ 467,625,000
2. Total Investments in Bonds and Securities .....	137,878,000	138,215,000	114,395,000
3. Total Loans and Investments.....	634,078,000	626,083,000	582,020,000
4. Reserve Balance with Federal Reserve Bank .....	38,742,000	39,387,000	35,459,000
5. Cash in Vaults.....	14,523,000	14,382,000	13,712,000
6. Demand Deposits .....	354,515,000	357,711,000	332,100,000
7. Time Deposits .....	204,401,000	197,420,000	172,072,000
8. Borrowed from Federal Reserve Bank....	20,473,000	17,384,000	16,270,000

Between June 10th and July 8th, both this year, there was an increase in the volume of credit extended to customers by the reporting banks, total loans and discounts rising from \$487,868,000 to \$496,200,000, and rediscounts of the reporting banks at the Federal Reserve Bank also rose from \$17,384,000 to \$20,473,000. Cash in vaults increased from \$14,382,000 to \$14,523,000 between June 10th and July 8th, and during the same period time deposits rose from \$197,420,000 to \$204,401,000, reaching the highest figure on record. On the other hand, total investments in bonds and securities declined from \$138,215,000 on June 10th to \$137,878,000 on July 8th, reserve balance with the Federal Reserve Bank of Richmond dropped from \$39,387,000 to \$38,742,000, and demand deposits declined from \$357,711,000 to \$354,515,000.

In comparison with the figures reported on July 9, 1924, those reported on July 8th this year show increases in every item. A year ago the seventy-three reporting banks were lending their customers \$467,625,000 in comparison with \$496,200,000 outstanding on the corresponding date this year. Total investments in bonds and securities amounted to \$114,395,000 last year and \$137,878,000 this year. Reserve balance with the Federal Reserve Bank rose during the year from \$35,459,000 to \$38,742,000, and cash in vaults rose from \$13,712,000 to \$14,523,000. Both demand and time deposits show large increases during the year, demand deposits rising from \$332,100,000 to \$354,515,000 and time deposits increasing from \$172,072,000 to \$204,401,000. On July 9th last year rediscounts at the Reserve Bank totaled \$16,270,000, but rose to a total of \$20,473,000 on July 8th this year.

### DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	July 8, 1925	June 10, 1925	July 9, 1924
Asheville, N. C. ....	\$ 29,663,000	\$ 24,986,000	\$ 22,595,000
Baltimore, Md. ....	427,807,000	379,378,000	352,868,000
Charleston, S. C. ....	19,847,000	20,603,000	24,728,000
Charleston, W. Va. ....	34,429,000	30,085,000	32,417,000
Charlotte, N. C. ....	42,676,000	43,091,000	39,315,000
Columbia, S. C. ....	16,316,000	16,306,000	18,871,000
Cumberland, Md. ....	9,164,000	8,380,000	9,586,000
Danville, Va. ....	10,834,000	7,421,000	7,165,000
Durham, N. C. ....	21,903,000	22,091,000	17,691,000
Greensboro, N. C. ....	21,518,000	19,853,000	18,355,000
Greenville, S. C. ....	21,372,000	19,766,000	16,313,000
Hagerstown, Md. ....	11,352,000	8,881,000	10,042,000
Huntington, W. Va. ....	24,172,000	24,222,000	23,388,000
Lynchburg, Va. ....	20,386,000	17,436,000	18,120,000
Newport News, Va. ....	7,987,000	7,891,000	6,387,000
Norfolk, Va. ....	65,478,000	63,815,000	56,787,000
Raleigh, N. C. ....	33,005,000	25,249,000	27,391,000
Richmond, Va. ....	123,232,000	109,383,000	111,902,000
Roanoke, Va. ....	25,273,000	24,065,000	23,804,000
Spartanburg, S. C. ....	13,249,000	12,402,000	12,492,000
Washington, D. C. ....	242,179,000	219,343,000	203,216,000
Wilmington, N. C. ....	16,462,000	16,480,000	17,314,000
Winston-Salem, N. C. ....	31,059,000	30,088,000	30,258,000
<b>Totals.....</b>	<b>\$1,274,863,000</b>	<b>\$1,151,215,000</b>	<b>\$1,101,005,000</b>

Debits to individual, firm and corporation accounts in twenty-three leading business centers of the Fifth District during the four weeks ending July 8, 1925, exceeded debits in the same cities during the four weeks ending June 10, 1925, by \$123,148,000, or 10.7 per cent, eighteen of the twenty-three centers reporting larger figures for the later period. The five decreases reported were very small. Total debits in the

reporting cities amounted to \$1,274,363,000 during the four weeks period ending July 8th, and to \$1,151,215,000 during the preceding like period, ending June 10th. A substantial increase during the July period is seasonal, and is due to half-yearly payments made on July 1st.

In comparison with aggregate debits during the four weeks ending July 9, 1924, debits during the corresponding period this year show an increase of \$173,358,000, or 15.7 per cent, and this increase represents a genuine gain in the volume of business transacted during the period under review this year, since both periods contained the semi-annual payment date. Only four of the twenty-three reporting cities show lower figures this year than in 1924, and all of the decreases were relatively small. Total debits during the four weeks ending July 9, 1924, amounted to \$1,101,005,000, compared with \$1,274,363,000 reported by the same cities during the corresponding period this year.

### SAVINGS DEPOSITS

Total deposits in fourteen regularly reporting mutual savings banks in Baltimore passed the \$150,000,000 mark at the end of June for the first time on record, the aggregate of deposits in the fourteen banks at the close of business June 30, 1925, being \$150,220,063. A month earlier, on May 31st, deposits in the same banks totaled \$149,012,030, and on June 30, 1924, the total was \$143,760,471. As pointed out in the preceding paragraph, time deposits in seventy-three regularly reporting member banks amounted to \$204,401,000 on July 8, 1925, compared with \$197,420,000 on June 10th this year and \$172,072,000 on July 9th last year. This month is the first time on record that time deposits in the group of reporting banks crossed the \$200,000,000 mark.

### BUSINESS FAILURES IN JUNE

*Dun's Review* for July 4th states that June failures numbered 1,745, with liabilities aggregating \$36,701,496, a lower number than in any other month this year and the smallest liabilities for all months except March since last November. During June 1924 only 1,607 failures were reported and total liabilities were \$34,099,031, or \$2,602,465 below the June total this year. For the six months ending with June, defaults numbering 11,420 contrast with 10,785 for the first half of 1924, but this year's indebtedness of \$239,398,450 is much below the \$304,459,959 of last year.

The failure record in the Fifth District in June was better than in June last year, 116 defaults for a total of \$2,196,548 this year comparing favorably with 126 defaults and liabilities of \$2,701,150 in June 1924.

**LABOR**—No changes of importance were noted in employment conditions between the middle of June and the middle of July. Workers are available for all classes of work except agriculture, and in agriculture the supply and demand are more nearly balanced than a year ago, partly because the dry weather of the past month has enabled farmers to keep their fields clean with less labor than was needed a year ago, when excessive rain made fields very grassy. There is no marked surplus of workers in any trade, although there are some localities in which insufficient work is available to supply all workmen with jobs. Textile workers are somewhat less fully employed than they were earlier in the year, due to restricted running time in the textile industry, but the decrease in operations is not marked as yet.

**COAL**—Bituminous coal production in the United States totaled 37,167,000 net tons during June 1925, compared with 31,433,000 tons in June last year and 47,054,000 tons in June 1923. West Virginia mines produced more tonnage than in either 1924 or 1923, and continued to lead all coal producing states, exceeding its nearest rival, Pennsylvania, by approximately a quarter of a million tons per week. West Virginia's relatively high production is said to be chiefly due to the large number of non-union mines in the state.

The Geological Survey's annual report on commercial stocks of coal in the United States as of June 1st contains some interesting data. The report states that only 38,000,000 net tons of bituminous coal were in reserve on June 1st this year, in comparison with 51,000,000 net tons on the same date last year. Stocks have fallen steadily since January 1924, when 62,000,000 net tons were on hand. The June 1st stock this year is the lowest reported for any date since March 1, 1923, and is the lowest for any comparable date on record. Anthracite coal dealers had slightly more coal on hand on June 1st this year than on June 1st last year, and 11 per cent more than on March 1, 1925, when stocks had fallen 14 per cent below those of September 1, 1924.

**TEXTILES**—The volume of business secured by textile mills of the Fifth District continued unsatisfactory during June, and there were some further reductions in output, the amount of cotton consumed in the three cotton manufacturing states of the District falling from 213,830 bales in May to 197,998 bales in June. All of the Fifth District states showed higher consumption figures during June this year than in June 1924, however, North Carolina mills using 105,039 bales compared with 73,997 bales in June 1924, South Carolina mills using 83,658 bales compared with 62,675 bales, and Virginia mills using 9,301 bales compared with 6,591 bales. Reductions in operating time this year have generally taken the form of brief vacations, during which mills were entirely closed, whereas last year many mills were running only three or four days a week as a regular schedule. There does not appear to be much likelihood of any material improvement in the textile industry until this year's cotton crop is sufficiently far advanced to give a rather definite basis for estimating next fall's cotton prices.

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

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Ccnt of Increase or Decrease	No.
		New		Repairs		1925	1924	1925	1924			
		1925	1924	1925	1924							
1	Baltimore, Md.....	674	629	1,172	1,317	\$ 3,780,480	\$ 3,726,720	\$ 648,480	\$ 1,250,520	\$— 548,280	— 11.0%	1
2	Cumberland, Md...	33	48	12	20	111,004	107,935	15,777	40,280	— 21,434	— 14.5	2
3	Frederick, Md.....	3	9	0	1	6,250	19,445	0	350	— 13,545	— 68.4	3
4	Hagerstown, Md...	31	68	16	24	61,120	220,000	9,145	.....	— 149,735	— 68.1	4
5	Danville Va.....	*11	.....	*11	.....	*23,910	.....	*47,680	.....	.....	.....	5
6	Lynchburg, Va.....	19	17	22	30	68,180	37,936	40,775	48,141	— 22,878	— 26.6	6
7	Norfolk, Va.....	59	120	115	50	291,605	372,030	55,195	31,753	— 56,983	— 14.1	7
8	Petersburg, Va.....	10	5	9	12	35,550	25,000	7,800	9,450	— 8,900	— 25.8	8
9	Richmond, Va.....	179	161	94	102	1,228,924	681,358	195,202	75,764	667,004	88.1	9
10	Roanoke, Va.....	139	111	48	34	275,205	162,652	32,616	15,375	129,794	72.9	10
11	Bluefield, W. Va...	22	36	5	4	518,175	233,975	850	900	284,150	121.0	11
12	Charleston, W. Va.	34	47	10	21	73,200	77,569	7,100	53,350	— 50,619	— 38.7	12
13	Clarksburg, W. Va	22	35	12	33	53,800	68,675	6,520	26,630	— 34,985	— 36.7	13
14	Parkersburg, W. Va	27	38	4	10	98,680	103,700	2,300	3,500	— 6,220	— 5.8	14
15	Asheville, N. C. ....	44	37	59	62	244,949	269,872	42,370	21,700	— 4,253	— 1.5	15
16	Charlotte, N. C. ....	70	64	6	19	408,285	489,455	23,500	30,660	— 88,330	— 17.0	16
17	Durham, N. C.....	54	14	7	4	255,260	1,456,500	6,400	6,850	—1,201,690	— 82.1	17
18	Greensboro, N. C.	62	60	30	39	301,625	176,610	13,140	31,558	106,597	51.2	18
19	High Point, N. C....	72	40	4	12	364,275	111,220	1,305	7,625	246,735	207.6	19
20	Raleigh, N. C.....	80	65	11	10	352,803	371,000	13,450	16,775	— 21,522	— 5.6	20
21	Salisbury, N. C. ....	11	25	14	4	166,300	53,530	4,505	2,100	115,175	207.0	21
22	Wilmington, N. C.	16	10	4	5	81,500	265,000	11,000	18,200	— 190,700	— 67.3	22
23	Winston-Salem, N. C.	62	60	68	87	226,091	192,340	78,350	27,810	84,291	38.3	23
24	Charleston, S. C. ...	20	8	55	8	186,171	24,980	13,926	3,375	171,742	605.7	24
25	Columbia, S. C. ....	15	15	76	131	52,900	82,041	73,167	45,909	— 1,883	— 1.5	25
26	Greenville, S. C. ....	9	14	21	17	180,800	946,375	6,180	10,795	— 770,190	— 80.5	26
27	Spartanburg, S. C.	22	22	26	18	220,667	1,035,540	11,265	5,535	— 809,143	— 77.7	27
28	Washington, D. C.	230	257	459	469	8,061,685	3,705,697	777,697	372,183	4,761,502	116.8	28
Totals.....		2,019	2,015	2,359	2,543	\$17,705,484	\$15,017,155	\$2,098,015	\$2,157,088	\$ 2,629,256	15.3%	

\* Danville 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.

The number of building permits for new construction issued in twenty-seven of the Fifth District's leading cities numbered 2,019 in June 1925, compared with 1,951 permits issued in the same cities in May 1925 and 2,015 permits issued in June 1924. The total estimated valuation figure was also higher last month than during either the preceding month this year or the corresponding month last year, the June 1925 total being \$17,705,484, the May 1925 total \$14,954,728, and the June 1924 total \$15,017,155. Combined valuation of all permits, covering both new and alteration or repair work, amounted to \$19,803,499 in June 1925, which was 18.5 per cent above the \$16,706,021 reported in May 1925 and 15.3 per cent above the \$17,174,243 reported in June 1924. Sixteen of the twenty-seven reporting cities showed larger totals of permits in June this year than last, but in estimated valuation only eleven cities reported gains during the 1925 month, the larger District total being due to exceptionally marked increases in Richmond and Washington. Charleston, S. C., with a percentage increase of 605.7 per cent, led the District, followed by High Point with a gain of 207.6 per cent, Salisbury with 207.0 per cent, Bluefield with 121.0 per cent, and Washington with 116.8 per cent.

During the six months ending June 30th, the twenty-seven reporting cities issued 12,283 permits for new construction, with total valuation of \$96,987,915, compared with 12,128 permits and a valuation of \$84,-890,633 issued for new work during the first half of 1924, an increase this year of 1.3 per cent in number of permits and of 14.3 per cent in total valuation.

**COTTON**—Spot cotton prices ruled higher from the middle of June to the middle of July than during the preceding month. In our June 30th *Review* we traced the movement of prices in North and South Carolina for short staple, upland cotton, middling basis, through the week ending June 13th, during which week the average was 23.14 cents per pound. The following week, ending June 20th, the average price rose to 23.68 cents per pound, and continued upward to 23.74 cents during the week ending June 27th. There was a slight recession to 23.60 cents during the week ending July 4th, but the market turned upward again and attained an average of 23.80 cents the following week, ending July 11th. During the week ending July 18th an average of 24.36 cents was reached, the highest weekly average since March 28th.

The department of agriculture's cotton condition report of July 2nd, based on June 25th conditions, estimated this year's probable production at 14,339,000 bales, compared with 13,618,751 bales grown in 1924.

The condition of the crop was given as 75.9 per cent of a normal. North Carolina's condition was 77 per cent, compared with 74 per cent on May 25 this year and 73 per cent on June 25th last year, South Carolina's condition was 70 per cent, compared with 71 per cent on May 25th and 69 per cent a year ago, and Virginia's condition was 83 per cent, compared with 72 per cent a month earlier and 61 per cent last year. North Carolina's percentage was the same as the ten year average, South Carolina's figure was 1 point below the ten year average, and Virginia's figure was 3 points above. South Carolina showed the lowest condition on June 25th in the entire cotton belt except Texas, which had an average of 64 per cent. North Carolina acreage is 4 per cent above the 1924 acreage, South Carolina acreage is approximately 10 per cent larger and Virginia acreage is 10 per cent below that of last year. The national acreage shows an increase of between 8 and 9 per cent. The reduction in Virginia's acreage is due to unsatisfactory yield and prices in 1924, and to unfavorable weather at planting time in the spring.

Cotton consumed in American mills during June totaled 493,765 bales of lint, according to the Census Bureau's report of July 14th. This figure compares with 531,471 bales used in May 1925 and 350,021 bales in June 1924. Total consumption for the season to date—August 1, 1924 to June 30, 1925—amounted to 5,694,451 bales, compared with 5,333,455 bales consumed during the eleven months ending June 30, 1924. Cotton on hand in consuming establishments totaled 1,123,813 bales on June 30, 1925, compared with 1,348,304 bales on hand a month ago and 949,647 bales a year ago. Public warehouses and compresses held 759,945 bales on June 30, 1925, compared with 1,134,920 bales on May 31, 1925, and 882,197 bales on June 30, 1924. Imports of cotton in June totaled 19,957 bales, compared with 14,219 bales in May 1925 and 13,641 in June 1924, while exports during June totaled 217,786 bales, compared with 330,967 bales in May this year and 230,979 bales in June last year. Total exports during the eleven months ending June 30th this year amounted to 7,988,029 bales, compared with 5,560,467 bales sent abroad during the eleven months ending June 30, 1924. Active spindles in June numbered 32,309,896, compared with 33,147,632 in May 1925 and 29,219,484 in June 1924.

Cotton consumed in cotton growing states in June amounted to 337,651 bales, compared with 358,986 bales used in May and 247,240 bales in June 1924.

June weather was favorable for cotton in North Carolina, and the plants made good growth. Fields are well cultivated, and stands are fair. Root lice in the Coastal Plain counties have damaged stands, but on the whole prospects are considered excellent. No weevil damage has yet been reported, but experts expect considerable damage from this source later in the season. In South Carolina conditions vary from excellent to very poor. The early planted cotton in southern and eastern counties hit favorable seasons, and is now fruiting rapidly. Later plantings encountered the drought, which prevailed from early spring, and there is complaint of poor stands and slow growth in many localities in northern and western counties. The average date for appearance of first squares and blooms was about a week earlier than in 1924. Weevil emergence was very high this year, late reports showing about 20 to 1, but poison is being more extensively used than ever before and the unusually dry and hot weather of June was favorable for weevil control. Virginia cotton growers had great difficulty in getting a stand because of unfavorable weather in May, and much replanting was necessary. The stand is better than last year, however, and while the growth of the plant is backward, the crop has a good color and the fields are well worked. With favorable weather during the remainder of the season Virginia cotton could make an excellent yield.

## TOBACCO

NORTH CAROLINA'S tobacco acreage is 1 per cent above that of 1924, and the June 25th condition of 81 per cent indicates a probable production of 333,428,000 pounds, compared with 278,320,000 pounds grown last year. Due to the dry season thus far, cultivation of the crop has been unusually good. The plants show dark green with heavy body and plenty of wax in most eastern counties. Plants are stocky. Considerable blooming and buttoning out of plants has been reported from the Old Belt, where dry conditions were serious in May and June, but recent rains have improved prospects in this area.

VIRGINIA'S tobacco acreage is 11 per cent less than last year, and prospects are poorer than usual. Growers are quite discouraged, except on the eastern edge of the Bright belt where more favorable seasons have resulted in a promising outlook. Based on the June 25th condition of 67 per cent, the state's probable production is only 107,749,000 pounds, compared with 136,500,000 pounds grown in 1924. The low acreage is due to unfavorable weather at setting time. The condition of the Bright crop is spotted, and varies according to the amount of rain the various sections have had. In the Dark Fired district, some tobacco is looking well, but much of it was set with poor plants. If favorable seasons occur during the rest of the summer much improvement may be made in this section, the crop being later than in the Bright belt. Rain is very badly needed throughout the entire Virginia tobacco belt.

SOUTH CAROLINA'S tobacco condition was 82 per cent of a normal on June 25th, with the acreage approximately the same as in 1924. The crop is now being harvested and cured, and the auction warehouses will open about the first of August.

## AGRICULTURAL NOTES

MARYLAND crops benefitted from rains during the latter part of June, corn and pastures especially showing improvement. Corn is in splendid condition, and the dry weather in May and most of June enabled the farmers to work it three or four times. Maryland wheat is turning out the best quality and the highest per acre yields of any recent year, though a reduced acreage will cut the state's total yield. Hay crops are very short, and pastures are still reported poor in most sections. The recent rains have enabled farmers to finish their tobacco planting. Much interest is being taken in good breeding sheep, and farmers are purchasing purebred rams and ewes.

VIRGINIA crops suffered during June from dry weather, and since July 1st improvement has been spotted. There are sections that have had practically no rains since early in May. The corn crop is beginning to suffer in the central and southern districts, but prospects are still very promising. The wheat harvest has been completed, and threshing returns from all parts of the state indicate a larger yield than the farmers had expected. Hay crops are very short, and the ground has been too dry to enable farmers to replant their cut-over wheat fields in cowpeas and soybeans for hay, as is usually done. The early potato crop has nearly all been shipped. Yields were lower than usual, but good prices compensated for the short yield. The sweet potato crop is making fair progress, but has suffered from lack of moisture. Peanut prospects are promising, this crop doing better in dry weather than any other Virginia crop. Fruit crop prospects are very spotted. Some orchards have a fair crop of apples, while others have no fruit at all. The quality of apples is above the average. The peach crop is very short, and there will be very few cars for shipment. Owing to poor pasture conditions cattle have made little progress. The early lambs did not do as well as usual, owing to poor pasturage.

NORTH CAROLINA crops, with the exception of cotton, suffered from dry and hot weather between June 15th and July 15th, but on the whole agricultural prospects in the state are fair and the farmers are optimistic on the outlook. Corn is doing well in nearly all sections, and small grain crops are about up to average years. Fruit and truck prospects are fair. Hay crops are spotted, the northern Coastal counties having good crops while most other counties report a shortage. Throughout the entire state, however, local showers have resulted in good fields of hay and fair pastures. Crops are remarkably clean and well cultivated, in contrast to the grassy conditions that existed last year.

SOUTH CAROLINA'S corn crop is expected to produce 27,014,000 bushels this year, compared with 21,862,000 bushels in 1924. The acreage in corn this year is the smallest within the past ten years, but the crop averages from fair to good. The Irish potato acreage was much reduced this year, and the year's yield is estimated at only 2,597,000 bushels, compared with 3,885,000 bushels last year. Cowpeas and velvet beans have been reduced in acreage since last year, but the soy bean acreage has been increased from 40,000 acres to 80,000 acres, this plant having gained very rapidly in favor, both as a soil builder and a hay crop. The state's peach crop was only 831,000 bushels compared with 912,000 bushels last year, the decrease being due to spring frosts and dry weather which retarded development.

## WHOLESALE TRADE June, 1925

Percentage increase (or decrease) in sales in June 1925, compared with sales in May 1925:					
42 Groceries	15 Dry Goods	12 Shoes	18 Hardware	6 Furniture	13 Drugs
— 0.2	13.9	—12.7	— 0.9	— 1.0	— 0.04
Percentage increase (or decrease) in sales in June 1925, compared with sales in June 1924:					
6.0	16.8	4.8	— 0.01	21.2	8.1
Percentage increase (or decrease) in sales since January 1, 1925, compared with sales during the corresponding six months of 1924:					
2.9	— 8.4	— 5.5	— 7.1	12.7	1.9
Percentage increase (or decrease) in stocks on June 30, 1925, compared with May 31, 1925:					
— 6.0(9)	6.9(8)	— 1.8(6)	— 4.1(5)	— 4.8(2)	.....
Percentage increase (or decrease) in stocks on June 30, 1925, compared with June 30, 1924:					
— 4.3(9)	—16.0(8)	—21.5(6)	— 8.2(5)	18.5(2)	.....

— Denotes decreased percentage.

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

Wholesale trade in June was slightly less active than in May, but in all lines reported upon except hardware business was in greater volume than during June last year. June sales in dry goods exceeded May sales, but in all other reporting lines declines occurred during the more recent month, the decreases in groceries, hardware, furniture and drugs being very small. Sales during the first half of 1925 exceeded sales during the corresponding period last year in groceries, furniture and drugs, but sales of dry goods, shoes and hardware were smaller this year.

Dry goods stocks at the end of June were larger than at the end of May, but stocks were less in all other reporting lines, while in comparison with stocks on June 30, 1924, those on hand June 30th this year were less in all lines except furniture.

The reporting firms classified their June collections 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 .....	8	11	23	21	8	7	0	0	39	39
Dry Goods .....	0	1	10	7	4	7	1	0	15	15
Shoes .....	0	1	4	7	6	2	1	1	11	11
Hardware .....	1	2	8	7	5	6	1	0	15	15
Furniture .....	2	1	4	4	0	1	0	0	6	6
Drugs .....	3	1	8	9	1	2	0	0	12	12
June Totals .....	14	17	57	55	24	25	3	1	98	98
May Totals .....	14	17	60	60	22	18	1	2	97	97
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-eight Representative Department Stores for the Month of June 1924

Percentage increase in June 1925 sales over sales in June 1924:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
1.4	8.9	7.0	1.3	4.0
Percentage increase in sales from January 1st through June over sales during the same six months in 1924:				
1.3	11.4	4.0	1.8	3.1
Percentage increase in June 1925 sales over average June sales during the years 1920-1924, inclusive:				
— 1.9	21.1	6.4	— 4.7	3.1
Percentage increase in stock on June 30, 1925, over stock on June 30, 1924:				
4.1	8.7	— 6.1	— 6.4	— 0.2
Percentage increase in stock on June 30, 1925, over stock on May 31, 1925:				
— 1.8	— 4.1	— 3.9	— 3.8	— 3.0
Percentage of sales during June 1925 to average stock carried during that month:				
27.6	27.0	31.5	21.0	28.0
Percentage of sales from January 1st through June 30th, to average stock carried during the six months:				
158.5	157.5	166.4	124.8	157.0
Percentage of outstanding orders on June 30th, to total purchases of merchandise in 1924:				
6.1	4.1	4.2	6.5	5.2

— Denotes decreased percentage; other figures show gains.

Retail trade in June, as reflected by sales in twenty-eight representative department stores in the Fifth District, exceeded trade in June 1924 by 4.0 per cent. Total sales during the first half of 1925 were 3.1 per cent greater than sales during the first half of 1924. June 1925 sales were 3.1 per cent larger than average June sales during the five years 1920-1924, inclusive. Stocks on hand on June 30, 1925, were two-tenths of 1 per cent smaller than stocks on hand June 30, 1924, and 3.0 per cent smaller than on May 31st this year, all stock measured at selling prices. Total sales in June amounted to 28.0 per cent of average stocks carried during the month, and cumulative sales from January 1st through June were 157.0 per cent of average monthly stocks carried during the six months' period. Washington stores, with an annual rate of 3.33 times, showed the most rapid turnover during the past six months. Outstanding orders for merchandise on June 30th amounted to 5.2 per cent of total 1924 purchases.

(Compiled July 21, 1925)

## BUSINESS CONDITIONS IN THE UNITED STATES.

(Compiled by the Federal Reserve Board)

Production of basic commodities and factory employment declined further in June, while railway freight shipments and the volume of wholesale trade increased. Wholesale prices, after declining for two months, advanced in June.

**PRODUCTION.** Production in basic industries, as indicated by the Federal Reserve Board's index, declined about 1 per cent in June to the lowest level since the autumn of 1924 but was 17 per cent above the low point of last summer. Output of pig iron, steel ingots, lumber, newsprint and petroleum, and mill consumption of cotton, declined in June, while production of bituminous coal, sole leather and wheat flour increased. The number of automobiles manufactured during June was slightly less than in May. Factory employment declined 1 per cent and factory pay rolls over 2 per cent between May 15th and June 15th, reflecting substantial declines in the automobile, boot and shoe, textile, and iron and steel industries. Building contracts awarded during June were larger in value than during May and almost equalled the peak figure for April. In square feet of floor space the June awards were a little smaller than those for May. Residential contracts in June were the smallest for any month since February but greatly exceeded those of a year ago. The Department of Agriculture's estimate of the condition of all crops combined on July 1st showed some improvement from the month before. The corn forecast places it at approximately 550,000,000 bushels above last year. The July 15th cotton crop estimate was 13,588,000 bales, compared with a forecast of 14,339,000 bales on June 25th.

**TRADE.** Freight car loadings were larger during June than during May, as is usual at that season, and also considerably exceeded the figures for June 1924, the low point of last year. Sales at department stores during June were seasonally smaller than in May, but totaled 5 per cent more than last year. It should be borne in mind, however, that in June of this year there were 4 Sundays as compared with 5 in the preceding month as well as in June 1924. Mail order sales were 6 per cent larger than in May and exceeded the amount for June 1924. Sales of wholesale firms were 5 per cent greater than in May and larger than in any June in the last five years. Department store stocks were reduced further in June but were slightly larger than a year ago. Wholesale stocks of groceries, shoes and hardware were smaller at the end of June than a month earlier but those of dry goods and drugs were larger. Compared with a year ago, stocks of groceries and drugs were larger in value while stocks of dry goods, shoes and hardware were smaller.

**PRICES.** Wholesale commodity prices advanced 1.4 per cent in June, according to the index of the Bureau of Labor Statistics, following declines in April and May. The largest increase for any commodity group was for the Miscellaneous Group, which includes crude rubber. Prices of farm products, foods, and fuel and lighting also advanced, while prices of building materials declined considerably. In the first half of July quotations on flour, beef, hogs, wool, copper, petroleum, hides and rubber increased, while prices of sugar, bituminous coal and hardwood lumber declined.

**BANK CREDIT.** At member banks in leading cities the volume of loans on securities continued to increase after the middle of June and during the first half of July was at a higher level than at any previous time. Demand for bank credit for commercial purposes was relatively inactive and the volume of commercial loans at reporting member banks remained near the low level for this year, although considerably above the amount for the corresponding period in 1924. At the Reserve banks the seasonal demand for credit and currency was reflected in increased borrowing by member banks, which carried discounts at the beginning of July to the highest level in more than a year, and notwithstanding the subsequent decline the total on July 22nd was still at a relatively high level. Total earning assets on that date showed little change as compared with the figures for four weeks earlier. Firmness in the money market at the close of the fiscal year was followed by an easing of money after the first week of July. In the latter part of the month there was again evidence of firmer money conditions. These changes were reflected chiefly in the movement of rates for call money, quoted rates on prime commercial paper and on Bankers acceptances remaining throughout the period at 3 3/4—4 per cent and 3 1/4 per cent, respectively.

**NOTE.** Due to the unusual length of the National Summary this month, the charts which supplement the text are omitted.