

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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In most years August is one of the duller months in business, but this year there was less seasonal recession than usual. The volume of business done was larger than in August 1924 in practically all lines of trade, and compared favorably with earlier months this year. Manufacturing was more active than a year ago, and there is a more general feeling of optimism as to prospects. There are weak spots in the agricultural situation, and crop yields have been seriously reduced by a severe drought of long duration, but probably on the whole farm prospects are better in the District this year than they were a year ago. Maryland crops average better than last year, Virginia's are not much lower, and both Carolinas appear to have somewhat better prospects. Conditions in the Piedmont section of South Carolina are bad, but to offset this there has been a recovery in southern, central and eastern counties of that State. The textile industry is still handicapped by

hand to mouth buying, but a considerable volume of business is being done in small orders. The coal industry of the Fifth District is not only experiencing a seasonal increase in orders, but is benefitting from the anthracite strike. Labor is fairly well employed, chiefly as a result of the continuation of a large volume of construction work throughout the District. The value of building permits issued in August exceeded the August 1924 valuations. Consumers are spending their wages freely, as is attested by the increased volume of debits passing through the banks this year in comparison with last year. Retail trade as reflected in department store sales during August exceeded August 1924 trade by 10 per cent, and wholesale trade on the whole compared favorably with 1924. Business failure in August in the Fifth District were the lowest in both number and liabilities for any month since September 1924, and were also lower than in August last year.

RESERVE BANK OPERATIONS—Seasonal needs for the marketing of agricultural products, particularly cotton and tobacco, brought an increased demand for credit at the Federal Reserve Bank of Richmond during the past month. Between August 15th and September 15th, member banks borrowing at the Reserve bank increased from \$50,872,000 to \$53,924,000, and the circulation of Federal Reserve notes of the Richmond bank rose from \$70,819,000 to \$75,758,000. Between the dates mentioned, member bank reserve deposits declined from \$65,378,000 to \$63,748,000, and as a result of the several changes in the items enumerated the cash reserves of the Federal Reserve Bank of Richmond dropped during the month from \$85,559,000 to \$81,703,000. The ratio of cash reserves to combined note and deposit liabilities declined from 61.18 per cent on August 15th to 58.17 per cent on September 15th.

The Federal Reserve Bank of Richmond is extending a much larger amount of credit to members this year than at the same time in 1924. On September 15, 1924, member bank borrowing totaled \$38,372,000 in comparison with \$53,924,000 on September 15, 1925, and during the year under review the circulation of Federal Reserve notes rose from \$72,254,000 to \$75,758,000. Little change is shown in member bank reserve deposit figures between the 1924 and 1925 dates, a rise from \$63,670,000 to \$63,748,000 having occurred. The cash reserves of the Federal Reserve Bank of Richmond declined during the year from \$104,022,000 to \$81,703,000, and the ratio of reserves to combined note and deposit liabilities dropped from 76.33 per cent on September 15, 1924, to 58.17 per cent on September 15, 1925.

SAVINGS DEPOSITS—Deposits in fourteen mutual savings banks in Baltimore declined during August from \$149,932,000 to \$149,571,500, but at the end of the month were 4.6 per cent greater than on the corresponding date in 1924, when an aggregate of \$143,030,792 was reported. As pointed out elsewhere in this *Review*, time deposits in reporting member banks in the Fifth District also declined in August, falling from a total of \$200,755,000 on August 12th to \$198,645,000 on September 9th. Both declines appear to be of a seasonal nature, decreases in time and savings deposits having occurred in August during four of the six years for which records are available.

The National Summary will be found on page 8

CONDITION OF SEVENTY-TWO REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	September 9, 1925	August 12, 1925	September 10, 1924
1. Total Loans and Discounts (including all rediscounts)	\$ 516,228,000	\$ 501,557,000	\$ 468,035,000
2. Total Investments in Bond and Securities	125,753,000	130,543,000	117,368,000
3. Total Loans and Investments.....	641,981,000	632,100,000	585,403,000
4. Reserve Balance with Federal Reserve Bank	38,193,000	38,647,000	37,835,000
5. Cash in Vaults.....	14,706,000	16,811,000	13,414,000
6. Demand Deposits	367,201,000	355,007,000	342,525,000
7. Time Deposits	198,645,000	200,755,000	179,898,000
8. Borrowed from Federal Reserve Bank.....	21,589,000	17,498,000	8,765,000

The accompanying table shows the principal items of condition reported by seventy-two identical member banks in thirteen Fifth District cities as of three dates, September 9, 1925, August 12, 1925, and September 10, 1924.

During the past month there was a seasonal increase in the reporting banks' accommodations to their customers, total loans and discounts rising from \$501,557,000 on August 12th to \$516,228,000 on September 9th. This expansion in loans was accompanied by a reduction in investments in bonds and securities from \$130,543,000 to \$125,753,000; a decline in reserve balances at the Reserve bank from \$38,647,000 to \$38,193,000; a decrease in cash in vaults from \$16,811,000 to \$14,706,000; and a drop in time deposits from \$200,755,000 to \$198,645,000. Demand deposits rose with the loan expansion from \$355,007,000 on August 12th to \$367,201,000 on September 9th, and between the same dates the reporting banks increased their borrowing at the Reserve bank from \$17,498,000 to \$21,589,000.

A comparison of the figures in the table reported on September 9, 1925, with those reported on September 10, 1924, shows that during the year the banks increased their loans to customers, their investments in bonds and securities, their reserve balances at the Reserve bank, and their cash in vaults. These gains in resources were offset by material increases in both demand and time deposits during the year, and by a considerable increase in borrowing at the Reserve bank.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	September 9, 1925	August 12, 1925	September 10, 1924
Asheville, N. C.	\$ 26,356,000	\$ 24,843,000	\$ 22,380,000
Baltimore, Md.	379,484,000	393,399,000	341,870,000
Charleston, S. C.	24,199,000	18,418,000	18,528,000
Charleston, W. Va.	31,854,000	30,908,000	28,285,000
Charlotte, N. C.	38,211,000	40,265,000	35,681,000
Columbia, S. C.	16,342,000	12,961,000	13,256,000
Cumberland, Md.	7,705,000	8,511,000	7,861,000
Danville, Va.	7,701,000	8,425,000	7,225,000
Durham, N. C.	23,711,000	23,075,000	19,472,000
Greensboro, N. C.	17,361,000	16,216,000	19,051,000
Greenville, S. C.	17,350,000	19,405,000	18,231,000
Hagerstown, Md.	9,404,000	9,374,000	8,050,000
Huntington, W. Va.	23,231,000	23,227,000	21,795,000
Lynchburg, Va.	18,259,000	17,028,000	17,598,000
Newport News, Va.	6,900,000	7,876,000	5,634,000
Norfolk, Va.	55,032,000	55,585,000	50,882,000
Raleigh, N. C.	20,082,000	29,685,000	25,350,000
Richmond, Va.	128,448,000	113,086,000	114,639,000
Roanoke, Va.	22,477,000	22,485,000	21,828,000
Spartanburg, S. C.	11,409,000	11,405,000	11,423,000
Washington, D. C.	183,090,000	203,886,000	157,400,000
Wilmington, N. C.	15,946,000	15,258,000	14,171,000
Winston-Salem, N. C.	27,979,000	33,068,000	28,447,000
District Totals.....	\$1,112,531,000	\$1,138,389,000	\$1,009,057,000

Debits to individual, firm and corporation accounts in twenty-three leading business centers of the Fifth Reserve District declined from a total of \$1,138,389,000 during the four weeks ending August 12, 1925, to a total of \$1,112,531,000 during the four weeks ending September 9, 1925, a decline during the corresponding period having occurred in each of the past six years. A majority of the reporting cities gained

during the later period, twelve cities reporting higher figures in comparison with eleven cities reporting decreases, but the decreases in several cities were comparatively large and offset the gains.

In comparison with the four weeks ending September 10, 1924, the corresponding four weeks this year showed a total increase from \$1,009,057,000 to \$1,112,531,000 seventeen of the twenty-three cities reporting larger figures for the 1925 period. Five of the six cities that reported lower totals this year are in the Carolinas, and were probably adversely effected by the marked decrease in cotton production in the Piedmont section of those states.

BUSINESS FAILURES—Commenting on the business mortality record for August, *Dun's Review* for September 5th says, "Each of the last four months has shown a decrease in the number of commercial failures in the United States, and the August total of 1,513 is the smallest for nearly a year. It compares with 1,685 in July, 1,745 in June, 1,767 in May, and with this year's high point of 2,317 reached in January. The reduction from the latter figure is 34.7 per cent. The number for August is less than for all months since last September, when 1,306 defaults were reported, and is slightly below the 1,520 failures of August 1924. In contrast to the decrease in the number of defaults, last month's liabilities exceed those for the three immediately preceding months, the aggregate being \$37,158,861. This compares with \$34,505,191 for July, but is materially below this year's maximum of \$54,354,032, established in January. There also is a marked falling off from the \$55,153,981 of August 1924. For eight months of the current year the indebtedness shows a reduction of about 21 per cent from the amount for the corresponding period of last year, although the number of defaults has increased 5 per cent. There were fewer large failures last month than in any previous August since 1920, those having liabilities of \$100,000 or more in each case numbering 43. This compares with 53 large defaults in August 1924, 56 in August 1923, 59 in August 1922, and 69 in August 1921. In August 1920 the number of large failures was 38."

The Fifth District failure statistics for August were in line with the national figures, the number of insolvencies falling from 101 in August 1924 to 98 in August this year, and the liabilities involved dropping from \$4,233,075 to \$1,565,924, both number and liabilities during the month being the lowest for any month since September 1924.

LABOR—No material changes developed in labor circles in the Fifth District between the middle of August and the middle of September except in the coal fields of West Virginia where sharply increased production of bituminous coal gave miners steadier employment and correspondingly increased payrolls. In the textile centers some further curtailment of operations shortened the number of working days. Crops matured earlier than usual this year, and the demand for laborers for harvesting has been active, but there has generally been enough workers to supply pressing demands. All of these developments were seasonal, however. In the cities, building construction is holding up better than might be expected at this season, and labor in building trades is therefore more fully employed than in most years. There is a small surplus of common labor in nearly all Fifth District cities, and a distinct surplus of clerical workers, but no serious unemployment has been reported at any particular point.

COAL—The anthracite coal strike which began on September 1st has naturally increased the demand for bituminous coal, and West Virginia mines are getting their share of the increased orders. Demand for bituminous coal increased sharply during August, the increase being partly seasonal and partly due to some fear that bituminous mines might become involved in the anthracite controversy. During August 44,882,000 net tons of soft coal were mined, compared with 39,582,000 net tons mined in July and 37,167,000 tons in June. West Virginia continues to lead all coal producing states in production and since the first week in May has exceeded its 1923 output, the record year for production during the summer months. Prices at the mines have risen sharply since the middle of August, and the combination of numerous orders and good prices has greatly improved the business outlook in the coal producing section of the Fifth District.

Coal at retail has advanced in price from \$1.00 to \$1.50 a ton since our August 31st *Review* was written, and dealers state that further advances are expected in the near future. Soft coal is plentiful, and most dealers have a moderate supply of anthracite, but there is not sufficient hard coal in dealer's stocks to carry them through the winter, and if the anthracite strike continues very long customers will have to substitute soft coal or some other fuel. The Fifth District uses relatively little hard coal, however, and the public seems to be entirely apathetic toward the anthracite strike.

TEXTILES—Conditions in textile manufacturing appear to have improved slightly since the middle of August, although mill authorities state that there is still much room for further improvement. Uncertainty as to the size of the 1925 cotton crop, with consequent uncertainty as to future cotton prices, has caused buyers to hold off orders for future delivery, and mills have therefore had to be content with hand to mouth buying, of which there has been an increased volume during recent weeks. Fifth District mills curtailed production further in August, partly because of a lack of orders for standard fabrics and partly because of power shortage as a result of the long drought in the Carolinas. Mills in the two Carolinas and Virginia consumed 170,194 bales of cotton during August, compared with 189,871 bales used in July this year and 140,710 bales used in August 1924. Our correspondents among textile manufacturers write that prospects

on the whole have improved recently, and fairly satisfactory business is forecast for the fall and winter months. At present prices of raw cotton and manufactured goods, the business the mills are now doing is somewhat more profitable than the business done last spring.

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

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1925	1924	1925	1924			
		1925	1924	1925	1924							
1	Baltimore, Md.....	679	611	1,157	1,308	\$ 5,686,320	\$ 3,922,800	\$ 222,840	\$ 754,080	\$ 1,232,280	26.3%	1
2	Cumberland, Md....	23	49	10	12	46,860	121,748	5,900	18,437	— 87,425	— 62.4	2
3	Frederick, Md.....	10	7	2	3	31,445	34,600	1,250	5,650	— 7,555	— 18.8	3
4	Hagerstown, Md....	32	60	4	15	50,990	79,675	3,325	24,000	— 49,360	— 47.6	4
5	Danville Va.....	*17		*13		*34,837		*10,830				5
6	Lynchburg, Va.....	13	19	21	28	18,860	106,443	31,650	17,853	— 73,786	— 59.4	6
7	Norfolk, Va.....	135	98	53	56	257,213	1,101,995	24,737	178,755	— 998,800	— 78.0	7
8	Petersburg, Va....	3	6	4	3	5,650	13,252	720	10,125	— 17,007	— 72.8	8
9	Richmond, Va.....	125	162	73	95	547,035	324,002	125,724	97,930	250,827	59.4	9
10	Roanoke, Va.....	81	93	31	28	145,290	451,030	11,895	12,380	— 306,225	— 66.1	10
11	Bluefield, W. Va..	13	32	2	8	18,592	95,050	15,150	3,100	— 64,408	— 65.6	11
12	Charleston, W. Va.	25	34	7	9	88,118	86,900	6,050	6,410	858	0.9	12
13	Clarksburg, W. Va	22	39	12	20	37,130	167,310	8,050	12,015	— 134,145	— 74.8	13
14	Parkersburg, W. Va	26	27	10	11	94,125	254,890	4,815	4,485	— 160,435	— 61.9	14
15	Asheville, N. C. ...	43	26	38	57	253,400	221,237	11,363	88,463	— 44,937	— 14.5	15
16	Charlotte, N. C. ...	53	49	13	12	806,220	248,200	13,270	17,500	553,790	208.4	16
17	Durham, N. C.....	36	15	16	9	164,785	120,000	24,225	16,350	52,660	38.6	17
18	Greensboro, N. C.	45	79	33	28	237,420	621,048	25,508	16,345	— 374,465	— 58.7	18
19	High Point, N. C...	67	44	7	10	195,025	116,715	7,200	9,925	75,585	59.7	19
20	Raleigh, N. C.....	55	46	11	16	133,134	231,890	8,075	14,700	— 105,381	— 42.7	20
21	Salisbury, N. C. ...	13	23	21	0	50,150	53,910	7,836	0	4,076	7.6	21
22	Wilmington, N. C.	9	8	10	6	38,250	22,600	11,700	10,900	16,450	49.1	22
23	Winston-Salem, N. C.	53	90	67	95	235,160	568,583	49,031	48,020	— 332,412	— 53.9	23
24	Charleston, S. C. ...	9	3	44	5	18,650	5,750	11,212	1,250	22,862	326.6	24
25	Columbia, S. C. ...	23	17	40	121	209,329	35,925	11,335	27,691	157,048	246.9	25
26	Greenville, S. C....	10	14	16	11	72,200	60,340	16,060	7,425	20,495	30.2	26
27	Spartanburg, S. C.	27	38	20	25	104,198	145,350	3,883	5,720	— 42,989	— 28.5	27
28	Washington, D. C.	182	497	523	286	5,463,640	3,242,612	500,475	191,436	2,530,067	73.7	28
	Totals.....	1,812	2,186	2,245	2,277	\$15,009,189	\$12,453,855	\$1,163,279	\$1,600,945	\$ 2,117,668	15.1%	

* 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.

Some seasonal decline in construction work is reflected in reports received from twenty-seven building inspectors at the end of August, but the recession is less marked than might be expected at this season and after a record year. Total permits issued for new work in twenty-seven cities for which 1924 figures are available for comparison numbered 1,812 in August 1925 and 2,186 in August 1924, eleven of the reporting cities showing higher figures this year. In total valuation of the proposed work, August 1925 with a total of \$15,009,189 exceeded the total of \$12,453,855 reported in August last year, twelve of the cities exceeding their August 1924 figures. Higher valuation figures were reported by the larger cities, Baltimore gaining 26 per cent, Richmond 59 per cent, Charlotte 208 per cent, and Washington 74 per cent. Some other high percentage gains were reported, but they were chiefly due to low valuations in August 1924 rather than to high figures this year. In total valuation of all classes of work, the twenty-seven cities totaled \$16,172,468 in comparison with \$14,054,800 in August last year, an increase of \$2,117,668, or 15.1 per cent, during the 1925 month.

COTTON—Spot cotton prices continued to decline during the last half of August and the first week in September, the average price paid growers in the Carolinas falling from 23.74 cents per pound during the week ending August 15th to 21.44 cents per pound during the week ending September 5th. The Department of Agriculture's condition report issued on September 8th, and reflecting conditions as of September 1st, was lower than had been expected, however, and during the week ending September 12th the average price paid in the Carolinas rose to 22.43 cents, and advanced further during the week ending September 19th, the latest period for which figures are available, to 23.88 cents per pound.

The Department of Agriculture's condition report as of August 16th predicted a crop of 13,990,000 bales, an increase of 424,000 bales over the August 1st estimate, but during the last half of August the crop deteriorated in all sections of the South, and the Department's September 1st report reduced its

estimate of prospective yield to 13,740,000 bales. The condition of the crop was given as 56.2 per cent of a normal, compared with 59.3 per cent on September 1, 1924. The 1924 crop was 13,627,936 bales, but the yield would not have been nearly that large if the weather during the fall had not been highly favorable for the growth of a top crop and for the opening of all bolls. The September 1st condition in South Carolina was 46 per cent, with estimated production of 830,000 bales, North Carolina's condition on the same date was 68 per cent and the estimate of production 1,132,000 bales, and Virginia's condition was 68 per cent and estimate of production 46,000 bales. The weather was unfavorable for further development during the first half of September, and all unofficial estimates of the probable yields in the three Fifth District cotton growing states are now lower than the official September 1st figures.

Cotton consumed in American mills during August totaled 448,665 bales of lint, according to the Census Bureau's report of September 15th. This figure compares with 483,898 bales used in July 1925 and 357,380 bales used in August 1924. Cotton on hand in consuming establishments totaled 680,527 bales on August 31, 1925, compared with 866,359 bales on hand a month ago and 552,789 bales a year ago. Public warehouses and compresses held 1,040,178 bales on August 31, 1925, compared with 514,196 bales on July 31, 1925, and 802,064 bales on August 31, 1924. Imports of cotton in August totaled 9,266 bales, compared with 9,927 bales in July 1925 and 4,136 bales in August 1924, while exports during August totaled 315,825 bales, compared with 202,468 bales in July this year and 277,647 bales in August last year. Active spindles in August numbered 31,269,774, compared with 31,760,596 in July 1925 and 29,010,630 in August 1924. Cotton consumed in cotton growing states amounted to 302,604 bales in August, compared with 327,087 bales used in July 1925 and 245,779 bales in August 1924.

The cotton crop is opening very much more rapidly this year than in any recent year, due to the extremely dry and hot weather. The Census Bureau's ginning report to September 1st shows 1,892,549 bales ginned, compared with 947,494 bales ginned prior to September 1st last year and 1,142,660 bales ginned to the same date in 1923.

South Carolina ginned 91,125 bales before September 1st this year, compared with 11,241 bales to the same date a year ago, and North Carolina ginned 6,773 bales this year compared with 47 bales in 1924. South Carolina ginning this year is the highest on record for that state.

TOBACCO—SOUTH CAROLINA. Tobacco markets opened in South Carolina early in August, and during the month forty independent warehouses sold 23,238,117 pounds for producers, at an average price of \$17.81. The crop is much better than usual, according to the September 1st report of the Agricultural Statistician of the U. S. Department of Agriculture. A crop of about 68,200,000 pounds is expected, which is 2,200,000 pounds more than the August 1st estimate and approximately 22,500,000 pounds more than the 1924 production.

NORTH CAROLINA. Markets in three counties in North Carolina opened in August, and sold 13,499,301 pounds of tobacco at an average price of \$18.23 per hundred pounds, compared with 9,622,409 pounds at \$17.44 per hundred sold on the same markets in August 1924. The September 1st condition of 80 per cent indicates a probable yield of 325,296,000 pounds, compared with 278,320,000 pounds produced last year. Sales have been unusually heavy since the opening of the season and the quality of the leaf is much better than last year, but prices are considered rather disappointing by the growers.

VIRGINIA. Tobacco improved distinctly during August, and the Department of Agriculture's estimate of production was raised to 104,346,000 pounds, a gain of approximately 22,000,000 pounds over the August 1st estimate. Stands are exceedingly irregular, however, and leaves are generally short. Virginia's 1924 crop was 136,500,000 pounds.

MARYLAND. This year's tobacco yield in Maryland is forecast at 20,200,000 pounds, compared with 21,420,000 pounds grown in 1924. Early tobacco is being cut and housed, and growers report that it is curing well.

AGRICULTURAL NOTES—MARYLAND. The composite condition of all Maryland crops on September 1st was 104.3, indicating on that date a 4.3 per cent better condition than the ten year average, according to the Federal crop statistician for Maryland. The average is 11.6 per cent above the corresponding figure on August 1st. The weather in August was favorable, and crops and pastures improved noticeably. The corn crop in Maryland is estimated at 26,630,000 bushels, compared with 18,538,000 bushels gathered in 1924 and a five year average of 23,926,000 bushels. Maryland apples are expected to yield about an average crop, 1,626,000 bushels this year in comparison with 1,749,000 bushels last year. The 1925 commercial crop of 282,000 barrels is larger than the 254,000 barrels that made up the commercial crop in 1924, but is slightly below the five year average of 283,000 barrels.

VIRGINIA. Weather conditions during August were fairly favorable in the northern and eastern counties where crops made some improvement, but in the central counties the rains early in the month came too late to do very much good. The western and southwestern sections had practically no rain during August. Farm work is very backward, the extreme dryness of the soil having prevented plowing for fall planting. In

the southwest pastures are parched, and farmers were forced to ship their cattle two months earlier than usual. Corn in northern and eastern districts improved during August, and good yields are now indicated in those sections, but conditions were unfavorable elsewhere in the State and prospects are poor. The September 1st condition of 68 per cent indicates a corn crop of 42,281,000 bushels this year, compared with 37,006,000 bushels last year. Hay production is estimated at 792,000 tons this year, compared with 1,370,000 tons in 1924. Pastures are very poor in all parts of the state. The peanut yield for 1925 is forecast at 117,652,000 pounds, compared with 74,100,000 pounds produced in 1924, but September is the critical month for peanuts and the final crop is therefore still doubtful. Virginia's commercial apple crop is forecast at 1,221,000 barrels this year, compared with 2,520,000 barrels in 1924. The size of the apple is much smaller than usual in most sections, and in some orchards apples are dropping badly, but the quality of the fruit is very good, and it appears that an unusually large percentage of the crop will grade Number 1. Gathering has commenced and the carlot movement is becoming heavy, most of the early shipments going into the export trade.

NORTH CAROLINA. August weather was unfavorable for crop development in North Carolina, but rains have fallen in many sections since September 1st and considerable improvement has been reported since that date. Corn in the western and Piedmont sections is poor on uplands but good in bottoms. In eastern counties the crop is fairly good and appears to be turning out better than had been expected. A crop of 41,814,000 bushels is expected this year, compared with 44,514,000 bushels grown last year. Potatoes look promising in growth of plants, but when dug the yields are disappointing. A yield of sweet potatoes of 8,884,000 bushels is forecast, and the Irish potato crop is estimated at 3,402,600 bushels, the latter being only a little over half of last year's production. Hay yields are very poor. Peanuts improved during August, and a crop of 196,928,000 pounds is expected, an improvement of 29 per cent over the 1924 crop. The principal peanut counties are located in the northern Coastal Plain where rain has been most abundant this season.

SOUTH CAROLINA. All of the crops in South Carolina show a poor condition as a result of the low-est rainfall since the establishment of the Weather Bureau 39 years ago. This drought together with intense heat of well over 100 degrees caused marked deterioration during August. Many trees have died for lack of moisture, and streams are low over the entire State, many being completely dry in the Piedmont section. The Piedmont corn crop is almost a complete failure and many hundreds of acres of grain stubble are yet unturned for hay crops. This situation is intensified by a very poor cotton crop. The southern and eastern sections, although much below normal rainfall, have fair to good crops, running to excellent in some localities. The corn crop of the State is estimated at 19,900,000 bushels, about 2,000,000 bushels under the very small 1924 crop. Hay condition is only 36 per cent of a normal, and the dry weather prevented the turning of stubble for the summer hay crops. Peanuts showed a marked decline during August, and the crop is forecast at only 10,857,000 pounds in comparison with 22,400,000 pounds in 1924 and a five year average of 27,862,000 pounds. The sweet potato crop is very short, the expected yield of 5,167,000 bushels being 3,000,000 bushels below the average production for the past five years.

WHOLESALE TRADE, AUGUST, 1925

Percentage increase (or decrease) in sales in August 1925, compared with sales in July 1925:					
41 <i>Groceries</i>	15 <i>Dry Goods</i>	11 <i>Shoes</i>	17 <i>Hardware</i>	6 <i>Furniture</i>	13 <i>Drugs</i>
— 3.8	53.2	86.8	12.3	—20.3	— 2.9
Percentage increase (or decrease) in sales in August 1925, compared with sales in August 1924:					
0.9	— 2.1	14.6	— 5.2	5.6	4.0
Percentage increase (or decrease) in sales since January 1, 1925, compared with sales during the corresponding eight months of 1924:					
3.7	— 6.9	— 0.5	— 7.1	17.0	2.9
Percentage increase (or decrease) in stock on August 31, 1925, compared with July 31, 1925:					
0.4 (11)	— 0.6 (8)	—16.3 (5)	2.9 (5)	3.7 (2)
Percentage increase (or decrease) in stock on August 31, 1925, compared with August 31, 1924:					
3.3 (9)	—12.3 (8)	—29.3 (5)	—10.3 (5)	0.3 (2)

— Denotes decreased percentage.

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

Wholesale trade in August increased over July in dry goods, shoes and hardware, but declined in groceries, furniture and drugs. In comparison with August 1924 sales, sales in August this year were greater in groceries, shoes, furniture and drugs, while sales in dry goods and hardware were smaller. Cumulative sales since January 1st were larger this year than last in groceries, furniture and drugs, but less in dry goods, shoes and hardware. Stocks increased during August in groceries, hardware and furniture, but decreased in dry goods and shoes as a result of heavy seasonal shipments to retailers. In comparison with stocks on hand August 31, 1924, those on hand on the same date this year were larger in groceries and furniture, but less in dry goods, shoes and hardware.

Collections during August were classified by the reporting firms 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	6	24	28	8	4	0	1	39	39
Dry Goods	0	1	8	8	7	6	0	0	15	15
Shoes	0	0	7	6	3	4	0	0	10	10
Hardware	1	2	7	7	6	6	1	0	15	15
Furniture	1	1	5	4	0	1	0	0	6	6
Drugs	3	4	6	6	2	1	0	0	11	11
August Totals	12	14	57	59	26	22	1	1	96	96

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

Percentage increase in August 1925 sales over sales in August 1924:					
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>	
13.5	9.7	5.2	10.7	10.0	
Percentage increase in sales from January 1st through August, over sales during the same eight months in 1924:					
2.9	9.7	4.8	2.2	4.1	
Percentage increase in August 1925 sales over average August sales during the years 1920-1924, inclusive:					
— 3.4	23.3	5.6	7.7	4.4	
Percentage increase in stock on August 31, 1925, over stock on August 31, 1924:					
7.8	9.3	— 6.7	— 5.3	1.5	
Percentage increase in stock on August 31, 1925, over stock on July 31, 1925:					
— 0.5	2.1	0.5	0.4	0.1	
Percentage of sales during August 1925 to average stock carried during that month:					
19.6	21.1	22.4	19.8	20.6	
Percentage of sales from January 1st through August 31st, to average stock carried during the eight months:					
198.7	200.1	214.7	160.9	198.8	
Percentage of outstanding orders on August 31st, to total purchases of merchandise in 1924:					
8.8	10.2	8.8	9.0	9.0	

— Denotes decreased percentage; other figures show gains.

Department store sales in thirteen leading Fifth District cities were distinctly better in August than in August last year, twenty-nine stores reporting an average increase of 10 per cent. Cumulative sales since January 1st were 4.1 per cent greater than cumulative sales during the corresponding eight months of 1924, and August sales averaged 4.4 per cent above average August sales during the five years 1920-1924, inclusive.

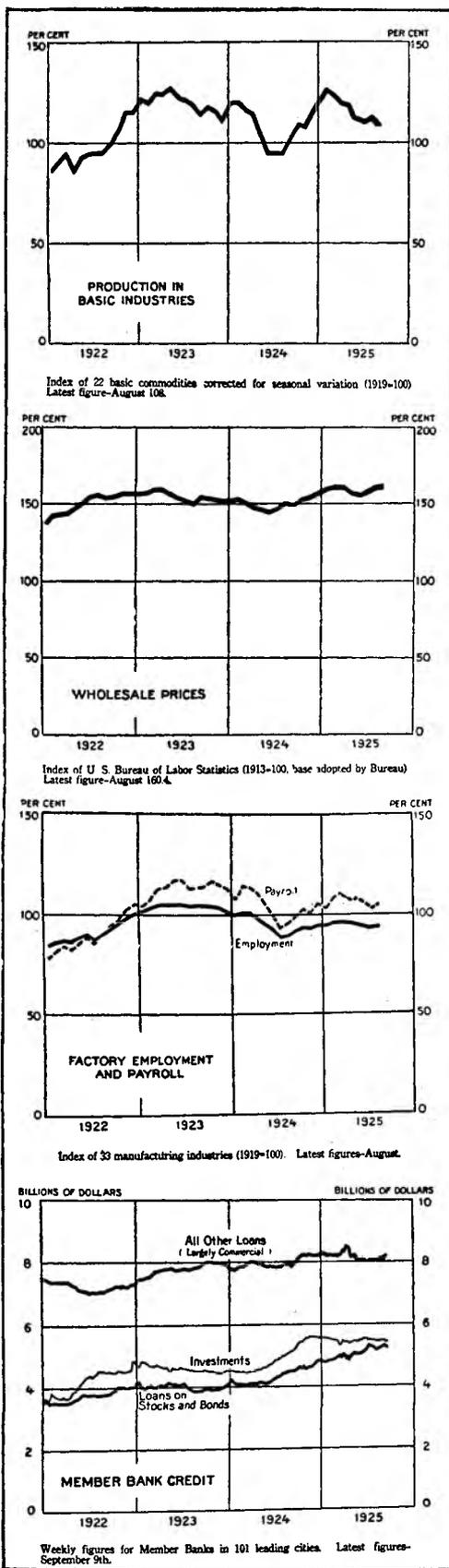
Stocks on hand in the reporting stores at the end of August were 1.5 per cent larger than a year ago, but only one-tenth of 1 per cent larger than at the end of July this year, the latter increase being small at the season of the year when a considerable amount of early fall goods is usually received. Outstanding orders at the end of August amounted to 9 per cent of total 1924 purchases, however, a comparatively high figure and indicating confidence in prospective trade on the part of the store executives.

Sales in the reporting stores during August amounted to 20.6 per cent of average stocks carried during that month, and cumulative sales since January 1st equaled 198.8 per cent of average monthly stocks carried during the eight months.

(Compiled September 21, 1925)

BUSINESS CONDITIONS IN THE UNITED STATES.

(Compiled by the Federal Reserve Board)



Production of basic commodities declined in August to the lowest level of the year, but was considerably higher than during the summer of 1924. Distribution of goods at wholesale and retail continued in greater volume than a year ago. Seasonal growth in the demand for credit, arising partly from financing of the crop movement, was reflected in an increase in the volume of commercial borrowing.

PRODUCTION. The Federal Reserve Board's index of production in basic industries, which is adjusted for seasonal variations, declined 4 per cent in August, but was 15 per cent higher than a year ago. Output of steel and of bituminous and anthracite coal, and activity in the woolen industry, increased in August, while mill consumption of cotton and the production of flour and lumber decreased. Employment and earnings of factory workers were larger in August than in July, but continued smaller than in June. Building contracts awarded during August, owing chiefly to large awards in New York, exceeded all previous records. Crop reports of the Department of Agriculture at the beginning of September, as compared with forecasts a month earlier, indicated somewhat larger yields of spring wheat, oats, barley, hay and tobacco, and smaller yields of corn and potatoes. The mid-September cotton crop estimate was 13,931,000 bales compared with a forecast of 13,740,000 bales on September 1st.

TRADE. Wholesale trade was 5 per cent larger in August than in July, owing to seasonal increases in the sales of dry goods and shoes, and sales of all lines except groceries were greater than those in August 1924. Sales at department stores and at mail order houses showed less than the usual increases in August but continued in greater volume than last year. Stocks of merchandise at department stores increased in August and for the first time this year were considerably larger than in the corresponding month a year ago. Wholesale firms in all leading lines except drugs and hardware reported smaller stocks on August 31st than a month earlier. Total freight car loadings were larger during August than in any month since last October. Coal shipments, preceding the anthracite strike, were especially heavy, less than carload lot shipments continued to increase, and the movement of live stock and grains were seasonally greater than in July, although smaller than in August 1924.

PRICES. Wholesale prices showed a further slight advance in August and were near the high level reached in the spring of this year. Prices of agricultural commodities, which in recent months have been above the average for all commodities, increased further, while prices of other commodities declined slightly. Between the end of August and the latter part of September prices of bituminous coal, pig iron, rubber and cotton advanced, and prices of spring wheat, corn, raw sugar and wool declined.

BANK CREDIT. At member banks in leading cities loans, chiefly for commercial and agricultural purposes, showed further seasonal increases during the first half of September, and at the middle of the month were about \$275,000,000 higher than at the end of July. Investment holdings remained in about the same volume as during previous months, but loans on securities increased and on September 16th were near the highest level of the year. A further growth in the total of Reserve bank credit in use occurred during the five week period ending September 23rd. Member bank borrowings increased in the early part of September, and after a temporary decline during the period of Treasury financing, increased to a larger total than at any time since the beginning of 1924. The seasonal growth in the demand for currency during August was reflected in an increase of \$65,000,000 in total money in circulation. Money rates showed a firmer tendency during the last week of August and the first three weeks of September. The prevailing rate on prime commercial paper remained at 4¼ per cent, but there was an increased proportion of sales at 4½ per cent.