

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS

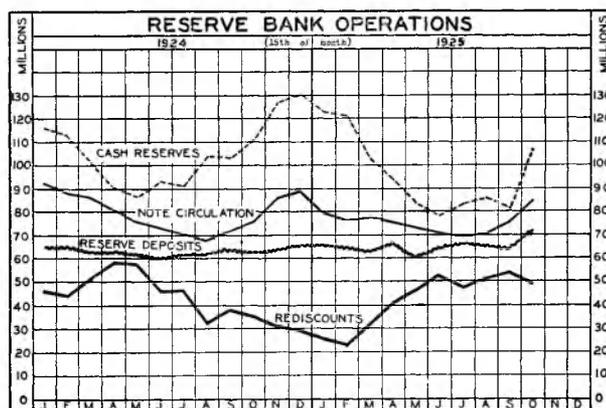


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RICHMOND, VIRGINIA

OCTOBER 31, 1925

By the middle of October fall trade in the Richmond Reserve district had begun in large volume, and the chief business indicators pointed to a further expansion. There are weak spots here and there, notably in the Piedmont counties of South Carolina and in sections of North Carolina, in both of which the long drought and excessive heat of the past summer caused virtual crop failures, but on the whole agriculture has probably been more remunerative this year than in 1924. Cotton production in 1925 in the Fifth District exceeded production in 1924, and the tobacco crops of both Carolinas were considerably larger than the crops last year. Maryland farmers are reported to have had a good year. Labor is almost fully employed, assuring a high purchasing power among town and city dwellers. Debits to individual accounts at clearing house banks are running nearly 14 per cent higher than at this time last year, proving the existence of a larger volume of general business activity. Soft coal production in the Fifth District is at a very high rate, and West Virginia prospects for fall trade are consequently better than they have been for several years. The situation in the textile field is improving, and forward orders are increasing. Retail trade in September, while slightly under the volume of trade done in September 1924, exceeded August trade by a wide margin and also was larger than trade during September 1923. Wholesale trade is in seasonal volume, and collections are better than during recent months. Building construction, on which so much business activity has depended during the past two or three years, continues at a very high level, the number of permits for new work issued in September exceeding the number issued in August, in spite of the seasonal tendency to decrease at the approach of winter.



RESERVE BANK OPERATIONS—Marketing of agricultural products during the past month, with consequent payment of customers' notes at member banks, enabled the member banks to reduce their borrowing at the Federal Reserve Bank of Richmond from \$53,924,000 on September 15th to \$49,213,000 on October 15th, and to build up their reserve deposits from \$63,748,000 to \$71,445,000. On the other hand, the opening of fall trade brought a seasonal increase in the need for currency, and the outstanding circulation of Federal reserve notes of the Richmond bank rose from \$75,758,000 on September 15th to \$84,739,000 at the middle of October. The changes enumerated brought an increase during the month in the cash reserves of the Federal Reserve Bank of Richmond from \$81,703,000 to \$107,172,000, and raised the ratio of cash reserves to note and deposit liabilities combined from 58.17 per cent to 66.38 per cent.

A comparison of the Reserve bank figures on October 15th with those reported on October 15, 1924, shows a greater use of Reserve bank credit this year. On October 15, 1924, member banks were borrowing \$35,050,000 from the Federal Reserve Bank of Richmond, the circulation of Federal reserve notes totaled \$75,851,000, member bank reserve deposits aggregated \$62,510,000, and the Richmond bank's cash reserves totaled \$111,402,000. The ratio of cash reserves to combined note and deposit liabilities was 77.60 per cent on October 15th last year. The accompanying chart shows graphically the monthly changes during the past two years in the several items herein enumerated.

CONDITION OF SEVENTY-TWO REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	October 14, 1925	September 16, 1925	October 15, 1924
1. Total Loans and Discounts (including all rediscounts).....	\$ 527,971,000	\$ 515,230,000	\$ 471,537,000
2. Total Investments in Bonds and Securities	128,829,000	130,532,000	131,508,000
3. Total Loans and Investments.....	656,800,000	645,762,000	603,045,000
4. Reserve Balances with Federal Reserve Bank	43,002,000	38,607,000	36,815,000
5. Cash in Vaults.....	15,250,000	20,797,000	13,922,000
6. Demand Deposits.....	383,746,000	365,518,000	354,086,000
7. Time Deposits	199,385,000	198,324,000	178,346,000
8. Borrowed from Federal Reserve Bank	24,604,000	24,895,000	10,515,000

Loans to customers in seventy-two city banks increased during the past month, rising from a total of \$515,230,000 on September 16th to \$527,971,000 on October 14th. Some expansion in loans in city banks is seasonal at this time, but the increase of nearly \$13,000,000 in four weeks is considerably greater than usually occurs. During the four weeks under review investments in bonds and securities declined from \$130,532,000 to \$128,829,000, and cash in vaults dropped from \$20,797,000 to \$15,250,000. The reporting banks also reduced their rediscounts at the Reserve bank from \$24,895,000 on September 16th to \$24,604,000 on October 14th, and increased their reserve balances from a total of \$38,607,000 to \$43,002,000. Both these developments were contrary to seasonal trends but were made possible by large deposit gains. Demand deposits rose from \$365,518,000 on September 16th to \$383,746,000 on October 14th, and between the same dates time deposits increased from \$198,324,000 to \$199,385,000.

During the year between October 15, 1924, and October 15, 1925, the seventy-two reporting banks expanded operations considerably. Total loans to customers increased from \$471,537,000 last year to \$527,971,000 this year. Reserve balances at the Reserve bank rose from \$36,815,000 to \$43,002,000. Cash in vault increased from \$13,922,000 to \$15,250,000. Demand deposits rose from \$354,086,000 to \$383,746,000 and time deposits from \$178,346,000 to \$199,385,000. Borrowing by the reporting banks at the Reserve bank increased from \$10,515,000 to \$24,604,000. The only decrease reported in the items included in the accompanying table was in investments in bonds and securities which declined during the year from \$131,508,000 to \$128,829,000.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	October 14, 1925	September 9, 1925	October 15, 1924
Asheville, N. C.....	\$ 35,999,000	\$ 32,947,000	\$ 29,034,000
Baltimore, Md.....	490,686,000	473,998,000	446,064,000
Charleston, S. C.....	31,833,000	28,037,000	27,783,000
Charleston, W. Va.....	41,345,000	39,625,000	40,259,000
Charlotte, N. C.....	61,344,000	48,812,000	50,128,000
Columbia, S. C.....	26,031,000	19,812,000	23,569,000
Cumberland, Md.....	10,855,000	9,817,000	10,460,000
Danville, Va.....	10,528,000	9,810,000	11,649,000
Durham, N. C.....	28,993,000	29,630,000	23,770,000
Greensboro, N. C.....	27,497,000	21,752,000	24,968,000
Greenville, S. C.....	26,438,000	22,120,000	25,173,000
Hagerstown, Md.....	12,283,000	12,017,000	11,962,000
Huntington, W. Va.....	30,503,000	28,609,000	30,222,000
Lynchburg, Va.....	23,294,000	22,340,000	21,345,000
Newport News, Va.....	11,288,000	8,821,000	8,484,000
Norfolk, Va.....	77,921,000	68,727,000	69,947,000
Raleigh, N. C.....	33,506,000	28,124,000	27,291,000
Richmond, Va.....	180,974,000	158,690,000	145,557,000
Roanoke, Va.....	31,083,000	27,980,000	30,357,000
Spartanburg, S. C.....	21,505,000	14,494,000	17,542,000
Washington, D. C.....	258,174,000	231,751,000	220,343,000
Wilmington, N. C.....	28,379,000	19,337,000	20,756,000
Winston-Salem, N. C.....	43,869,000	36,271,000	40,275,000
District Totals	\$1,544,328,000	\$1,393,521,000	\$1,356,938,000

Debits to individual, firm and corporation accounts reported by clearing house banks in twenty-three leading cities of the Fifth Reserve District totaled \$1,544,328,000 during the five weeks ending October 14th, an increase of \$150,807,000, or 10.8 per cent, over the total of \$1,393,521,000 reported during the preceding five weeks, ending September 9th. The increase was well distributed throughout the District, all reporting

cities except one showing higher figures for the more recent period. The increases were seasonal, and a gain of nearly 11 per cent indicates a volume of trade fully up to average years.

The \$1,544,328,000 of debits during the five weeks ending October 14th this year was \$187,390,000, or 13.8 per cent, larger than the total of \$1,356,938,000 reported by the same cities for the five weeks ending October 15, 1924. This increase represents a real improvement in the volume of business done this year, since a gain of 13.8 per cent was considerably greater than the rise of about 8 per cent in average price levels during the year. All reporting cities except one showed higher debits figures for the 1925 period than for the corresponding period in 1924.

SAVINGS DEPOSITS—Savings deposits in fourteen mutual savings banks in Baltimore rose from \$149,571,500 on August 31, 1925, to \$149,832,622 on September 30, 1925, and at the end of September were \$6,324,420 above the total of \$143,508,202 reported by the same institutions on September 30, 1924. Between September 16th and October 15th, both this year, time deposits in seventy-two regularly reporting member banks rose from \$198,324,000 to \$199,385,000, and on the later date were \$21,039,000 above the aggregate of \$178,346,000 reported on October 15, 1924. Increases in savings and time deposits occurred in September during each of the past six years.

BUSINESS FAILURES—“For the fifth consecutive month,” states *Dun's Review* for October 3rd, “the number of commercial failures in the United States shows a decrease, the September total being 1,465. This compares with 1,513 defaults in August, 1,685 in July, 1,745 in June, and with this year's maximum of 2,317, recorded in January. The reduction from the latter figure is 36.8 per cent. The number for September is less than for any other month since September 1924, when there were 1,306 failures, and last month's liabilities of \$30,687,319 are the smallest reported in two years. Comparing the liabilities of September 1925 with the \$34,296,276 of September 1924, a reduction of about 10 per cent appears. For nine months of the present year the number of defaults—16,083—shows an increase of 5½ per cent over the total for the corresponding period of 1924, but the \$341,750,000 of liabilities disclose a decrease of more than 20 per cent from the amount for the earlier year.”

Failures in the Fifth District totaled 101 in September 1925, with liabilities of \$2,330,536, compared with 84 insolvencies and indebtedness totaling \$1,212,869 in September last year.

LABOR—The labor situation in the Fifth District is good on the whole, with very little unemployment except among the ranks of unskilled and clerical workers. Some shortage of agricultural laborers was reported during the past month or six weeks, when harvesting was at the crest, but in other fields labor is available for all needs. The manufacturing plants of the District are active and full quotas of employees are engaged.

COAL—Production of bituminous coal during September totaled approximately 46,780,000 net tons, exceeding the output during all recent Septembers except that of 1923, which was an unusually active year following the long strike of 1922. Of course the high rate of production this year is partly due to the anthracite strike, with consequent substitution of soft for hard coal. Total production during the present calendar year to October 3rd was 371,303,000 net tons, approximately 6.2 per cent above the 349,641,000 tons mined during the corresponding nine months last year. West Virginia's output continues to increase, and totaled 2,817,000 tons during the week ending October 3rd, keeping the state well ahead of its nearest competitor, Pennsylvania. The increased demand for bituminous coal has been reflected in all classes of business in West Virginia, and prospects for fall trade in that state are much brighter than they were at this time last year.

TEXTILES—In spite of restrictions in running time forced on the mills using electric power by low water in the streams, textile mills in the Carolinas and Virginia were more active in September than during either August this year or September last year. Cotton consumed in the three textile manufacturing states of the Fifth District in September 1925 amounted to 184,972 bales, compared with 170,194 bales used in August 1925 and 177,086 bales in September 1924. During the past month North Carolina mills consumed 96,235 bales compared with 92,645 bales in September last year, South Carolina mills used 79,035 bales compared with 77,073 bales, and Virginia mills used 9,702 bales compared with 7,370 bales. There has recently been an increased demand for textiles, and some of our correspondents mention a gain in forward orders, some mills reporting their prospective output for several months under contract, but on the whole the business continues in hand to mouth fashion. Retailers and jobbers feel confident of their ability to fill their needs on short notice, and therefore show little disposition to anticipate their requirements, especially in view of the steady downward trend in spot cotton prices which has amounted to approximately \$25.00 a bale since August 1st. The textile authorities report an optimistic feeling in the trade, however, and profess to believe that the high purchasing power of the public, together with comparatively small stocks of goods in jobbers' and retailers' hands, assures them a profitable volume of business during the fall and winter.

BUILDING OPERATIONS FOR THE MONTHS OF SEPTEMBER, 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.....	608	693	839	1,429	\$ 3,284,304	\$ 2,769,960	\$ 510,840	\$ 514,440	\$ 510,744	15.6%	1
2	Cumberland, Md...	23	38	9	12	55,075	54,735	4,550	12,550	— 7,660	— 11.4	2
3	Frederick, Md.....	7	7	3	3	19,525	42,275	972	2,350	— 24,128	— 54.1	3
4	Hagerstown, Md...	34	47	12	17	32,005	100,355	14,580	55,745	— 109,515	— 70.2	4
5	Danville Va.....					*30,847		* 3,950				5
6	Lynchburg, Va.	24	22	20	27	74,226	174,691	6,445	10,224	— 104,244	— 56.4	6
7	Norfolk, Va.	75	75	57	34	110,090	96,515	25,265	48,470	— 9,630	— 6.6	7
8	Petersburg, Va.	2	6	9	10	10,650	14,550	11,317	4,385	3,032	16.0	8
9	Richmond, Va.	150	145	88	98	593,434	403,446	113,490	73,090	230,388	48.3	9
10	Roanoke, Va.	88	92	47	37	260,694	173,825	8,305	11,395	83,779	45.2	10
11	Bluefield, W. Va...	15	41	1	2	13,445	313,375	1,400	275	— 298,805	— 95.3	11
12	Charleston, W. Va.	41	46	9	16	48,360	103,356	32,525	28,950	— 51,421	— 38.9	12
13	Clarksburg, W. Va	15	23	8	7	19,040	47,240	6,595	3,500	— 25,105	— 49.5	13
14	Parkersburg, W. Va	31	29	8	17	76,940	39,950	9,685	8,440	38,235	70.0	14
15	Asheville, N. C.	59	35	40	62	779,900	264,811	17,275	8,660	523,704	191.5	15
16	Charlotte, N. C.	35	71	9	17	164,260	322,815	19,800	17,920	— 156,675	— 46.0	16
17	Durham, N. C.	42	11	20	8	3,167,650	171,225	19,881	12,200	3,004,106	1,637.8	17
18	Greensboro, N. C.	47	39	29	34	299,780	209,957	16,056	40,224	65,655	26.2	18
19	High Point, N. C....	75	41	11	9	287,345	125,525	17,200	4,625	174,395	134.0	19
20	Raleigh, N. C.	56	56	7	1	151,158	165,835	9,650	350	— 5,377	— 3.2	20
21	Salisbury, N. C.	8	38	10	0	30,200	240,135	5,500	0	— 204,435	— 85.1	21
22	Wilmington, N. C.	7	8	5	7	23,100	178,000	7,700	7,600	— 154,800	— 83.4	22
23	Winston-Salem, N. C.	80	86	110	132	542,420	288,040	61,882	49,610	266,652	79.0	23
24	Charleston, S. C. ...	17	12	38	19	15,790	2,340	7,723	11,561	9,612	69.1	24
25	Columbia, S. C.	10	11	62	57	50,749	57,700	15,162	8,577	— 366	— 0.6	25
26	Greenville, S. C....	16	27	25	16	144,150	95,625	7,590	9,625	— 46,490	— 41.2	26
27	Spartanburg, S. C.	31	36	24	26	103,885	336,611	6,170	16,620	— 243,176	— 68.8	27
28	Washington, D. C.	497	669	204	274	4,398,275	4,028,141	335,140	350,921	354,353	8.1	28
	Totals.....	2,093	2,404	1,704	2,371	\$14,756,450	\$10,821,033	\$1,292,698	\$1,312,307	\$ 3,915,808	32.3%	

* 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.

Fewer permits for new construction were issued in twenty-seven reporting cities in the Fifth District during September than in September last year, but valuation figures were much higher this year, chiefly due to a large amount of work at Durham, N. C., for Duke University, although increases of over \$100,000 in valuation were also reported by Baltimore, Richmond, Asheville, High Point, Winston-Salem, and Washington. The twenty-seven cities issued 2,093 permits for new work in September, with estimated valuation of \$14,756,450, compared with 2,404 permits and \$10,821,033 reported for September, 1924. Total valuation of both new and alteration or repair work amounted to \$16,049,148 in September, 1925, and \$12,133,340 in September, 1924, an increase this year of \$3,915,808, or 32.3 per cent.

COTTON—In our September 30th Review we quoted average spot cotton prices in the Carolinas as 23.88 cents per pound during the week ending September 19th. Since that time the price has steadily declined, chiefly as the result of two unexpectedly bullish crop forecasts issued by the Department of Agriculture, and during the week ending October 17th the average price paid growers in the Fifth District was 20.10 cents per pound, the lowest weekly average reported since the week ending June 3rd, 1922.

The Department of Agriculture estimated this year's cotton yield at 13,931,000 bales in its report based on the September 16th condition, an increase of nearly 200,000 bales over its September 1st estimate. On October 8th, the Department raised its forecast to 14,759,000 bales, basing its figures on the October 1st condition of the crop. Both these estimates were much above trade expectations, and caused severe declines in the cotton market. No condition figures were released for October 1st. South Carolina's expected yield was given as 850,000 bales, compared with 807,000 bales grown in 1924; the North Carolina crop was estimated at 1,150,000 bales, compared with 825,000 bales grown last year; and Virginia's crop was estimated at 48,000 bales, compared with 39,000 bales picked in 1924.

The long drought caused premature opening of cotton bolls, and 7,101,710 bales were ginned prior to October 1st, compared with 4,527,668 bales ginned to the same date last year. This year South Carolina ginned 536,752 bales, compared with 157,845 bales ginned before October 1, 1924; North Carolina ginned 392,070 bales this year, compared with 36,495 bales to the same date a year ago; and Virginia ginned 6,822 bales this year, but last year had ginned none on October 1st.

Cotton consumption in American mills of 483,266 bales during September compared favorably with 448,665 bales used in August this year and 438,373 bales consumed in September 1924. According to the *Census Bureau's* October 14th report, cotton on hand in consuming establishments on September 30th totaled 866,011 bales, compared with 680,527 bales on August 31, 1925, and 515,593 bales on September 30, 1924. Compresses and public warehouses held 3,137,620 bales on September 30th, compared with 1,040,178 bales so held a month earlier and 2,066,895 bales on September 30th last year. Imports totaled 15,121 bales in September, 9,266 bales in August, and 9,654 bales in September 1924, while exports totaled 752,324 bales in September, 315,835 bales in August, and 737,016 bales in September last year. Active spindles in September numbered 31,551,630, compared with 31,269,774 in August 1925, and 30,154,006 in September 1924. Cotton consumed in cotton growing states in September totaled 329,859 bales, or 68.25 per cent of national consumption, but in September 1924 Southern mills used 69.63 per cent of all cotton used in American mills.

TOBACCO—SOUTH CAROLINA. Tobacco markets in South Carolina are nearly all closed, only a few warehouses remaining open to clean up the remnants of the crop. Prices were reported somewhat higher at the close of the season. The October 1st estimate of production was 65,565,000 pounds, compared with 45,600,000 pounds grown in 1924 and a five year average of 57,972,000 pounds.

NORTH CAROLINA. Seventy-seven auction warehouses in North Carolina sold 72,000,329 pounds of producers' tobacco during September, at an average of \$17.40 per hundred pounds, compared with an average of \$19.66 received by the growers in September last year. Wilson and Greenville led in sales with 17,964,302 pounds and 11,129,696 pounds, respectively, while Enfield with an average of \$19.41 per hundred pounds led in price paid. Indications are for a total production of 316,963,000 pounds this year, compared with 278,320,000 pounds grown in 1924. Grades of tobacco sold in September averaged from very poor to low medium, and the quality of the crop is generally below earlier season expectations. Since October 1st there has been some improvement in price.

VIRGINIA. The forecast for the Virginia tobacco crop on October 1st was 105,505,000 pounds, approximately 1,200,000 pounds higher than the September 1st estimate. Rains improved the yield in the Dark and Sun-Cured districts, but in the Bright district prospects deteriorated during September. The leaf is generally large and course, and growers experience difficulty in curing it. Virginia Bright markets opened on October 1st, and large sales have been made, although the weather was unfavorable for marketing until the middle of October.

AGRICULTURAL NOTES—MARYLAND. A bumper corn crop, estimated at 26,630,000 bushels, has given added encouragement to the farmers of Maryland and would seem to round out for the State a year of agriculture that will likely prove the most prosperous since 1920. Corn production averaging 41 bushels per acre has been reached but once before in a period of fifty-nine years. With a large wheat crop, the bulk of which will be converted into cash, and an ample corn crop to carry livestock through the winter, farmers generally are inclined to view conditions with more optimism than for some years. Fall weather, too, has been favorable for corn cutting and wheat planting, and these two major farm operations are well along. Increases in milk prices in Baltimore and Washington have recently strengthened the position of Maryland dairymen shipping to those cities. Tomato canneries were unable to keep pace with deliveries in September, and prices slumped to figures that would not pay the cost of picking. In sections of the Eastern Shore the market was completely demoralized. The extremely hot and dry September cut the winter apple crop in Western Maryland at least 25 per cent as compared with August 15th prospects, and resulted in small and poorly colored fruit. Apple prices are also reported to be about 10 per cent under 1924 prices.

VIRGINIA. Favorable progress with harvesting, improvement in soil conditions for seeding fall crops, reviving pastures and killing frost are the outstanding events in Virginia agriculture during the first half of October, according to the Virginia Crop Reporting Service. A heavy frost on October 10th seriously damaged late potatoes and gardens, but there was little loss of tobacco or corn, both crops having matured early. Rain improved soils for plowing, and farmers were able to make satisfactory progress with this work. Corn has been cut. The crop in some cases was better than was expected, and on low grounds made excellent yields. The year's yield is estimated at 42,637,000 bushels, compared with 37,086,000 bushels in 1924, but the increase is due to a larger acreage rather than to better yield per acre. Late potatoes are turning out poorly and yields range from one-fourth to one-half the usual crop. The sweet potato yield is also much below the average, due to dry weather. The commercial crop has nearly all been shipped. Peanuts are fairly good on the average, but the crop is uneven, the eastern half of the peanut growing section having a much better crop than the rest of the district. Late hay crops were harvested in good condition, but the yield was less than usual. Pastures are still short, but showed much improvement during early October and may afford some late grazing. Apples were greatly benefitted by the rains and cool weather of early October, and show much improvement in both color and size. The total crop will be less than half the 1924 production.

NORTH CAROLINA. Good rains and improving crops are reported from all sections of North Carolina except those counties in the Southern Piedmont from Rutherford to Richmond. The drought has continued through that section, occasional rains that have fallen being insufficient to relieve the situation. In

other sections rain has put the soil in shape for plowing and seeding, and farm work for winter crops is not expected to be much later than usual. The coastal farmers report ideal weather for harvesting, and crop conditions in that section are generally satisfactory. A good crop of corn is in prospect, and yields are fair in spite of the drought, in some cases being much better than had been expected. Hay yields are very poor. Hays that should have matured during the summer were practically a failure, but late hay crops have been much improved by recent rains. Yields from cultivated hay crops will barely average half of last year's yield. Sweet potatoes are very good in the east, but very short through the western counties. Rains came too late to do this crop much good. Some development may take place in the very late crop, but the yield will fall far short of normal. Prospects for peanuts are fair. The condition of fall gardens is much below normal.

SOUTH CAROLINA. Scattered rains fell in South Carolina during September, but much more rain is needed. Nearly all crop estimates were larger on October 1st than on September 1st, partly due to improvement from the showers, but more to a realization that the long drought was not quite so disastrous as had been thought. Cotton picking is about completed and stalk destruction is being encouraged by agricultural leaders in an effort to check the hibernation of boll weevils. Land is being turned for grain, and some oats and rye have been sown. Corn prospects on October 1st, indicated a yield of 21,425,000 bushels, the sweet potato yield was 4,885,000 bushels, the peanut yield 11,088,000 pounds, and the year's run of sorghum syrup 878,000 gallons. Hay prospects are very poor.

WHOLESALE TRADE, SEPTEMBER, 1925

Percentage increase (or decrease) in sales in September 1925, compared with sales in August 1925:					
41 Groceries	15 Dry Goods	11 Shoes	17 Hardware	6 Furniture	11 Drugs
10.2	2.3	— 1.2	— 7.7	15.6	11.7
Percentage increase (or decrease) in sales in September 1925, compared with sales in September 1924:					
— 0.5	—17.5	— 7.5	— 9.1	7.4	8.8
Percentage increase (or decrease) in sales since January 1, 1925, compared with sales during the corresponding nine months of 1924:					
3.1	— 8.7	0.6	— 7.3	15.7	3.6
Percentage increase (or decrease) in stock on September 30, 1925, compared with August 31, 1925:					
12.4(11)	— 9.0(8)	— 5.3(4)	0.2(5)	—14.2(2)
Percentage increase (or decrease) in stock on September 30, 1925, compared with September 30, 1924:					
1.8(11)	—13.4(8)	—25.4(4)	—15.0(5)	—12.9(2)

— Denotes decreased percentage.

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

The volume of wholesale trade in September exceeded August trade in groceries, dry goods, furniture and drugs, but was less in shoes and hardware. In comparison with September, 1924, sales during September this year were greater in only two lines, furniture and drugs, declines having been reported in groceries, dry goods, shoes, and hardware. Cumulative sales during the nine months of 1925 were larger than sales during the first nine months of 1924 in groceries, shoes, furniture and drugs, but less in dry goods and hardware.

Stocks declined during September in dry goods, shoes and furniture, but increased in groceries and hardware. Stocks at the end of September were less than at the end of September, 1924, in every line reported upon except groceries.

Collections improved distinctly during September, 83.2 per cent of the reporting wholesale firms classifying them as either *Good* or *Fair*, in comparison with 71.9 per cent so classified for August this year and 72.6 per cent for September, 1924. The classifications made were as follows:

	September Collections Reported As									
	<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	1925—1924	1925—1924	1925—1924	1925—1924	
Groceries	6	6	28	23	5	10	0	0	39	39
Dry Goods	1	1	10	9	4	5	0	0	15	15
Shoes	1	0	6	6	2	2	0	1	9	9
Hardware	3	2	8	6	3	6	0	0	14	14
Furniture	2	1	4	4	0	1	0	0	6	6
Drugs	5	3	5	8	2	1	0	0	12	12
September Totals	18	13	61	56	16	25	0	1	95	95

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

Percentage increase in September 1925 sales over sales in September 1924:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
— 2.8	1.0	— 0.6	— 5.3	— 1.9
Percentage increase in sales from January 1st through September, over sales during the same nine months in 1924:				
2.3	8.7	4.1	1.3	3.4
Percentage increase in September 1925 sales over average September sales during the years 1920-1924, inclusive:				
— 1.8	22.2	12.1	— 3.5	5.2
Percentage increase in stock on September 30, 1925, over stock on September 30, 1924:				
7.1	2.7	— 6.7	— 2.6	1.0
Percentage increase in stock on September 30, 1925, over stock on August 31, 1925:				
15.6	5.0	14.8	12.2	13.9
Percentage of sales during September 1925 to average stock carried during that month:				
22.3	25.2	27.9	19.0	23.8
Percentage of sales from January 1st through September 30th, to average stock carried during the nine months:				
219.3	224.7	241.0	178.8	221.2
Percentage of outstanding orders on September 30th, to total purchases of merchandise in 1924:				
7.7	11.1	7.7	7.4	8.1

— Denotes decreased percentage; other figures show gains.

Department store sales in the Fifth District averaged 23.5 per cent greater in September than in August, indicating a very satisfactory beginning of fall trade. September sales were 1.9 per cent less than September, 1924, sales, however, the decline being due to unseasonably warm weather this year in contrast with the weather of September, 1924, which was sufficiently cold around the middle of the month to stimulate a considerable volume of fall buying. Cumulative sales since January 1st exceeded sales during the corresponding nine months last year by 3.4 per cent, and September sales averaged 5.2 per cent above average September sales during the five years 1920-1924, inclusive.

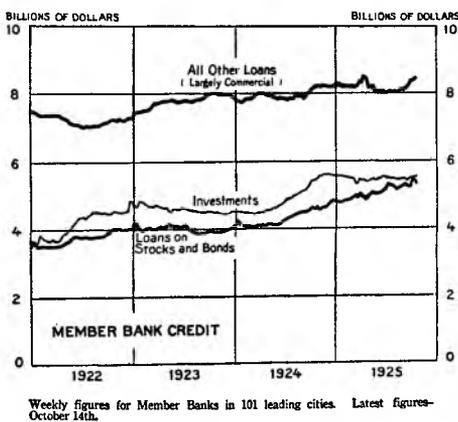
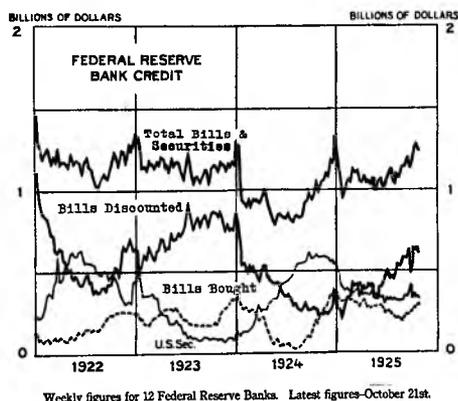
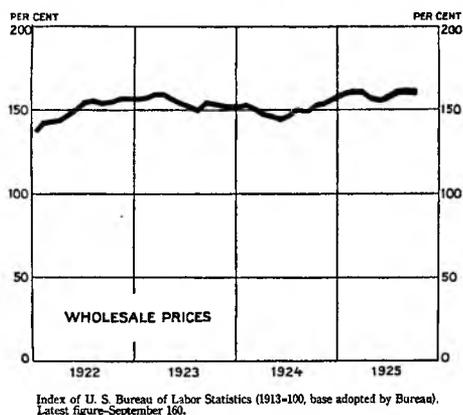
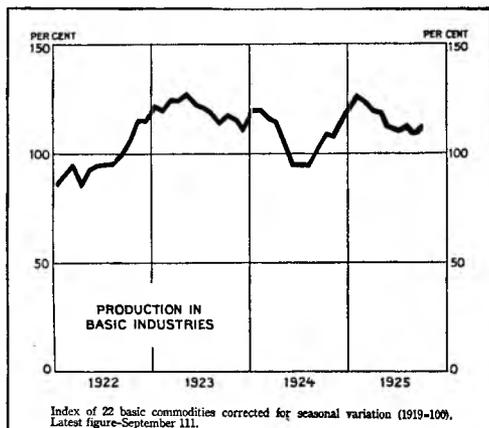
Stocks on hand in the reporting stores at the end of September were 1.0 per cent larger than stocks on hand September 30, 1924, and 13.9 per cent larger than on August 31st this year, the latter increase being seasonal and due to the receipt of fall merchandise. Outstanding orders at the end of September totaled 8.1 per cent of 1924 purchases of merchandise.

Sales in the reporting stores during September amounted to 23.8 per cent of average stock carried during that month, and cumulative sales during the first nine months of this year totaled 221.2 per cent of average stock carried each month during the period. The latter percentage indicates an annual turnover rate of 2.95 times, but with the best selling months of the year ahead the final rate for 1925 should be higher. Washington's turnover during the first three-fourths of the year was at an annual rate of 3.21 times.

(Compiled October 20, 1925)

BUSINESS CONDITIONS IN THE UNITED STATES.

(Compiled by the Federal Reserve Board)



Production in basic industries and factory employment increased in September. Distribution of commodities, both at wholesale and at retail, continued in large volume, and the level of prices remained practically unchanged.

PRODUCTION. The Federal Reserve Board's index of production advanced 2 per cent in September, notwithstanding the suspension of anthracite mining. The volume of output increased considerably in the iron and steel, bituminous coal, and textile industries, while the decreases which occurred in some other industries were relatively small. Automobile production was larger than in August, but continued to reflect the effects of curtailment incidental to changes in models. Number of employees on factory payrolls in September was larger than in August in nearly all reporting industries. Building contracts awarded during September did not equal the record level of August, but continued large as compared with earlier months. Total contracts awarded during the first nine months of this year were nearly as large as for the entire year 1924.

Crop conditions, as reported by the Department of Agriculture, showed considerable improvement in September, and the indicated yields of cotton, corn, oats, barley and hay were larger than a month earlier, while forecasts of wheat and tobacco production were slightly smaller. Marketing of crops increased further in September, but was smaller than last year.

TRADE. Wholesale trade was 9 per cent larger in September than in August, and sales in all lines except dry goods were larger than a year ago. Sales of department store and mail order houses showed considerably more than the usual increase in September and were larger than a year ago. Stocks of merchandise at department stores also increased in September more than usual and at the end of the month were 4 per cent greater than a year ago. Wholesale firms in all leading lines except groceries reported smaller stocks on September 30 than a month earlier.

Total and merchandise freight car loadings in September were larger than during the same month of any previous year. Coal shipments were smaller than in August, owing to the anthracite strike, and shipments of coal and of grain products were smaller than in September of last year.

PRICES. The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined slightly in September. Among groups of commodities grains, woolen goods, and furniture showed price declines, while prices of coal and building materials advanced. In the first half of October prices of grains, wool and rubber increased, while prices of sheep, hogs, sugar and cotton declined.

BANK CREDIT. At member banks in leading cities the volume of loans, both for commercial purposes and on securities, increased further between September 16 and October 14, and at the middle of October total loans of these banks were nearly \$650,000,000 larger than at the end of July. During the same period demand deposits of these banks increased by about \$360,000,000, but were below the level of the beginning of the year, while the volume of their borrowings at the Reserve banks increased by about \$200,000,000 to the highest point of the year.

Total volume of Reserve bank credit outstanding was larger in October than at any other time during 1925, reflecting increases during the two preceding months both in discounts for member banks and in acceptances bought in the open market. This growth has been due primarily to the seasonal increase during the period of about \$100,000,000 in currency in circulation and there has also been a considerable increase in member bank reserve balances, accompanying a growth in their deposits.

In October the rates on prime commercial paper were firmer and the renewal rate on call loans averaged higher than in September.