

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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January 1926 was on the whole a better month in business circles than January 1925, practically all of the leading barometers indicating an increased volume of trade this year. Debits to individual accounts at clearing house banks in the leading cities exceeded debits of January 1925 by more than 10 per cent, and also exceeded debits for December, which is unusual. Business failures in January in the Fifth District exceeded the failures of December in number, a seasonal occurrence, but January liabilities were slightly below those of the earlier month. January failures were lower in both number and liabilities than in January a year ago. Labor is seasonally employed, which was not the case at this time in 1925. The textile mills of the District appear to occupy a stronger position this year than a year ago, and practically all of them are running full time. Increased operations in coal mining have improved basic conditions in West Virginia over those of the preceding year. Building operations provided for in the permits issued in January were less than in either December or January 1925, but the decrease was not great, and a large amount of construction work is contemplated for the spring and summer months. Retail trade at department stores exceeded January 1925 trade by 10 per cent, and wholesale trade was up to seasonable levels. Wholesale stocks are lower than a year ago. Bank deposits are higher than at this time in 1925, indicating a continuation of high purchasing power on the part of the banks' customers.

It is too early in the season to form an opinion on agricultural prospects for this year, but the weather has been favorable for winter grains, and fruit buds have come through the winter in splendid condition. The money returns from the 1925 crops were somewhat lower than the returns from the 1924 crops, but except in the Piedmont counties of South Carolina there was no disastrous slump last year. North Carolina and Maryland farmers probably had a better year than in 1924, and eastern and southern South Carolina had better crops than for several years.

**RESERVE BANK OPERATIONS**—The volume of rediscounts for member banks held by the Federal Reserve Bank of Richmond declined from \$39,983,000 on January 15th to \$39,191,000 on February 15th, both this year, a slight decline at this season being a normal development. However, between the two dates the total of bills held by the Reserve bank rose from \$44,855,000 to \$48,323,000, the bank having increased its holdings of member bankers' acceptances purchased in the open market. Reserve deposits of member banks at the Reserve bank declined from \$66,711,000 on January 15th to \$65,629,000 on February 15th, the change being little more than a daily fluctuation. The volume of Fifth District Reserve notes in actual circulation declined seasonally from \$84,835,000 to \$79,964,000 between the middle of January and the middle of February. The several changes in the items enumerated caused a slight decline in the cash reserves of the Federal Reserve Bank of Richmond, which dropped from \$104,545,000 on January 15th to \$103,984,000 on February 15th, but the ratio of cash reserves to deposits and note liabilities combined rose from 67.51 per cent to 68.78 per cent during the month.

Federal Reserve bank credit continues in wider use than a year ago. On February 15th, 1925, member banks were borrowing only \$22,896,000 from the Federal Reserve Bank of Richmond, compared with \$39,191,000 on the corresponding date this year. Total bill holdings of the Reserve bank a year ago amounted to \$26,260,000, but rose to \$48,323,000 on February 15, 1926. Member bank reserve deposits at the Reserve bank rose during the year from \$64,255,000 to \$65,629,000, in keeping with increased deposits in member banks. Federal Reserve notes in circulation amounted to \$76,984,000 on February 15th last year and \$79,964,000 on February 15th this year. The cash reserves of the Federal Reserve Bank of Richmond stood at \$121,272,000 a year ago, but declined to \$103,984,000 this year. The ratio of cash reserves to deposit and note liabilities combined dropped from 84.05 per cent on February 15, 1925, to 68.78 per cent on February 15, 1926.

*The National Summary will be found on page 8*

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

ITEMS	February 10, 1926	January 13, 1926	February 11, 1925
1. Total Loans and Discounts (including all rediscounts) .....	\$ 522,383,000	\$ 527,812,000	\$ 481,894,000
2. Total Investments in Bonds and Securities .....	130,796,000	131,447,000	131,392,000
3. Total Loans and Investments.....	653,179,000	659,259,000	613,286,000
4. Reserve Balance with Federal Reserve Bank .....	41,937,000	40,014,000	38,967,000
5. Cash in Vaults .....	13,341,000	14,941,000	13,577,000
6. Demand Deposits .....	380,254,000	387,163,000	375,501,000
7. Time Deposits .....	204,136,000	201,710,000	185,292,000
8. Borrowed from Federal Reserve Bank....	16,891,000	18,064,000	7,843,000

Condition figures reported by seventy-one identical banks are shown in the accompanying table, figures being included as of February 10, 1926, January 13, 1926, and February 11, 1925. These data afford an opportunity for comparing the latest available figures with those of the preceding month this year and the corresponding month last year. It should be understood that the figures shown in the table reflect conditions on the report dates only, and are not necessarily the highest or lowest figures that occurred during the period under review.

Outstanding loans to customers declined slightly at the reporting banks during the past month, falling from a total of \$527,812,000 on January 13, to \$522,383,000 on February 10th. The banks also decreased their holdings of bonds and securities from \$131,447,000 to \$130,796,000. Cash in vaults dropped from \$14,941,000 to \$13,341,000 during the month, chiefly a seasonal decline with the lesser demand for cash after the holiday trading period. Demand deposits declined from \$387,163,000 on January 13th to \$380,254,000 on February 10th, a movement in keeping with the reduction in outstanding loans. The reporting banks reduced their rediscounts at the Reserve bank from \$18,064,000 on January 13th to \$16,891,000 on February 10th, and built up their reserve deposits at the Reserve bank from \$40,014,000 to \$41,937,000. During the month under review time deposits in the reporting banks rose from \$201,710,000 to \$204,136,000, this item registering a very quick recovery from the seasonal decline incident to Christmas expenditures and withdrawals of Christmas Savings Clubs.

In comparison with the figures reported on February 11, 1925, those reported this year were larger in every item except investments in bonds and securities and in cash in vaults, in both of which there were small declines. Total loans to customers, which stood at \$522,383,000 on February 10, 1926, amounted to \$481,894,000 on February 11, 1925, an increase of \$40,489,000 during the year. At the same time, total deposits, including both demand and time, rose \$23,597,000, demand deposits rising to \$380,254,000 from \$375,501,000, and time deposits rising to \$204,136,000 from \$185,292,000. The reporting banks' reserve balances at the Reserve bank rose from \$38,967,000 on February 11th last year to \$41,937,000 on February 10th this year, but the borrowing by the seventy-one banks at the Reserve bank rose between the same dates from \$7,843,000 to \$16,891,000.

**SAVINGS DEPOSITS**—Deposits in the fourteen mutual savings banks in Baltimore totaled \$152,641,405 on January 31, 1926, the highest amount ever reported by these institutions. A month earlier, on December 31, 1925, the reporting banks had \$152,148,807 on deposit, and on January 31st last year the total was \$146,627,940. Time deposits in seventy-one regularly reporting member banks also reached a record level on February 10, 1926, when the total was \$204,136,000, compared with \$201,710,000 on January 13, 1926, and \$185,292,000 on February 11, 1925.

**BUSINESS FAILURES**—*Dun's Review* for February 6th, in commenting on the January insolvency record, says, "Reflecting the strain incident to annual settlements, the number of commercial failures in the United States invariably increases during the first month of a year, and the total for January this year was 2,296. These defaults which compare with 1,878 last December, involved liabilities of \$43,661,444, against \$36,528,160 in the immediately preceding month. The number of failures recorded last month is, however, moderately below the 2,317 of January 1925, while this year's indebtedness is materially under the \$54,354,032 of a year ago. Contrasted with the high point of January 1922, when the amount was practically \$73,800,000, the present liabilities show a reduction of more than 40 per cent, and last month's defaults, in point of number, disclose a decrease of nearly 20 per cent from the maximum of 2,848 failures reported for January 1915."

In the Fifth District, January failures numbered 182, with liabilities of \$3,516,504, compared with 106 failures for \$3,596,748 in December 1925 and 188 failures for \$4,029,401 in January 1925. Lower valuation figures in January than the preceding December are unusual, and make a better showing last month for the District than the National comparison.

## DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	February 10, 1926	January 13, 1926	February 11, 1925
Asheville, N. C. ....	\$ 29,044,000	\$ 28,492,000	\$ 19,781,000
Baltimore, Md. ....	409,612,000	405,951,000	350,936,000
Charleston, S. C. ....	25,570,000	25,804,000	25,640,000
Charleston, W. Va. ....	37,209,000	40,712,000	32,000,000
Charlotte, N. C. ....	46,439,000	50,061,000	41,680,000
Columbia, S. C. ....	16,244,000	16,789,000	18,936,000
Cumberland, Md. ....	7,956,000	8,260,000	7,629,000
Danville, Va. ....	10,068,000	9,703,000	11,338,000
Durham, N. C. ....	27,332,000	24,656,000	21,303,000
Greensboro, N. C. ....	25,597,000	23,494,000	20,652,000
Greenville, S. C. ....	24,609,000	27,643,000	21,876,000
Hagerstown, Md. ....	9,507,000	10,099,000	8,999,000
Huntington, W. Va. ....	24,391,000	25,304,000	25,178,000
Lynchburg, Va. ....	20,862,000	23,209,000	19,478,000
Newport News, Va. ....	10,109,000	8,811,000	7,117,000
Norfolk, Va. ....	74,179,000	70,592,000	66,293,000
Raleigh, N. C. ....	45,671,000	27,946,000	27,461,000
Richmond, Va. ....	141,094,000	133,687,000	132,500,000
Roanoke, Va. ....	26,709,000	28,825,000	23,440,000
Spartanburg, S. C. ....	14,248,000	15,813,000	14,344,000
Washington, D. C. ....	221,032,000	223,186,000	203,745,000
Wilmington, N. C. ....	21,317,000	22,605,000	19,005,000
Winston-Salem, N. C. ....	38,515,000	37,886,000	30,333,000
Total for 23 Cities.....	\$1,307,314,000	\$1,299,028,000	\$1,149,664,000

The accompanying table shows debits to individual, firm and corporation accounts in the clearing house banks of twenty-three trade centers in the Fifth Reserve District, three equal periods of four weeks being included to allow for comparison of the latest available figures with those of the preceding like period this year and the corresponding period last year.

During the four weeks ending February 10, 1926, total debits to depositors' accounts in the twenty-three cities amounted to \$1,307,314,000, a slight increase over the total of \$1,299,028,000 reported for the preceding four weeks, ending January 13th. An increase during the later period is unusual, and was due chiefly to exceptionally large figures reported by Raleigh, N. C., as a result of transfers of State funds. However, nine of the twenty-three cities reported larger figures during the more recent period, all of them except Raleigh's gain representing genuine increases in business.

In comparison with debits aggregating \$1,149,664,000 during the four weeks ending February 11, 1925, the total of \$1,307,314,000 reported during the corresponding period this year shows an increase of \$157,650,000, or 13.7 per cent. Eighteen of the twenty-three reporting centers gained during the 1926 period.

*NOTE: In the January 31st Monthly Review, debits totals for 1925 should have read \$128,018,000 for Hagerstown, Md., and \$324,770,000 for Huntington, W. Va.*

**LABOR**—Continued inclement weather interfered with outside work between the middle of January and the middle of February, but not to an unseasonal degree. Unemployment among unskilled laborers broadened somewhat during the month, and such craftsmen as carpenters, painters, etc., were not able to work full time. On the other hand, industrial workers were quite well employed, and the number of persons involuntarily idle all or part time was not exceptional for the winter months. Textile mills ran full time, with some overtime; tobacco factories kept busy and a new plant took 500 additional workers in Richmond; the ship yard at Newport News greatly increased operations during recent months; and the demand for bituminous coal kept West Virginia miners more nearly employed on full time than for several years. Labor is available for all needs except in agriculture, but at this season farm work is not heavy and the scarcity of farm hands is not yet being felt to a serious degree. The opening of the planting season during the next few weeks will greatly increase the pressure of work on the farms, however, and will increase sharply the demand for agricultural workers. The prospects for labor at this writing appear good, with many building permits for spring work being secured, a number of textile and tobacco factories making additions to plants, and a considerable volume of public improvement work being planned by cities, counties and states.

## BUILDING OPERATIONS FOR THE MONTHS OF JANUARY, 1926 AND 1925.

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.....	281	270	936	472	\$ 2,226,240	\$ 2,133,960	\$ 478,440	\$ 322,200	\$ 248,520	10.1%	1
2	Cumberland, Md....	15	11	5	6	23,268	326,085	3,005	43,183	— 342,995	— 92.9	2
3	Frederick, Md.....	4	9	12	1	57,000	29,700	23,350	5,000	— 45,650	— 131.5	3
4	Hagerstown, Md....	6	19	2	7	920	163,010	700	13,375	— 174,765	— 99.1	4
5	Danville Va.....	* 11		* 6		* 62,085		* 5,560				5
6	Lynchburg, Va.....	9	8	10	22	25,405	103,225	3,560	14,315	— 88,575	— 75.4	6
7	Norfolk, Va.....	59	37	39	97	194,715	143,800	38,870	27,355	— 52,430	— 28.9	7
8	Petersburg, Va....	5	4	11	9	9,200	12,050	2,585	21,710	— 21,975	— 65.1	8
9	Richmond, Va.....	100	105	75	54	771,491	775,420	175,607	126,930	— 44,748	— 5.0	9
10	Roanoke, Va.....	41	47	21	24	78,440	273,125	10,630	9,020	— 193,075	— 68.4	10
11	Bluefield, W. Va..	10	17	2	4	9,675	40,400	5,050	5,050	— 30,725	— 67.6	11
12	Charleston, W. Va.	20	27	12	21	39,932	368,216	21,655	17,325	— 323,954	— 84.0	12
13	Clarksburg, W. Va	12	14	6	7	2,825	16,910	2,650	3,075	— 14,510	— 72.6	13
14	Huntington, W. Va.	40	133	1	16	93,040	598,150	160	12,775	— 517,725	— 84.7	14
15	Parkersburg, W. Va	13	8	3	1	72,950	17,800	1,900	200	56,850	315.8	15
16	Asheville, N. C. ....	52	36	50	47	350,375	321,045	62,567	25,840	66,057	19.0	16
17	Charlotte, N. C. ....	22	30	8	15	261,925	567,224	104,050	18,290	— 219,539	— 37.5	17
18	Durham, N. C. ....	28	9	10	4	118,275	53,400	21,770	74,550	82,095	142.0	18
19	Greensboro, N. C. ....	41	52	20	21	158,870	177,265	21,972	14,715	— 11,138	— 5.8	19
20	High Point, N. C. ....	64	30	4	4	219,060	60,540	21,750	4,380	175,890	270.9	20
21	Raleigh, N. C. ....	44	35	10	8	261,900	578,810	27,675	10,490	— 299,725	— 50.9	21
22	Salisbury, N. C. ....	10	4	6	1	22,310	15,570	2,250	800	8,190	50.0	22
23	Wilmington, N. C. ....	6	5	5	6	70,750	18,800	3,050	4,250	50,750	220.2	23
24	Winston-Salem, N. C. ....	68	52	22	78	657,886	262,529	15,043	37,670	372,730	124.2	24
25	Charleston, S. C. ....	3	11	29	18	3,616	3,400	9,010	6,435	2,791	28.4	25
26	Columbia, S. C. ....	10	7	30	46	46,483	83,250	5,925	7,340	— 38,182	— 42.1	26
27	Greenville, S. C. ....	10	10	21	20	40,800	108,650	13,050	2,125	— 56,925	— 51.4	27
28	Spartanburg, S. C. ....	24	29	29	26	78,160	94,557	7,115	9,177	— 18,459	— 17.8	28
29	Washington, D. C. ....	123	199	239	75	3,470,300	4,027,925	258,680	241,890	— 540,835	— 12.7	29
	<b>Totals.....</b>	<b>1,120</b>	<b>1,218</b>	<b>1,618</b>	<b>1,110</b>	<b>\$9,365,811</b>	<b>\$11,374,816</b>	<b>\$1,342,069</b>	<b>\$1,019,465</b>	<b>\$—1,686,401</b>	<b>— 13.6%</b>	

\* 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 issued for new work in twenty-eight cities in the Fifth Federal Reserve District during January was 1,120, a decrease under the total of 1,351 permits issued in December 1925 and the 1,218 permits issued in January 1925. Estimated valuation figures for new work, amounting to \$9,365,811 in January 1926, were also lower than the valuation of \$10,193,117 reported for December and \$11,374,816 reported for January last year. Alteration and repair permits issued in January exceeded those issued in January 1925 in both number and valuation, 1,618 permits estimated to cost \$1,342,069 issued in January 1926 comparing with 1,110 permits and a valuation of \$1,019,465 issued during the corresponding month last year. Combined valuation for both new and alteration or repair work totaled \$10,707,880 in January, compared with \$12,394,281 in January 1926, a decrease this year of \$1,686,401, or 13.6 per cent. In spite of the recession in comparison with the figures of a year ago, the volume of work now under way or being planned for the immediate future is very large, and assures steady employment for workers in the building trades as soon as spring weather definitely sets in. Much industrial construction is under way or contemplated in the Fifth District, and a considerable proportion of this class of work does not show in city building permit records, the plants being located outside city limits, for obvious reasons.

**COAL**—Bituminous coal production in January totaled 53,662,000 net tons, the highest rate of production of the winter having been reached with 13,069,000 tons mined during the week ended January 16th, since which week the total output has receded somewhat. The peak of production is usually reached about the middle of January, and indications point to a gradual recession in operations from this time to the end of the coal year on March 31st. Total production of soft coal in the first 262 days of the present coal year was 460,149,000 net tons, approximately 14 per cent greater than during the same period in the 1924-1925 year. Production for similar periods—262 days—in other recent years is given below, 1922-1923 being omitted because of the abnormal conditions incident to the long strike of 1922;

1918-1919.....	493,739,000 tons	1921-1922.....	364,121,000 tons
1919-1920.....	415,099,000 tons	1923-1924.....	484,460,000 tons
1920-1921.....	479,730,000 tons	1924-1925.....	405,429,000 tons

West Virginia continues to produce approximately two and three-quarter million tons per week, but is now second in tonnage to Pennsylvania. Average daily production in West Virginia during January was 397,300 net tons, compared with an average of 346,600 net tons mined daily in January 1924.

**TEXTILES**—Textile mills in the Fifth Reserve District consumed 241,621 bales of cotton in January, compared with 229,242 bales used in December 1925 and 241,646 bales consumed in January last year. North Carolina mills used slightly less cotton in January this year than in January last year, 131,688 bales last month comparing with 134,280 bales in January 1925, but South Carolina mills consumed 98,628 bales this year in comparison with 96,459 bales a year ago, and Virginia mills consumed 11,305 bales and 10,907 bales in January 1926 and January 1925, respectively. Fifth District consumption in January amounted to 41.4 per cent of national consumption, compared with 41.0 per cent of national consumption used in the District in January 1925. Practically all Fifth District mills are operating full time, and some of them are running extra time. Forward orders, while still hard to secure, are more plentiful than three or four months ago, before the size of the 1925 cotton crop was definitely known, and some mills are sold out two or three months ahead. Prices of cotton goods are fairly steady, but mill operators and bankers in textile sections contend that there is not sufficient margin in present operations to provide for depreciation. However, a considerable number of the Fifth District mills are showing their confidence in the future by enlarging their plants and increasing facilities for housing additional operatives. Several new mills have recently been organized in the District, and Southern mills continue to attract buyers from New England.

**COTTON**—Spot cotton prices in the Carolinas averaged approximately 1c per pound, or \$5 a bale, higher during the four weeks ending February 13th than during the corresponding four weeks ending January 16th. The average price for the week ending January 16th was quoted as 19.06 cents per pound in our *Review* last month, but the following week, ending January 23rd, the average rose to 19.64 cents, the rise being partly due to a Government report on the number of weevils surviving the winter. The rise was not entirely sustained, however, the average dropping back to 19.50 cents during the week ending January 30th, and declining further to 19.47 cents and 19.42 cents during the weeks ending February 6th and February 13th, respectively. An examination of the figures quoted shows that the fluctuations between January 23rd and February 13th covered a range of less than a quarter of a cent per pound.

The Census Bureau's cotton consumption report, issued on February 14th, showed 583,192 bales consumed in American mills during January, compared with 575,271 bales consumed in December and 594,010 bales used in January 1925. Of the 583,192 bales consumed last month, the cotton growing states used 412,242 bales, or 70.7 per cent, and the three textile manufacturing states of the Fifth District—the two Carolinas and Virginia—used 241,621 bales, or 41.4 per cent of the entire consumption for the United States. Cotton on hand at manufacturing establishments totaled 1,811,392 bales on January 31, 1926, compared with 1,717,972 bales on December 31st and 1,441,699 bales on January 31st last year. Public warehouses and compresses held 5,175,834 bales in storage at the end of January 1926, compared with 5,608,066 bales a month earlier and 3,860,333 bales so held on January 31, 1925. Imports of cotton in January totaled 62,061 bales, compared with 34,474 bales in December and 54,822 bales in January last year, while exports totaled 749,967 bales in January this year, 984,061 bales in December 1925, and 1,076,075 bales in January a year ago. Spindles active in the United States during January totaled 32,803,156, compared with 33,320,558 in January 1925, but in the cotton growing states spindles active in January this year numbered 17,176,666, compared with 16,950,516 in January 1925.

On January 23rd the Census Bureau announced ginning figures prior to January 16th, and the report revealed that several states, including all three cotton growing states in the Fifth District, had ginned a larger number of bales than the Department of Agriculture's final estimate of production for the year. The larger figures for ginning are chiefly due to the average weight of the bales, which ran less than 500 pounds gross weight, the basis upon which the Department of Agriculture based its estimates. Prior to January 16th, total ginning for the United States totaled 15,488,230 bales, and of this number North Carolina ginned 1,118,029 bales, South Carolina 918,855 bales and Virginia 51,317 bales.

**TOBACCO**—The Virginia auction markets sold 21,251,294 pounds of producers' tobacco in January, according to reports to the Commissioner of Agriculture and released by the Agricultural Statistician. Of the total amount of tobacco sold, 10,941,471 pounds represented Bright tobacco, which brought an average price of \$14.25 per hundred pounds, compared with 9,164,778 pounds of Bright tobacco sold in January 1925, for an average of \$20.30 per hundred. The Dark markets sold 7,753,880 pounds in January, for \$15.99 per hundred, compared with 7,622,977 pounds sold at \$19.66 per hundred in January last year. Only a little Burley and Sun-cured tobacco was sold. Danville led the Bright markets in sales with 6,018,998 pounds, and Lynchburg with 2,303,404 pounds led the Dark markets. All of the Sun-cured tobacco was sold at Richmond, 1,124,205 pounds, while Abingdon sold 1,431,738 pounds of Burley, all of that type that was marketed. Total producers' sales to February 1st, including deliveries to the Tobacco Growers' Association, amounted to 107,030,913 pounds, compared with 113,767,605 pounds sold or delivered to the same date a year ago. It is estimated that 84.9 per cent of the year's crop was sold before February 1st this year in comparison with 79.8 per cent sold to the corresponding date in 1925. The grades of tobacco sold in Virginia in January were even lower than those sold in December. January sales graded 16 per cent good, 30 per cent medium, and 54 per cent common, compared with January 1925 sales grading 24 per cent good, 37 per cent medium, and 39 per cent common.

Producers' sales of tobacco in North Carolina amounted to 23,879,601 pounds in January, compared with 16,591,102 pounds marketed in January 1925. Season sales to February 1st amounted to 329,752,911 pounds, compared with 225,228,900 pounds sold to the same date in 1925. The tobacco sold in January brought an average price of \$18.57 per hundred pounds, in comparison with \$21.13 per hundred paid in January 1925. Winston-Salem led the North Carolina markets in January with sales of 6,442,682 pounds, but for the season to February 1st, Wilson with sales of 65,287,384 pounds, is far in the lead. Fuquay Springs, with an average of \$29.67 per hundred, led in price paid in January, Wilson ranking second with an average of \$27.21.

**AGRICULTURAL NOTES**—January and early February are dull periods on farms, and little is done except routine and repair work. The weather since the first of the year has been favorable for winter grains, and fruit buds have come through the winter in splendid condition. The weather of the next few weeks is of vital importance to all farmers, but particularly to fruit growers, and it is yet too early to judge this year's prospects.

The Department of Agriculture, through its State Crop Reporters, takes an annual census of farm animals as of January 1st, and in the table we are showing the number of animals in the Fifth District states on January 1, 1926, and January 1, 1925. North Carolina figures are not included, no report from that state having been received.

Breed	Years	Maryland	West Virginia	Virginia	South Carolina
Horses	1926	112,000	136,000	249,000	50,000
	1925	117,000	143,000	261,000	55,000
Mules	1926	31,000	15,000	104,000	203,000
	1925	31,000	15,000	104,000	199,000
Milk Cows	1926	182,000	215,000	385,000	157,000
	1925	184,000	219,000	393,000	175,000
All Cattle	1926	281,000	575,000	786,000	313,000
	1925	278,000	587,000	827,000	340,000
Sheep	1926	96,000	446,000	373,000	14,000
	1925	93,000	514,000	373,000	15,000
Hogs	1926	192,000	152,000	555,000	435,000
	1925	202,000	179,000	584,000	580,000

The decrease in cattle and hogs last year was due to a scarcity of feed, and the decline in horses, which has gone on steadily during the past ten years, was due to increasing use of motor machinery and vehicles.

**FIGURES ON RETAIL TRADE**  
As Indicated By Reports from Thirty Representative Department Stores for the  
Month of JANUARY 1926

Percentage increase in January 1926 sales over sales in January 1925:					
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>	
8.8	9.5	15.9	1.1	10.3	
Percentage increase in January 1926 sales over average January sales during the years 1920-1924, inclusive:					
— 4.5	39.2	25.6	3.3	10.5	
Percentage increase in stock on hand January 31, 1926, over stock on January 31, 1925:					
9.8	7.7	7.7	— 4.9	6.9	
Percentage increase in stock on hand January 31, 1926, over stock on December 31, 1925:					
— 4.5	— 5.3	— 6.2	0.6	— 4.5	
Percentage of sales during January 1926 to average stock carried during that month:					
24.1	24.5	26.8	20.5	24.6	
Percentage of outstanding orders on January 31st, to total purchases of merchandise in 1925:					
5.5	7.2	8.4	6.5	7.1	
Percentage of collections in January to accounts receivable on January 1st:					
27.1	31.6	40.9	36.9	31.6	

— Denotes decreased percentage.

Department store sales in January, as reflected in the business done by thirty Fifth District stores, was 10.3 per cent greater in dollar amount than sales in January 1925, and also exceeded average January sales during the five years 1920-1924, inclusive, by 10.5 per cent. Sales in January this year were also in larger amount than sales in January 1924.

Stocks on hand in the reporting stores at the end of January were 6.9 per cent larger than stocks a year earlier, but were 4.5 per cent below the stocks on hand on December 31, 1925. The rate of turnover was good for January, sales during the month averaging 24.6 per cent of average stocks carried during the month, indicating an annual turnover rate of nearly three times.

Outstanding orders for merchandise at the end of January were relatively large, amounting to 7.1 per cent of total purchases during 1925. Outstanding orders are normally large at this season, however, just prior to the receipt of spring merchandise.

This month we include a new figure in the table, the last item showing the percentage of collections during the month to total outstanding accounts on the first day of the month. Twenty-eight of the thirty reporting stores furnished this information, and one of the two stores not giving this information sells for cash entirely and therefore had no outstanding accounts due.

### WHOLESALE TRADE, JANUARY 1926

Percentage increase (or decrease) in sales in January 1926, compared with sales in December 1925:					
39 Groceries	14 Dry Goods	10 Shoes	19 Hardware	6 Furniture	13 Drugs
— 6.9	56.8	15.3	4.9	32.4	14.5
Percentage increase (or decrease) in sales in January 1926, compared with sales in January 1925:					
— 5.1	— 4.6	— 1.8	— 7.5	32.9	8.1
Percentage increase (or decrease) in stock on January 31, 1926, compared with December 31, 1925:					
4.8(12)	12.5(7)	0.6(5)	1.7(5)	3.4(2)	.....
Percentage increase (or decrease) in stock on January 31, 1926, compared with January 31, 1925:					
— 3.8(12)	—17.6(7)	—13.9(5)	— 3.2(5)	— 8.6(2)	.....
Percentage of collections in January, to accounts receivable on January 1, 1926:					
61.9(26)	29.5(8)	31.5(7)	32.7(14)	48.7(4)	63.8(8)

— Denotes decreased percentage.

NOTE: The number of firms reporting stock and collection data appear immediately following the percentages.

Wholesale trade was in larger volume in January than in December in every line reported upon except groceries, all of the changes being seasonal. Dry goods, shoes, furniture and drugs registered gains somewhat larger than seasonal trends would account for. In comparison with sales in January 1925, however, four of the six lines show lower sales in January 1926, furniture and drugs making the only gains.

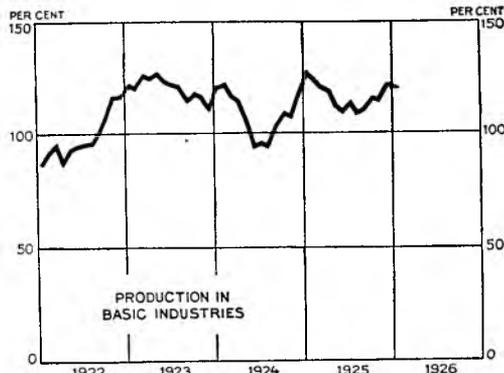
Stocks on hand at the reporting wholesalers increased during January over those on hand on December 31, 1925, but at the end of January were smaller than stocks on hand on January 31, 1925, the decreases in dry goods and shoes amounting to 17.6 per cent and 13.9 per cent, respectively. The decreases in groceries and hardware were small.

This month we begin showing some new figures on collection conditions, substituting them for the general classification previously used. The last item in the table shows the percentage of collections during January 1926 to total accounts receivable for merchandise on January 1, 1926.

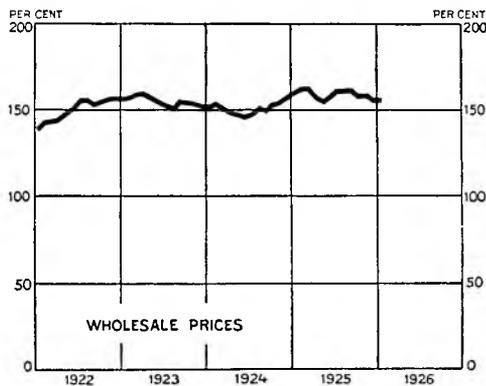
(Compiled February 20, 1926)

# BUSINESS CONDITIONS IN THE UNITED STATES.

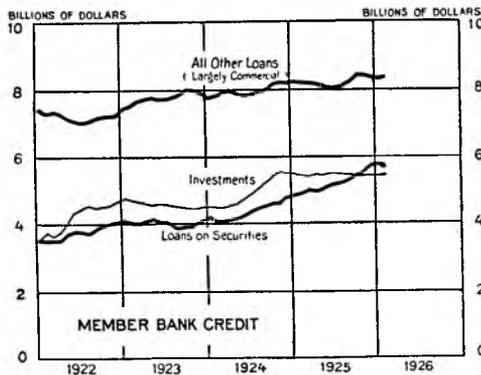
(Compiled by the Federal Reserve Board)



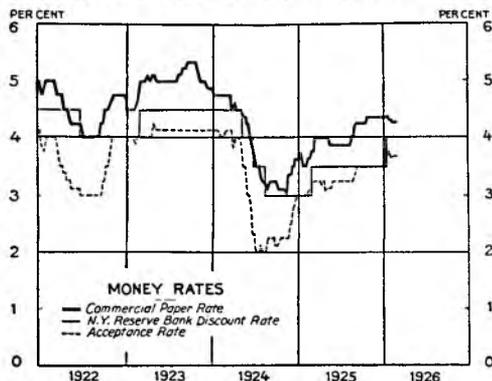
Index of 22 basic commodities adjusted for seasonal variation (1919-100). Latest figure-January 120.



Index of U. S. Bureau of Labor Statistics (1913-100, base adopted by Bureau). Latest figure-January 156.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in February.



Weekly rates in New York money market, commercial paper rate on 4 to 6 months paper and acceptance rate on 90 day paper.

Industrial activity in January was in slightly smaller volume than in December, and the distribution of commodities showed a seasonal decline. The level of prices remained practically unchanged.

**PRODUCTION.** The Federal Reserve Board's index of production in selected basic industries was about one per cent lower in January than in December. The output of iron and steel, copper and zinc increased, while activity in the woolen and petroleum industries declined, and mill consumption of cotton, the cut of lumber, and bituminous coal production increased less than is usual at this season of the year. Automobile production, not included in the index, was slightly smaller than in December, but considerably larger than in January, 1925. Factory employment changed but little in January, but the earnings of workers decreased considerably owing to the closing of plants in most industries at the opening of the year for inventory taking and repairs. The volume of building contracts awarded in January, although seasonally less than in December, exceeded that of any previous January on record. Contracts awarded were particularly larger in the New York and Atlanta districts.

**TRADE.** Sales of department stores and mail order houses showed more than the usual seasonal decline in January, but were larger than in January of last year. Wholesale trade declined considerably and was in smaller volume than a year ago. Stocks at department stores showed more than the usual increase in January and were about 11 per cent larger than at the end of January 1925. Freight car loadings declined in January and the daily average for the month was approximately the same as a year earlier.

**PRICES.** Wholesale prices, as measured by the index number of the Bureau of Labor Statistics, remained practically unchanged from December to January. By groups of commodities, prices of grains, coke, and paper and pulp increased, while dairy products, cotton goods, bituminous coal and rubber declined. In the first three weeks of February there was a decline in the prices of grains, and following the settlement of the strike in the anthracite region, a drop in the prices of bituminous coal and coke. Price advances were shown for refined sugar, copper and petroleum.

**BANK CREDIT.** At member banks in leading cities the seasonal decline in the demand for credit, which began at the turn of the year, came to an end toward the close of January, and in the early part of February the volume of loans and investments at these banks increased considerably. The increase was largely in loans for commercial purposes, which after declining almost continuously from their seasonal peak early in October, advanced by more than \$50,000,000 in February. The growth in the commercial demand for credit throughout the country, together with some increase in currency requirements, was reflected in a withdrawal of funds from the New York money market and was a factor in the increase in the demand for Reserve bank credit after the end of January. Reserve banks' holdings of bills and securities increased by about \$66,000,000 between January 27th and February 17th. As the result of the withdrawal of funds from New York, the rates on call loans became somewhat firmer in February, but commercial paper rates were slightly lower.