

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

MAY 31, 1926

DISTRICT SUMMARY—Some aspects of the business outlook appear less favorable at the end of May than a month earlier this year or on the corresponding date a year ago. During the latter part of April and early May, textile mills in the Fifth District cut operating time materially, construction work provided for in April permits, while still in large volume, did not equal the work provided for in the March 1926 or the April 1925 permits, and prospects for agriculture declined distinctly, due to continued cool weather and lack of sufficient rain to germinate seed. The leading crops of the District are at least ten days later than at this time last year.

Except for the declines in textile and construction operations, and the lateness of farming, other lines of trade have not yet begun to show many signs of sagging business. Debits to individual accounts during the four weeks ended May 12th exceeded slightly the debits of the four preceding weeks, and were much above debits during the same four weeks a year ago. Banks have not been called upon to extend an unusual amount of credit to customers this Spring, and member banks have increased their rediscounts at the Reserve bank during recent weeks less than is usual at crop planting time. Demand deposits in member banks increased materially during April, and at the end of that month time deposits were the highest on record. Retail trade, while below that of April 1925 because of the earlier Easter this year, continues in large volume, wholesale trade is approximately equal to that of 1925, and collections appear to have improved somewhat during the past month. Labor continues moderately well employed, and the volume of construction work under way or contemplated seems to assure fair employment conditions for several months at least.

RESERVE BANK OPERATIONS—During the month between April 15th and May 15th, this year, the Federal Reserve Bank of Richmond increased its rediscounts for member banks from \$45,673,000 to \$48,916,000, a seasonal increase confined almost entirely to country banks and due to crop planting needs. Total bills held by the Reserve Bank also increased during the month, but not in

proportion to the increase in rediscounts, the volume of paper purchased in the open market declining nearly as much as the rediscounts increased. Total bills held amounted to \$56,211,000 on April 15th and \$56,388,000 on May 15th. Member bank reserves rose from \$64,804,000 on April 15th to \$65,355,000 on May 15th, but the volume of Federal Reserve notes in actual circulation declined nominally between the same dates from \$74,118,000 to \$74,013,000. The changes mentioned resulted in a rise of the cash reserves of the Federal Reserve Bank of Richmond from \$84,630,000 on April 15th to \$88,025,000 on May 15th, which in turn increased the ratio of cash reserves to note and deposit liabilities combined from 58.65 per cent at the middle of April to 60.09 per cent at the middle of May.

The difference in the figures on the Reserve Bank's statement as of May 15, 1925, and May 15, 1926, are slight, but indicate a little larger volume of credit to member banks outstanding this year. During the year under review, rediscounts for member banks rose from \$46,201,000 to \$48,916,000, the increase again being in accommodation to country banks, but the total of bills held by the Federal Reserve Bank dropped from \$56,957,000 to \$56,388,000, open market paper held this year being something over \$3,000,000 under the amount of similar paper held a year ago. Member bank reserves are higher this year, in keeping with increased deposits, the reserves having risen from \$60,824,000 on May 15th last year to \$65,355,000 on the same date this year. The volume of Reserve notes in actual circulation rose slightly during the year, from \$73,352,000 to \$74,013,000, the spring contraction in note circulation this year having been somewhat less than in most years. The cash reserves of the Federal Reserve Bank of Richmond, which stood at \$83,684,000 on May 15, 1925, rose to \$88,025,000 on May 15, 1926, but the increased reserve deposits and the larger note circulation outstanding this year slightly exceeded the rise in cash reserves, the result of the several changes showing in a reduction in the ratio of cash reserves to note and deposit liabilities combined from 60.77 per cent on May 15th last year to 60.09 per cent on May 15, 1926.

The National Summary will be found on page 8

CONDITION OF SIXTY-EIGHT REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	May 12, 1926	April 14, 1926	May 13, 1925
1. Total Loans and Discounts (including all rediscounts)	\$ 521,854,000	\$ 519,859,000	\$ 484,645,000
2. Total Investments in Bonds and Securities	135,658,000	131,220,000	134,780,000
3. Reserve Balance with Federal Reserve Bank	38,682,000	39,638,000	38,177,000
4. Cash in Vaults.....	13,783,000	13,898,000	14,093,000
5. Demand Deposits	372,844,000	365,947,000	347,672,000
6. Time Deposits	207,029,000	206,946,000	194,512,000
7. Borrowed from Federal Reserve Bank.....	16,147,000	19,270,000	21,892,000

In the accompanying table, the chief items of condition for sixty-eight regularly reporting member banks are shown as of three dates, May 12th and April 14th, 1926, and May 13, 1925, thus affording an opportunity for comparing the latest available figures with those of the preceding month and the preceding year. It should be understood that the figures mentioned for the different dates show the condition of the reporting banks on the report dates only, and do not necessarily indicate that they were the highest or lowest figures that occurred during the period reviewed.

Between April 14th and May 12th, this year, there was a seasonal expansion in loans to customers from \$519,859,000 to \$521,854,000, the increase being somewhat less than usually occurs at crop planting time. Customers of the banks increased their deposits during the month considerably more than their borrowing, demand deposits rising from \$365,947,000 on April 14th to \$372,844,000 on May 12th, and time deposits rising from \$206,946,000 to \$207,029,000, a record mid-month figure. Aggregate reserve balances of the reporting banks at the Federal Reserve Bank declined from \$39,638,000 on April 14th to \$38,682,000 on May 12th, and cash in vaults dropped at the same time from \$13,898,000 to \$13,783,000, both changes reflecting daily fluctuations, probably. On the other hand, the sixty-eight member banks strengthened their position during the month under review by increasing their investments in bonds and securities from \$131,220,000 to \$135,658,000, and by reducing the volume of their rediscounts at the Federal Reserve Bank from \$19,270,000 to \$16,147,000.

A comparison of the statement of May 13th last year with the statement for May 12, 1926, shows a larger volume of credit extended to customers by the reporting banks this year, but less need for assistance from the Federal Reserve Bank in meeting their customers' requirements. Loans to customers increased during the year from \$484,645,000 to \$521,854,000, but the rediscounts of the reporting banks at the Reserve Bank dropped from \$21,892,000 to \$16,147,000. Investments in bonds and securities rose from \$134,780,000 on May 13, 1925, to \$135,658,000 on May 12, 1926, and the reporting banks' reserve deposits at the Federal Reserve Bank of Richmond rose from \$38,177,000 to \$38,682,000. Cash in vault declined slightly, from \$14,093,000 to \$13,783,000. Demand deposits rose from \$347,672,000 on May 13th last year to \$372,844,000 on May 12th this year, and time deposits rose during the same time from \$194,512,000 to \$207,029,000.

SAVINGS DEPOSITS—Deposits in fourteen mutual savings banks in Baltimore totaled \$154,783,083 at the close of business April 30, 1926, compared with \$154,135,898 at the close of business a month earlier this year and \$149,301,650 on the corresponding date last year. The total on deposit at the end of April was the highest amount on record in these banks. Time deposits in sixty-eight regularly reporting member banks in thirteen of the leading cities of the Fifth District also reached a new high level at the middle of May, totaling \$207,029,000 on May 12th in comparison with \$206,946,000 on April 14, 1926, and \$194,512,000 on May 13, 1925.

DEBITS TO INDIVIDUAL ACCOUNTS IN LEADING TRADE CENTERS

The total volume of business done in twenty-three leading trade centers of the Fifth Reserve District was slightly larger during the four weeks ended May 12th than during the four weeks ended April 14th, both this year, debits to individual, firm and corporation accounts at clearing house banks being used as the measure. Total debits during the four weeks' period ended May 12th amounted to \$1,239,007,000, compared with \$1,234,028,000 reported for the preceding four weeks. An examination of the accompanying table, however, shows that a majority of the twenty-three cities reported lower figures for the later period, fourteen centers registering declines last month while nine centers gained. Greensboro reported the largest increase, 17.9 per cent, Norfolk ranking second with a gain of 6.9 per cent.

In comparison with total debits of \$1,177,193,000 reported by the twenty-three cities for the four weeks ended May 13, 1925, the total of \$1,239,007,000 reported for the four weeks ended May 12th this year shows an increase of \$61,814,000, or 5.3 per cent, a favorable comparison in view of the lower wholesale price level this year. Sixteen of the twenty-three cities show higher figures this year, only seven centers

CITIES	TOTAL DEBITS FOR THE FOUR WEEKS ENDING		
	May 12, 1926	April 14, 1926	May 13, 1925
Asheville, N. C.	\$ 36,344,000	\$ 36,553,000	\$ 23,417,000
Baltimore, Md.	406,450,000	394,927,000	383,863,000
Charleston, S. C.	24,164,000	25,891,000	20,575,000
Charleston, W. Va.	32,242,000	33,131,000	30,852,000
Charlotte, N. C.	49,442,000	48,657,000	49,072,000
Columbia, S. C.	17,468,000	19,351,000	20,361,000
Cumberland, Md.	8,729,000	8,273,000	8,040,000
Danville, Va.	7,737,000	7,708,000	7,252,000
Durham, N. C.	20,646,000	21,959,000	20,923,000
Greensboro, N. C.	27,073,000	22,963,000	21,818,000
Greenville, S. C.	19,436,000	24,082,000	21,026,000
Hagerstown, Md.	9,664,000	10,746,000	9,834,000
Huntington, W. Va.	23,610,000	22,473,000	24,281,000
Lynchburg, Va.	19,325,000	20,133,000	17,294,000
Newport News, Va.	8,658,000	9,101,000	7,830,000
Norfolk, Va.	73,713,000	69,605,000	64,124,000
Raleigh, N. C.	13,895,000	16,396,000	27,116,000
Richmond, Va.	115,370,000	118,696,000	117,358,000
Roanoke, Va.	26,445,000	25,112,000	24,232,000
Spartanburg, S. C.	14,132,000	14,386,000	14,006,000
Washington, D. C.	228,423,000	225,233,000	212,244,000
Wilmington, N. C.	19,457,000	21,840,000	18,790,000
Winston-Salem, N. C.	36,584,000	36,812,000	32,880,000
Total for 23 Cities.....	\$1,239,007,000	\$1,234,028,000	\$1,177,193,000

failing to register gains. The decreases were small except in Raleigh, in which city exceptionally high figures in 1925 as a result of a movement of State funds gives a misleading comparison this year. Most of the declines reported are probably due to lower returns from textile manufacturing in three cities and less construction work in three others.

BUSINESS FAILURES—*Dun's Review*, in its May 8th issue, carried an analysis of business failures during April. In summarizing its figures, the *Review* states that "With the single exception of the short month of February, fewer insolvencies occurred among commercial firms in the United States during April than in any preceding month this year. The number of such failures last month—1,957—compared with 1,984 in March, with 1,801 in February, and with 2,296 in January. Little change is shown in comparison with the 1,939 defaults of April 1925, but in that month of 1924 the total was only 1,707. When allowance is made, however, for the steady increase in number of firms in business, the present showing is relatively satisfactory. Several large insolvencies last month swelled the aggregate liabilities to a point above the amount for any previous month since February 1925, with the single exception of January of the present year. The April indebtedness of \$38,487,321 contrasts with \$30,622,547 in March, \$34,176,348 in February and \$43,661,444 in January. In April last year, the liabilities were \$37,188,622. During the four elapsed months of the current year there have been 8,038 failures in the United States, which compares with 7,908 defaults for the corresponding period of 1925. The liabilities this year, on the other hand, have totaled \$146,943,660, a material reduction from the \$165,670,402 of the same four months of last year."

In the Fifth Reserve District, April failures numbered 134, with liabilities of \$3,320,683, compared with 109 failures and liabilities of \$2,079,733 in April 1925. During the first four months this year 558 insolvencies occurred in the District, compared with 545 in the corresponding period last year, but 1926 liabilities were lower than those in 1925, a total of \$10,686,551 reported for the four elapsed months this year comparing with \$12,439,793 in the first four months of 1925.

LABOR—No development other than those of a seasonal nature occurred in labor circles between the middle of April and the middle of May. Labor continues moderately well employed, with the demand for and supply of workers approximately balanced. Unfavorable weather for farm work has postponed an expected shortage of agricultural workers, but the shortage is likely to develop as soon as farm work opens fully this season. Curtailment of operations among textile mills has recently reduced the incomes of operatives, but no material number of workmen have yet been dropped from the ranks of the mill employees. Coal miners are working less than they were two or three months ago, a seasonal recession in production being a normal development in the spring and early summer. Construction work continues in large volume, giving employment to both skilled and unskilled workers in the building trades, and a considerable volume of road, street and other public work is under way in certain sections of the District. The supply of clerical help continues larger than the demand, a condition which has existed for several years.

COAL—Production of bituminous coal in the United States totaled approximately 40,079,000 net tons during April 1926, a daily average of 1,559,000 tons. Daily production has declined steadily since January, but during April was over 200,000 tons ahead of April 1925 daily production. Total bituminous coal mined during the first 109 working days of the current year totaled 196,472,000 net tons, which exceeded production in the first 109 working days of any of the past seven years except 1923, when slightly higher figures were reported. Stocks of coal in the hands of large consumers and retailers on April 1st were about normal for that date, according to the report of the Bureau of Mines, Department of Commerce. Anthracite stocks in retail yards on April 1st were lower than in average years, a natural result of the recent anthracite strike during which retail stocks were depleted. Between February 1st and April 1st anthracite stocks tripled, however, and new reserves are being steadily built up. No further changes in retail coal prices have been reported since those going into effect on May 1st.

TEXTILES—Fifth District textile mills curtailed operations materially during April, and advance information received during the first half of May seems to point to further restriction in output in the immediate future. Cotton consumed by the mills of the District totaled 234,684 bales in April, compared with 255,077 bales consumed in March this year, a decrease of 8 per cent, but the extent of curtailment was probably considerably greater than the decline in cotton consumption shows, the restricted schedules not having been in operation the entire month. North Carolina mills used 126,051 bales in April, South Carolina mills 98,837 bales, and Virginia 9,796 bales, all lower than the March figures. In April 1925 the Fifth District mills used 234,108 bales, North Carolina and Virginia mills using slightly more than in April this year while South Carolina mills used approximately 2,300 bales less. Correspondents among textile manufacturers are not optimistic on the near future, and none of them appear to expect any material improvement in the industry for at least several months.

COTTON—In our April 30th Review, we traced the weekly average price paid for spot cotton in the Carolinas through the week ended April 17th, that week averaging 17.47 cents per pound. During the week ended April 24th the average price dropped to 17.15 cents per pound, and continued downward to 17.02 cents for the week ended May 1st. The first two weeks in May witnessed a slight upward movement, however, the weekly average for the seven days ended May 8th rising to 17.17 cents and the average for the week ended May 15th being 17.22 cents. Cotton markets have been dull the past month, prices fluctuating comparatively little from day to day.

Cotton consumption declined sharply in April in comparison with March, and also was below April 1925 consumption. The Census Bureau's May 14th report gives April 1926 consumption as 575,799 bales, compared with 634,593 bales used in March this year and 596,541 bales in April a year ago. Total consumption for the nine months of the present cotton year—August 1, 1925 to May 1, 1926—amounted to 4,954,807 bales, compared with 4,683,740 bales consumed during the corresponding nine months of the preceding cotton year. Cotton on hand at manufacturing establishments at the end of April totaled 1,639,174 bales, compared with 1,767,686 bales a month earlier this year and 1,511,008 bales on April 30, 1925. Public warehouses and compresses held 3,530,811 bales in storage on April 30th, compared with 4,162,628 bales on March 31, 1926, and 1,686,209 bales so held on April 30, 1925. Active spindles dropped to 32,893,042 during April, compared with 33,233,382 spindles active in March this year and 33,409,936 spindles active in April a year ago. April exports of 516,494 bales showed a slight drop from the 519,732 bales shipped over seas in March, but exceeded shipments of 472,555 bales in April 1925. Imports in April totaled 33,464 bales, in March this year 45,726 bales, and in April last year 22,409 bales.

Cotton growing states consumed 404,014 bales of lint cotton in April, a lower amount than the total of 438,396 bales consumed in March but more than the 399,279 bales used in cotton growing states in April 1925.

The weather in the Fifth District has been unfavorable for cotton this Spring. The unusually cold weather delayed planting and germination of seed, and during April and May little rain fell. Cotton in South Carolina is therefore up to poor stands, and in North Carolina and Virginia much of the crop has either not been planted or has failed to come up to a satisfactory stand. The crop in the District is probably at least two weeks late, and the favorable soil conditions which existed two months ago have completely altered with the lack of sufficient rain in late April and May. Cotton needs warm weather in May to give the young plants a good start, but there has as yet been practically no growing weather. The late start cotton is getting will quite probably increase the danger from weevil ravage in the summer.

AGRICULTURAL NOTES—SOUTH CAROLINA. Grain crops good to excellent with prospects for better yields than for the past few years, assurance of a fair peach crop, and spring plowing and planting about ten days behind last year are the features of the Government crop report for South Carolina released on May 8th. Since that date rainfall has been insufficient for agriculture, and it is probable that general conditions in the third week in May are somewhat less favorable than those outlined in the latest available official report. A wet early spring, with late frosts, followed by dry weather and cool nights, delayed farm work in South Carolina, caused poor germination of seeds, and necessitated replanting of considerable cotton. Pastures are in poorer condition than a year ago, and hay prospects are not promising.

NORTH CAROLINA. Tobacco beds are doing well on the whole in North Carolina, although the frost and freeze which occurred about the middle of April damaged the plants to some extent and dry weather slowed up growth and delayed transplanting from one to two weeks. Plants in the beds are somewhat small, but there are plenty of them to provide for a slightly increased acreage. The delayed plant growth may have a bad effect upon the quality of this year's tobacco, experience indicating that plants suffering cold damage early in the season tend to put on leaves of lower quality. Spring plowing on May 1st was 6 per cent behind plowing on the same date a year ago, and planting was 16 per cent behind. All farm work averages from ten days to two weeks later in North Carolina, and farm labor is somewhat short.

VIRGINIA crop prospects on May 1st were not as promising as usual, owing to unfavorable weather in April, and continued dryness in May increased the damage to growing crops. Prospects for hay on May 1st were poor, and the production of hay this year will be even less than the low yield of 1925 unless the weather is exceptionally favorable during the balance of the growing season. Pastures were in poor condition in early May, and scarcity of feed forced many farmers to turn stock on the grass very early, which will further retard recovery from the unfavorable seasons. Farm work, which started favorably, began to fall behind during the last two weeks of April. On May 1st only 53 per cent of the spring planting had been completed. This year only a small part of the corn crop was planted prior to May, while frequently a considerable portion of the corn crop comes up before that time. Demand for farm labor increased during April, but in most sections the supply of workers was sufficient to meet pressing needs. The outlook for fruit crops in Virginia on May 1st was quite irregular and spotted. The frost and freeze of April 19-20 and 26-27 caused considerable damage to peaches, cherries, plums and pears. Apples, however, were not seriously injured. Owing to the late season, no forecast of probable yields has yet been made, but on the whole indications point to a moderate peach and a large apple crop.

MARYLAND farm work is later than last year, and general conditions are somewhat less promising. Wheat was planted last fall under unfavorable conditions, and a cold, dry and windy spring further retarded the crop. Hay prospects on May 1st were much below those of last year, and stocks of hay on farms were also lower. Conditions of pastures on May 1st averaged 57 per cent of a normal, compared with 86 per cent a year ago. Farm labor is slightly more plentiful this year than last, and farmers are working hard to overcome the late start.

BUILDING OPERATIONS FOR THE MONTHS OF APRIL 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		1926	1925	1926	1925			
		1926	1925	1926	1925							
1	Baltimore, Md.....	672	776	1,192	1,376	\$ 3,295,896	\$ 6,299,400	\$ 504,720	\$ 575,400	\$-3,074,184	- 44.7%	1
2	Cumberland, Md....	34	49	9	8	63,905	141,665	12,050	6,648	- 72,358	- 48.8	2
3	Frederick, Md.....	11	11	2	2	25,890	45,425	450	1,025	- 20,110	- 48.3	3
4	Hagerstown, Md....	34	62	19	25	26,115	153,050	152,635	52,215	- 26,515	- 12.9	4
5	Danville Va.....	26	12	42	2	226,785	113,980	31,537	106	144,236	126.4	5
6	Lynchburg, Va.....	33	20	61	35	134,065	28,487	26,447	20,660	111,365	226.6	6
7	Norfolk, Va.....	108	114	70	172	250,599	217,200	26,284	63,264	- 3,581	- 1.3	7
8	Petersburg, Va....	4	7	8	14	10,252	146,046	8,598	6,098	- 133,294	- 87.6	8
9	Richmond, Va.....	165	166	84	88	1,413,055	1,345,695	117,627	166,354	18,633	1.2	9
10	Roanoke, Va.....	112	93	60	60	648,032	327,490	11,970	45,390	287,112	77.0	10
11	Bluefield, W. Va..	19	35	7	15	36,295	107,075	2,765	4,270	- 72,285	- 64.9	11
12	Charleston, W. Va.	64	48	19	20	144,747	101,875	16,600	63,525	- 4,053	- 2.5	12
13	Clarksburg, W. Va	23	25	24	26	26,980	33,835	12,005	15,035	- 9,885	- 20.2	13
14	Huntington, W. Va.	*100		* 5		* 241,983		* 9,500				14
15	Parkersburg, W. Va	37	33	20	11	79,500	100,334	39,405	6,280	12,291	11.5	15
16	Asheville, N. C.	124	61	107	71	1,161,219	622,880	38,890	30,579	546,650	83.7	16
17	Charlotte, N. C.	52	62	19	15	296,000	425,310	20,200	30,775	- 139,885	- 30.7	17
18	Durham, N. C.	34	31	18	21	266,628	153,325	14,825	22,400	105,728	60.2	18
19	Greensboro, N. C.	55	89	38	35	269,275	432,452	24,656	48,845	- 187,366	- 38.9	19
20	High Point, N. C....	77	79	10	20	289,250	232,075	31,275	63,300	25,150	8.5	20
21	Raleigh, N. C.....	27	58	13	13	175,768	428,925	12,833	18,400	- 258,724	- 57.8	21
22	Salisbury, N. C.....	10	21	11	3	45,700	74,850	9,040	310	- 20,420	- 27.2	22
23	Wilmington, N. C.	15	15	8	6	40,600	56,540	11,900	37,300	- 41,250	- 44.0	23
24	Winston-Salem, N. C.	82	75	38	71	343,825	776,100	18,540	18,275	- 432,010	- 54.4	24
25	Charleston, S. C.	14	12	34	18	9,780	102,325	18,990	31,557	- 105,112	- 78.5	25
26	Columbia, S. C.	15	25	51	42	39,100	79,800	53,375	40,343	- 27,673	- 23.0	26
27	Greenville, S. C.....	9	27	24	8	112,700	66,800	9,110	5,600	49,410	68.2	27
28	Spartanburg, S. C.	36	36	27	30	87,400	132,275	8,655	23,520	- 59,740	- 38.3	28
29	Washington, D. C.	203	214	519	573	7,999,250	5,983,225	659,335	351,119	2,324,241	36.7	29
	Totals.....	2,095	2,256	2,534	2,780	\$17,518,611	\$18,728,349	\$1,894,717	\$1,748,598	\$-1,063,619	- 5.5%	

* Huntington's 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.

Building construction provided for in permits for new work issued in April was in large volume, but fell below the levels of March this year and of April 1925. In April this year 2,095 permits for new work were issued in twenty-eight Fifth District cities for which 1925 figures are available for comparison. The estimated valuation for the permits issued totaled \$17,518,611. In March this year the same cities issued 2,168 new permits, with estimated valuation of \$21,759,686, and in April 1925 permits totaling 2,256, with a valuation of \$18,728,349, were issued. Eighteen of the twenty-eight cities reported lower valuation figures in April 1926 than for April 1925, the only material increases this year being in Danville, Lynchburg, Roanoke, Asheville, Durham and Washington. Richmond showed a very slight increase in valuation, but Baltimore reported a decrease of over \$3,000,000. Total valuation for all classes of permits issued in April was \$19,413,328, a decrease of 5.5% under the total of \$20,476,947 of April 1925. Building work appears to be more active in Asheville at present than anywhere else in the Fifth District, and nearly all other reporting cities in North Carolina are showing large figures.

The F. W. Dodge Corporation reports that contracts awarded for construction work in the Fifth District during April totaled \$39,005,445, of which \$19,997,145 was for residential contracts. The total for all contracts let is considerably below the total of \$57,934,991 let in March, but the amount of residential work provided for in April contracts exceeded the total of \$14,187,221 for residence work in March.

FIGURES ON RETAIL TRADE
As Indicated By Reports from Thirty-Two Representative Department Stores for the
Month of APRIL 1926

Percentage increase in April 1926 sales over sales in April 1925:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
—10.8	— 3.9	1.7	— 2.6	— 5.0
Percentage increase in cumulative sales from January 1st through April, over sales during the corresponding four months in 1925:				
— 0.1	0.2	7.1	1.9	2.7
Percentage increase in April 1926 sales over average April sales during the years 1920-1924, inclusive:				
— 2.2	33.0	21.7	5.8	10.0
Percentage increase in stock on hand April 30, 1926, over stock on April 30, 1925:				
4.1	2.7	8.7	— 2.0	4.8
Percentage increase in stock on hand April 30, 1926, over stock on March 31, 1926:				
— 0.3	2.9	2.4	1.6	1.1
Percentage of sales during April 1926 to average stock carried during that month:				
25.4	26.2	27.7	21.9	25.9
Percentage of cumulative sales since January 1st to average stock carried during each of the four months:				
98.5	100.5	106.4	86.6	100.1
Percentage of outstanding orders on April 30, to total purchases of merchandise in 1925:				
4.4	4.1	4.1	4.2	4.2
Percentage of collections in April, to total accounts receivable on April 1st, this year:				
28.2	28.0	38.4	33.6	31.1

— Denotes decreased percentage.

Thirty-two representative department stores in the Fifth Federal Reserve District sold 5.0 per cent less merchandise, measured in dollars, during April than in April last year, but the earlier Easter date this year undoubtedly accounted for a considerable part of the decline. In cumulative sales from January 1st through April, the 1926 period exceeded the 1925 period by 2.7 per cent, and April 1926 sales exceeded average April sales during the five years 1920-1924, inclusive, by 10.0 per cent. Among the individual cities for which figures are available, Washington led in percentage increase in sales during the first third of 1926 in comparison with sales during the corresponding four months of 1925, Washington's better record resulting chiefly from store expansion during the year.

Stocks on the shelves of the reporting stores were 4.8 per cent larger, at selling price, on April 30th this year than a year earlier, and 1.1 per cent larger than on March 31st this year. Washington led in stock increase in comparison with the same period last year.

The percentage of sales in April to average stock carried that month was 25.9 per cent, while the percentage of cumulative sales since January 1st to average stock carried during each of the elapsed four months was 100.1 per cent, indicating a turnover during the period at an annual rate of slightly over 3 times.

Collections during April averaged 31.1 per cent of total receivables outstanding on April 1st, compared with 28.8 per cent of outstanding receivables collected during March this year and 30.2 per cent collected in April 1925.

WHOLESALE TRADE, APRIL 1926

Percentage increase (or decrease) in sales in April 1926, compared with sales in March 1926:					
38 <i>Groceries</i>	14 <i>Dry Goods</i>	11 <i>Shoes</i>	19 <i>Hardware</i>	5 <i>Furniture</i>	13 <i>Drugs</i>
— 1.7	—15.2	—27.4	— 5.5	— 5.5	— 9.4
Percentage increase (or decrease) in sales in April 1926, compared with sales in April 1925:					
1.2	— 3.3	— 2.8	— 1.2	—12.8	0.9
Percentage increase (or decrease) in sales from Jan. 1, 1926, through April 30th, compared with sales during the same four months in 1925:					
— 1.6	— 3.8	3.4	— 3.9	— 3.9	5.4
Percentage increase (or decrease) in stock on April 30, 1926, compared with stock on March 31, 1926:					
— 6.4(11)	— 3.6(7)	4.0(5)	— 1.7(5)
Percentage increase (or decrease) in stock on April 30, 1926, compared with stock on April 30, 1925:					
— 1.5(11)	—21.4(7)	— 1.0(5)	6.0(5)
Percentage of collections in April to total accounts receivable on April 1, 1926:					
65.1(24)	34.1(8)	33.6(9)	36.1(15)	54.8(3)	62.8(10)

— Denotes decreased percentage.

NOTE: The number of firms reporting stock and collection data in each group is shown immediately following the percentages.

One hundred wholesale firms, representing six leading lines, sent confidential reports on their April business to the Federal Reserve Bank of Richmond. The figures show that sales in all lines were seasonally less in April than in March of this year, and in groceries, dry goods, hardware and furniture, total sales since January 1, 1926, were less than sales during the same four months last year. Shoe and drug sales during the elapsed four months exceeded those of the corresponding period in 1925, however. In comparison with April 1925 sales, those of April 1926 show increases in groceries and drugs only, the other four lines reporting lower figures for the 1926 month.

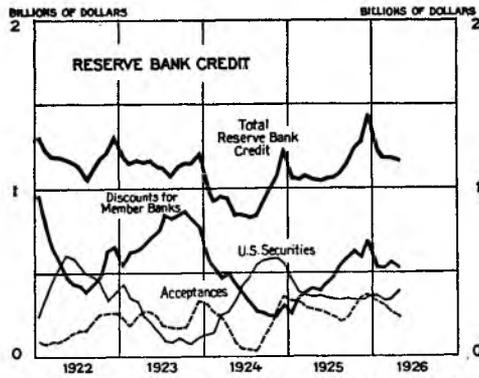
Stocks of goods carried by the reporting wholesalers increased during April in shoes, but grocery, dry goods and hardware stocks declined during the month. At the end of April, stocks of hardware on hand exceeded hardware stocks on April 30, 1925, but grocery, dry goods and shoe stocks were smaller than on the same date last year.

Collections showed some improvement during April over March in nearly all lines, the percentage of receivables on the first of the month that were collected during the month rising in all lines except groceries. The percentage of collections during April to outstanding receivables on the first of the month was 65.1 per cent in groceries, drugs ranking second with 62.8 per cent. Furniture collections averaged 54.8 per cent of outstanding receivables, hardware 36.1 per cent, dry goods 34.1 per cent, and shoes 33.6 per cent.

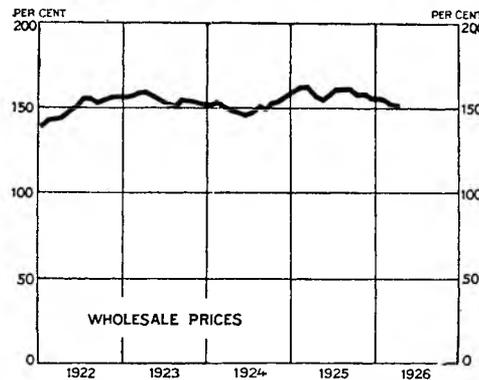
(Compiled May 20, 1926)

BUSINESS CONDITIONS IN THE UNITED STATES.

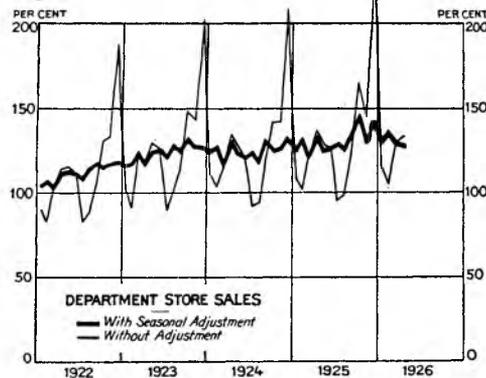
(Compiled by the Federal Reserve Board)



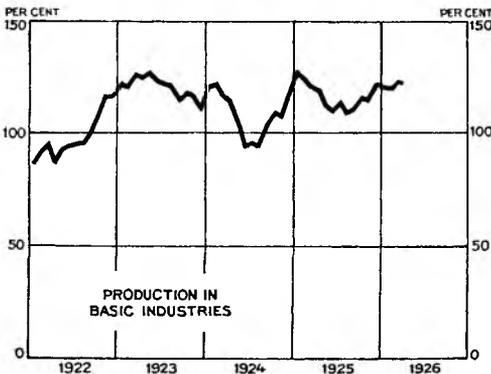
Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures, averages of first 21 days of May.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure-April 151.



Index of sales of 359 stores (1919=100). Latest figures-April, adjusted index 129, unadjusted 133.



Index of 22 basic commodities adjusted for seasonal variation (1919=100). Latest figure-April 122.

There was a slight decline in the activity of industry and trade in April and a further reduction in the general price level. Commercial demand for bank credit continued large and the volume of security loans, after a rapid decline since the turn of the year, remained at a constant level.

PRODUCTION. Production in basic industries, according to the Federal Reserve Board's index, decreased 1 per cent in April, slight increases in production of lumber and pig iron being more than offset by declines in output in other industries. Particularly large recessions were shown in the production of steel ingots and in textile mill activity. Automobile production, not included in the index, continued in large volume. Factory employment and pay rolls declined slightly in April, particularly in the food, tobacco, textile and boot and shoe industries. The value of building contracts awarded during April was smaller than in March and practically the same as in April of last year. Awards for the first two weeks in May, however, showed increases as compared with the same weeks in 1925. Reports by the Department of Agriculture indicate that up to the first of May 68 per cent of spring plowing and 56 per cent of sowing and planting was completed, compared with about 83 per cent and 66 per cent last year. On the basis of the condition of winter wheat on May 1st a yield of 549,000,000 bushels is forecast, compared with a final yield of 398,000,000 bushels in 1925.

TRADE. The volume of wholesale trade in April was seasonally smaller than in March for all lines except meat. Compared with a year ago, sales of groceries, meats and drugs were larger in April this year while sales of dry goods, shoes and hardware were smaller. Department store sales increased less than usual and were somewhat smaller than a year ago. Sales of mail order houses were slightly smaller than in March but continued to be larger than in the corresponding month of 1925. There was some decrease in the stocks of merchandise held by wholesale firms during the month and inventories of department stores showed less than the usual season's increase, though they were larger than a year ago.

PRICES. Wholesale commodity prices, according to the Bureau of Labor Statistics index, declined slightly from March to April. Increases in farm products and foods groups, which had been declining for several months, were more than offset by decreases in other groups.

BANK CREDIT. Commercial demand for bank credit at member banks in leading cities continued in large volume between the middle of April and the middle of May. There was some addition to the banks' investments and the total of their loans and investments was about \$1,000,000,000 larger than at the same period of last year. Withdrawals of funds from New York were reflected in an increase between the middle of April and the middle of May in borrowings by member banks from the Federal Reserve Bank of New York, while borrowings at most of the other reserve banks declined. Open market holdings of the reserve banks remained fairly constant during the period and there was little change in the total volume of reserve bank credit outstanding. Money rates late in April reached the lowest level for a year but in May conditions in the money market became somewhat firmer.