

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

JULY 31, 1926

DISTRICT SUMMARY. At the middle of 1926, business conditions throughout the Fifth Federal Reserve District appear to be fully up to seasonal average, but on account of poorer crop prospects and a strong probability of lower cotton and tobacco prices next fall than prevailed in 1925, the prospects for the second half of the year are perhaps not so good as they were on July 1st last year. However, it is too early in the season to lay much stress on crop condition figures or on the signs that appear to indicate the range of prices that may be paid for agricultural product in the fall.

Business in June and during the first half of this year was fully up to seasonal average in practically all lines of trade in the Fifth District, the textile industry alone finding conditions almost uniformly unfavorable, and even in textiles there are signs of slight improvement in prospects. Member banks of the Reserve System in this District were borrowing less from the Reserve bank at the middle of July than a year earlier, and customers' deposits were notably higher than at mid-year 1925. Savings deposits on July 1st were the highest on record. Debits to individual accounts figures for five weeks ended July 14th this year showed the usual heavy volume of payments of dividends, etc., around July 1st, and exceeded total debits for the corresponding five weeks of 1925. Aggregate debits for the past six months exceeding those for the first half of 1925 by half a billion dollars testify eloquently to the large volume of trade done in the Fifth District during recent months. Business failures in June were fewer in number and lower in liabilities than in June 1925 or in any earlier month this year, and the half-year witnessed both fewer insolvencies and lower liabilities than the first half of last year. Labor is seasonally employed, and a continuation of a heavy building program appears to assure steady employment for most workers for several months at least. Coal production is at a high rate and up to seasonal average, while both retail and wholesale trade compare favorably with corresponding periods of other years.

The agricultural outlook in the Fifth District improved distinctly during the month of June and the first half of July, but is still below that of 1925 for most crops. Prospects now indicate lower yields of tobacco and cotton this year in Virginia and Carolinas, but it is too early to form any accurate estimate of the year's cotton yield. The development of leading crops in the District should be watched very carefully during the balance of the summer and early fall, since these developments will necessarily play a very important part in determining the volume of business done next fall and winter.

RESERVE BANK OPERATIONS — There was a seasonal decline in the demand for Reserve bank credit during the month between June 15th and July 15, 1926, rediscounts for member banks at the Federal Reserve Bank of Richmond dropping from \$45,576,000 on the earlier date to \$41,111,000 on the later one. The circulation of Federal Reserve notes also declined, from \$71,989,000 on June 15th to \$70,591,000 on July 15th. Total bill holdings of the Reserve bank decreased between the two dates from \$57,590,000 to \$50,153,000. On the other hand, member banks increased their reserve deposits at the Federal Reserve Bank of Richmond from \$65,045,000 to \$67,459,000, and the Reserve bank's cash reserves rose from \$76,709,000 to \$89,467,000. The changes enumerated raised the ratio of cash reserves to note and deposit liabilities combined from 55.58 per cent on June 15th to 63.35 per cent on July 15th.

A comparison of the principal items in the Reserve bank's statement for July 15, 1926, with those for July 15, 1925, shows a smaller volume of credit extended to member banks on the 1926 date. Rediscounts held by the Federal Reserve Bank of Richmond totaled \$47,439,000 on July 15th last year, but declined to \$41,111,000 on the corresponding date this year, a decrease of \$6,328,000. Total bill holdings of the Reserve bank, including Bankers' acceptances purchased, which amounted to \$56,313,000 at the middle of July a year ago, declined during the year by approximately the amount of decrease in rediscounts, total holdings on July 15, 1926, being \$50,153,000. A slightly larger volume of Federal Reserve notes was in actual circulation on July 15th this year in comparison with a year ago, the total having risen from \$69,637,000 last year to \$70,591,000 on the corresponding date this year. Member bank reserve deposits rose during the year from \$66,150,000 to \$67,459,000, and the cash reserves of the Federal Reserve Bank of Richmond increased from \$83,382,000 on July 15, 1925, to \$89,467,000 on July 15, 1926. The ratio of cash reserves to note and deposit liabilities combined was 60.97 per cent on July 15th last year and 63.35 per cent on the corresponding date this year.

The National Summary will be found on page 8

CONDITION OF SIXTY-EIGHT REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	July 14, 1926	June 16, 1926	July 15, 1925
1. Total Loans and Discounts (including all rediscounts)	\$ 512,649,000	\$ 516,144,000	\$ 494,995,000
2. Total Investments in Bonds and Securities	139,194,000	132,815,000	137,623,000
3. Reserve Balance with Federal Reserve Bank	41,017,000	39,742,000	40,999,000
4. Cash in Vaults	14,109,000	13,547,000	14,155,000
5. Demand Deposits	378,285,000	365,036,000	357,881,000
6. Time Deposits	209,082,000	207,029,000	204,352,000
7. Borrowed from Federal Reserve Bank....	14,345,000	15,346,000	18,366,000

The chief items of condition for sixty-eight regularly reporting member banks are shown in the accompanying table, three dates being included to allow for comparison of the latest available figures, those of July 14, 1926, with those of June 16, 1926 and July 15, 1925, the preceding month and the preceding year, respectively. It should be understood that the figures shown reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

Changes in the condition of the reporting banks between June 16th and July 14th, both this year, were relatively slight, but indicated some decrease in the demand for credit at the reporting banks during the month. Total loans to customers declined from \$516,144,000 on June 16th to \$512,649,000 on July 14th, and the banks reduced their borrowing at the Reserve Bank from \$15,346,000 to \$14,345,000. At the same time holdings of investments in bonds and securities rose from \$132,815,000 to \$139,194,000, and the reserve deposits of the reporting banks at the Federal Reserve Bank of Richmond increased from \$39,742,000 to \$41,017,000. Cash in vaults also gained during the month under review, rising from \$13,547,000 on June 16th to \$14,109,000 on July 14th. Improvement in the financial status of the reporting banks' customers is indicated by material gains in deposits, demand deposits rising from \$365,036,000 on June 16th to \$378,285,000 on July 14th, and time deposits rising from \$207,029,000 to \$209,082,000 between the same dates.

In comparison with the condition figures as of July 15, 1925, those for July 14, 1926, show an increase in total loans to customers from \$494,995,000 to \$512,649,000, but between the two dates borrowing at the Reserve bank by the sixty-eight reporting banks declined from \$18,366,000 to \$14,345,000; investments in bonds and securities rose from \$137,623,000 to \$139,194,000; reserve balances with the Reserve bank increased from \$40,999,000 to \$41,017,000; and both demand and time deposits increased, the former rising from \$357,881,000 on July 15, 1925, to \$378,285,000 on July 14, 1926, and the latter rising from \$204,352,000 to \$209,082,000 during the same period. Cash in the vaults of the reporting banks remained practically the same, decreasing from \$14,155,000 last year to \$14,109,000 this year.

SAVINGS DEPOSITS—At the close of business June 30, 1926, total deposits in fourteen mutual savings banks in Baltimore amounted to \$155,264,025, the highest figure on record and more than \$5,000,000 above the total of \$150,220,063 on deposit in the same institutions on June 30, 1925. Sixty-eight regularly reporting member banks located in thirteen Fifth District cities also reported record savings deposits at the middle of July, aggregate time deposits of \$209,082,000 at the close of business July 14, 1926, comparing with time deposits of \$204,352,000 on July 15, 1925.

DEBITS TO INDIVIDUAL ACCOUNTS

The accompanying table shows total debits to individual, firm and corporation accounts in the clearing house banks of twenty-three trade centers in the Fifth Federal Reserve District during three periods of five weeks each, and in addition the table this month shows semiannual totals in the several reporting cities for the first half of 1926 in comparison with corresponding figures for the first half of 1925. The figures for the latest available five weeks period, ended July 14th, may be compared with those reported for the preceding five weeks ended June 9th this year and with those of the corresponding five weeks ended July 15, 1925.

Aggregate debits of \$1,671,005,000 in the reporting banks during the five weeks ended July 14th show a seasonal increase over the total of \$1,517,919,000 reported for the preceding like period, ended June 9th, the semiannual and quarterly payments occurring on and around July 1st increasing debits totals materially. Nineteen of the twenty-three cities reported higher figures for the more recent five weeks.

In comparison with the corresponding five weeks in 1925, ended July 15th, when debits totaling \$1,599,377,000 were reported, the total of \$1,671,005,000 for the five weeks ended July 14, 1926, shows an increase of \$71,628,000, sixteen of the twenty-three cities showing higher figures this year. Most

CITIES	TOTAL DEBITS DURING THE FIVE WEEKS ENDED			SEMIANNUAL TOTALS	
	July 14, 1926	June 9, 1926	July 15, 1925	1926	1925
Asheville, N. C.	\$ 47,365,000	\$ 46,434,000	\$ 36,170,000	\$ 222,630,000	\$ 150,186,000
Baltimore, Md.	559,785,000	491,373,000	532,174,000	2,628,144,000	2,436,728,000
Charleston, S. C.	28,710,000	31,468,000	24,834,000	163,927,000	158,338,000
Charleston, W. Va.	43,651,000	40,398,000	43,042,000	221,819,000	215,008,000
Charlotte, N. C.	56,446,000	56,366,000	53,370,000	305,589,000	293,361,000
Columbia, S. C.	19,774,000	22,870,000	20,316,000	109,736,000	123,132,000
Cumberland, Md.	12,410,000	10,744,000	12,342,000	53,440,000	52,283,000
Danville, Va.	11,344,000	9,431,000	14,169,000	54,728,000	57,161,000
Durham, N. C.	33,602,000	28,884,000	27,712,000	159,229,000	135,715,000
Greensboro, N. C.	30,884,000	29,449,000	25,949,000	162,100,000	137,484,000
Greenville, S. C.	24,341,000	21,538,000	26,314,000	143,472,000	141,744,000
Hagerstown, Md.	12,859,000	11,543,000	13,953,000	62,841,000	62,026,000
Huntington, W. Va.	29,747,000	29,186,000	30,345,000	153,940,000	161,660,000
Lynchburg, Va.	25,074,000	23,639,000	25,061,000	126,681,000	118,773,000
Newport News, Va.	15,046,000	11,746,000	9,948,000	59,214,000	48,537,000
Norfolk, Va.	91,628,000	85,226,000	79,897,000	460,706,000	419,500,000
Raleigh, N. C.	41,369,000	21,607,000	64,011,000	163,897,000	205,888,000
Richmond, Va.	160,376,000	141,325,000	157,256,000	813,591,000	786,472,000
Roanoke, Va.	35,081,000	33,533,000	31,240,000	168,712,000	152,966,000
Spartanburg, S. C.	15,903,000	16,788,000	16,936,000	91,643,000	94,805,000
Washington, D. C.	308,697,000	288,707,000	296,226,000	1,471,637,000	1,383,460,000
Wilmington, N. C.	21,937,000	22,090,000	20,078,000	130,500,000	124,236,000
Winston-Salem, N. C.	44,976,000	43,574,000	38,034,000	233,901,000	200,026,000
Totals.....	\$1,671,005,000	\$1,517,919,000	\$1,599,377,000	\$8,162,077,000	\$7,659,489,000

of the declines were in cities in which textile mills are located, and restricted operations with lower prices for both cotton and cloth or yarn probably accounted for a considerable part of several decreases in debits.

Total debits for the first half of 1926 amounted to \$8,162,077,000, exceeding the total of \$7,659,489,000 reported for the first half of 1925 by slightly more than half a billion dollars, which shows clearly greater activity in general business in the Fifth District during recent months. The increase this year is the more striking when it is remembered that the 1925 figures were in themselves considered high, and also in view of the fact that wholesale price levels, particularly for cotton, tobacco and textile products, were lower during the past six months than in the first half of 1925.

BUSINESS FAILURES—Dun's Review for July 3rd, in commenting on the business failure record for June and the half year in comparison with the corresponding month and half-year in 1925, says, "The insolvency record for the month of June, which closes both the second quarter and the half-year, is distinctly encouraging. Not only are the 1,708 commercial failures reported for June less than those for any month since last November, but last month's liabilities, \$29,407,523, are the smallest for all months back to September 1923. Comparing with the high point of the current year, reached in January, the June returns show a numerical reduction of about 25.5 per cent and a decrease in the indebtedness of more than 32 per cent. The falling off from the 1,745 defaults of June 1925, is only a little over 2 per cent, but the liabilities for last month are nearly 20 per cent below the aggregate of \$36,701,496 in June last year.

Failures during the half-year, as to number, were practically the same as in the first six months of 1925, but the indebtedness involved for this year to date is very much less than in any first half-year period since 1920. Failures numbering 11,476, with liabilities of \$209,898,501, for the past six months, compare with 11,420 failures and \$239,398,450 in liabilities during the corresponding period last year. Going back to 1915, there were only two years, 1922 and 1915, the latter the year following the beginning of the war in Europe, when commercial defaults in the United States during the first half of the year were larger in number than for the last six months. The increase, however, in the last three years has only been on a par with the gain in the number of business concerns. The very marked improvement as to the amount of liabilities shown for the last half year is most gratifying."

Examining the figures for the Fifth Reserve District, June's 96 failures were the lowest for any month since last November, and compared favorably with 116 failures in June last year. Liabilities in June totaling \$1,719,126 were below those of any other month this year, and also were lower than in June 1925, when they were \$2,196,548. The first half of 1926 witnessed 772 insolvencies in the Fifth District, with liabilities of \$14,367,247, compared with 792 failures with \$20,388,341 of liabilities in the first half of 1925.

LABOR—No changes of importance were noted in labor circles during the past two months. Workers are seasonally employed, with a moderate surplus in nearly all cities, but there does not appear to be any exceptionally large number of unemployed workers anywhere in the Fifth District. There has recently been a considerable amount of shifting of labor from city to city in an effort to get work on big projects just getting under way, and some contractors report trouble in keeping their men on jobs nearly completed. More favorable weather for farm work since the middle of June has increased the demand for agricultural workers, but the number of hands is adequate to meet all pressing needs. Perhaps the best evidence of the extent of the demand for labor is the continuation of high wage scales in all lines of work.

COAL—The daily production of bituminous coal, in accordance with seasonal trends, has been gradually increasing since the first of May, and during the week ended July 10th averaged 1,658,000 net tons per day, the highest average since the middle of March. Total production during the first 161 working days of 1926, to July 10th, amounted to 280,157,000 net tons, a figure exceeded only once during the past seven years for the corresponding period of the year. West Virginia continued to lead the country in total output during June and the first half of July.

The weekly rate of production of anthracite coal since February has exceeded that of 1925, but total output during the present calendar year to July 10th amounted to only 38,697,000 net tons, approximately 7,800,000 tons less than during the corresponding period last year. The lower production this year is due to the strike of the miners last winter, of course, rather than to any material decrease in demand for anthracite fuel.

Retail yards are adequately supplied with all grades of coal to meet customer demand. Many yards advanced prices slightly on July 1st.

TEXTILES—Restrictions in operating time at textile mills in the Fifth District did not spread further during June, of cotton consumption during that month is indicative of the rate of operations. Cotton consumed in the three textile manufacturing states of the District during June this year totaled 212,398 bales, of which North Carolina mills used 117,256 bales, South Carolina mills 85,476 bales, and Virginia mills 9,666 bales. In the longer month of May the Fifth District mills consumed 209,204 bales and in June 1925 used 197,998 bales. There has yet been little increase in orders for cloth or yarn, but the Southern Yarn Spinners Association reports inquiries for yarn in considerable quantities as more prevalent than for some time past. The recent fluctuations in the cotton market have had little effect upon yarn prices, but have influenced buyers to await more stable conditions. Spinners' prices are reported firm, with some recent advances listed. Stocks of yarn in dealers' hands and at mills appear to be small. Complaints of small profits continue to reach us in our correspondence with mill executives.

COTTON—Spot cotton prices in the Carolinas fluctuated back and forth through a range of approximately half a cent between the middle of June and the middle of July, all weekly average prices in that period being below 17 cents. In our June 30th Review we quoted the average price paid for middling cotton in the Carolinas during the week ended June 12th as 16.97 cents. The weeks ended June 19th and June 26th averaged 16.62 cents and 16.64 cents, respectively. The first week in this month, ended July 3rd, averaged 16.46 cents, but the two weeks ended July 10th and 17th averaged 16.78 and 16.82 cents, respectively, the slight rise probably being due to some fear of weevil and flea damage. The cotton flea is a new pest this year over most of the cotton belt, and it is problematical as to how destructive it may be, but at least it is a disturbing factor at the present moment.

The Census Bureau's cotton consumption report for June, issued on July 14th, showed 518,504 bales used in American mills during the month, in comparison with 516,758 bales consumed in May 1926 and 494,083 bales used in June last year. Total consumption during the eleven elapsed months of the present cotton year—August 1, 1925, to June 30, 1926—totaled 5,930,069 bales, compared with 5,709,491 bales used during the corresponding eleven months of the preceding year. Cotton on hand at manufacturing establishments on June 30, 1926, amounted to 1,267,796 bales, compared with 1,449,932 bales held on May 31st this year and 1,126,127 bales held at the end of June last year. Bales in public warehouses and compresses numbered 2,407,816 at the end of June this year, 2,964,824 at the end of May, and 759,350 on June 30, 1925. Exports of cotton in June totaled 346,774 bales, compared with 419,459 bales sent abroad in May 1926 and 217,786 bales exported in June last year. Exports during the eleven months of the present cotton year totaled 7,789,089 bales, compared with 7,993,408 bales shipped out of the country during the eleven months ended June 30, 1925. Imports in June totaled 22,137 bales, compared with 13,626 bales in May 1926 and 19,957 bales in June 1925, while total imports during the past eleven months amounted to 313,537 bales, in comparison with 303,401 bales imported during the corresponding period of the previous year. Active spindles in June 1926 numbered 31,770,900, in May this year 32,267,410, and in June last year 32,287,564.

Cotton consumption in the cotton growing states totaled 365,467 bales in June, 363,475 bales in May, and 337,768 bales in June 1925, while spindles active in cotton growing states numbered 17,007,-

458 in June, 17,048,474 in May, and 16,760,756 in June 1925. The number of spindles active in the cotton producing states in June was larger than the number active in June 1925, contrary to the case in other textile manufacturing sections.

On July 2nd the Department of Agriculture issued its first condition report on this year's cotton crop. As of June 25th, the report estimated the condition at 75.4 per cent of a normal, in comparison with 75.9 per cent on the same date in 1925 and a ten year average of 73.5 per cent. On the estimated acreage of 48,898,000 acres, indications on June 25th pointed to a crop between 13,726,000 bales and 16,294,000 bales, probably around 15,635,000 bales. This year the Department will give three estimates of production on each report date, one the usual figure based on all available data at the time the estimate is made, and two others showing the highest production or the lowest production probable if weather conditions from the report date to the end of the season are as favorable as those of 1924 and 1925 or as unfavorable as those of 1921, 1922 and 1923. The condition of this year's crop in the Fifth District on June 25th was considerably lower than on the same date in 1925, South Carolina averaging 55 per cent in comparison with 70 per cent a year earlier, North Carolina averaging 63 per cent compared with 77 per cent last year, and Virginia averaging 62 per cent compared with 83 per cent in 1925. The crop has improved in all three Fifth District states since June 25th, however, rains having fallen throughout the District and especially in the Piedmont counties of the Carolinas where a serious drought was being felt late in June.

Virginia's acreage in cotton this year is 93 per cent of the 1925 acreage, but the South Carolina acreage this year is 103 per cent of the 1925 acreage and the North Carolina acreage is 101 per cent of that planted in cotton last year.

AGRICULTURAL NOTES—MARYLAND wheat improved greatly during June, and the July 1st estimate of production for 1926 was 9,614,000 bushels compared with 10,290,000 bushels grown in 1925 and a five year average of 9,535,000 bushels. Corn, on the other hand, is poor and a very short crop is expected, production of 19,849,000 bushels indicated by the July 1st condition comparing with 25,560,000 bushels in 1925 and a five year average of 23,655,000 bushels. Corn in Maryland got a late start, stalks are for the most part small and irregular, and cut worms are doing considerable damage. Tobacco prospects indicate a probable production of 25,232,000 pounds this year in comparison with 24,690,000 pounds in 1925 and 21,442,000 pounds the five years average. Plants were handicapped by the long dry spell, but recent rains have brightened prospects considerably. Maryland fruit prospects are described by the Agricultural Statistician of the State as "Uniformly good". Apple prospects on July 1st indicate a yield of 2,840,000 bushels compared with 1,870,000 bushels last year and a five year average of 1,541,000 bushels. Peaches promise a production of 560,000 bushels compared with 240,000 bushels gathered in 1925, and pears are expected to yield 378,000 bushels against 280,000 bushels last year. The July 1st condition of sweet potatoes indicate a yield of 1,444,000 bushels compared with 1,290,000 bushels in 1925 and 1,202,000 bushels average for the past five years. The acreage planted in potatoes is approximately 2,000 acres larger than last year, however, which accounts for the prospective increase in yield. Weather conditions have been too dry and cool for the crop, and the present condition is 5 points below average. Hay prospects in Maryland are mostly poor and pastures are only fair. The weather has been unfavorable for grasses and hay crops. Clover is reported a near failure.

THE VIRGINIA Crop Reporting Service reports great improvement in the wheat crop, excellent prospects for apples, unusually light yields of hay, and low condition of pastures as the outstanding features of the July 1st crop analysis. The mid-month report, however, issued on July 19th, states that all crop improved during the first half of July. Rain during the last ten days of June broke the drought in most sections. The wheat yield is turning out better than was expected, and the quality of the wheat is especially good. Corn has made splendid progress and with favorable weather to the end of the season the year's production now appears likely to be above the average. Tobacco has grown rapidly, and topping has commenced in the Southern part of Virginia, but the crop is still backward and fields are quite irregular. Growers do not expect an average yield this year. The hay crop is one of the lightest ever grown in the State, but weather conditions for cutting and curing have been favorable. A large acreage has been planted in late hay crops, and if weather is favorable the rest of the season these crops will supply a large quantity of feed. Most of the early potato crop has been shipped. Yields were very poor and in recent weeks prices were so low that the season has not been very profitable to the growers. Large plantings of late potatoes have been made. Peanuts are backward in growth, but improved considerably during the past two weeks. Some peanut fields are grassy. All fruit crops were greatly benefitted by the recent rains. Prospects for apples continue to be exceptionally good. The fruit is beginning to develop size and apparently shows no bad effects from the drought. Peaches are light, except in commercial orchards, but the fruit is sizing up well and early varieties are ripening.

NORTH CAROLINA corn and wheat crops are unusually good, according to the Agricultural Statistician, and prospects for good yields are favorable. The early potato crop is much below aver-

age in yield per acre, but a larger acreage approximately balances the lower condition of the crop. Sweet potatoes are considerably below last year in condition, but favorable weather may largely remedy this situation. With practically the same acreage and a July 1st condition of 66 per cent compared with 81 per cent a year earlier, North Carolina's tobacco crop promises a distinctly lowered yield under that of 1925. Present stands are about 81 per cent normal. Grasses and hay crops have developed wonderfully since June 20th, when rains fell over most of the State, and at present are nearly up to normal. A considerable increase in acreage is reported for soy beans and cowpeas.

SOUTH CAROLINA wheat and oats produced the highest per acre yields this year on record for that State, and corn prospects on July 1st were better than those of last year. The tobacco crop acreage is 5 per cent smaller this year than in 1925, and the condition of 60 per cent compares unfavorably with 82 per cent on July 1st a year ago. Nearly all crop condition percentages on July 1st this year were lower than those of July 1, 1925, but the prospects for this season were better than they were on June 1st, due to the rain late in that month. Rains fell throughout most of the State during the first half of July, and crops probably improved somewhat further since the latest available official figures were issued. The South Carolina tobacco markets are scheduled to open on August 9th, which is later than is customary.

BUILDING OPERATIONS FOR THE MONTHS OF JUNE 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.....	620	674	1,375	1,172	\$ 3,610,428	\$ 3,780,480	\$ 833,520	\$ 648,480	\$ 14,988	0.3%	1	
2	Cumberland, Md.....	25	33	5	12	90,771	111,004	1,420	15,777	—	34,590	— 27.3	2
3	Frederick, Md.....	34	3	10	0	149,514	6,250	20,860	0	164,124	2626.0	3	
4	Hagerstown, Md....	28	31	16	16	71,405	61,120	9,232	9,145	10,372	14.0	4	
5	Danville Va.....	15	11	7	11	104,829	23,910	2,590	47,680	35,829	50.0	5	
6	Lynchburg, Va.....	39	19	29	22	138,120	68,180	10,766	40,775	39,931	36.6	6	
7	Norfolk, Va.....	78	59	96	115	570,435	291,605	37,682	55,195	261,317	75.4	7	
8	Petersburg, Va.....	4	10	11	9	8,950	35,555	4,950	7,800	—	29,455	— 67.9	8
9	Richmond, Va.....	146	179	78	94	686,130	1,228,924	138,518	195,202	—	599,478	— 42.1	9
10	Roanoke, Va.....	96	139	41	48	353,940	275,205	10,760	32,616	56,879	18.5	10	
11	Bluefield, W. Va....	20	22	7	5	41,925	518,175	7,730	850	—	469,370	— 90.4	11
12	Charleston, W. Va..	61	34	29	10	214,754	73,200	36,625	7,100	171,079	213.0	12	
13	Clarksburg, W. Va..	31	22	30	35	125,595	53,800	7,300	6,520	72,575	120.3	13	
14	Huntington, W. Va..	* 70	* 7	* 136,595	* 3,650	14
15	Parkersburg, W. Va.	29	27	9	4	188,575	98,680	6,600	3,300	94,195	93.3	15	
16	Asheville, N. C.	109	44	65	59	989,470	244,949	31,800	42,370	733,951	255.4	16	
17	Charlotte, N. C.	54	70	16	6	1,029,306	408,285	44,150	23,500	641,671	148.6	17	
18	Durham, N. C.	44	54	16	7	423,630	255,260	9,400	6,400	171,370	65.5	18	
19	Greensboro, N. C. ...	75	62	30	30	735,378	301,625	14,493	13,140	435,106	138.2	19	
20	High Point, N. C.	76	72	15	4	816,275	364,275	19,850	1,305	470,545	128.7	20	
21	Raleigh, N. C.	46	80	4	11	357,175	352,803	2,950	13,450	—	6,128	— 1.7	21
22	Salisbury, N. C.	6	11	8	14	13,240	166,300	200	4,505	—	157,365	— 92.1	22
23	Wilmington, N. C. ...	9	16	5	4	30,800	81,500	12,300	11,000	—	49,400	— 53.4	23
24	Winston-Salem, N. C.	58	62	40	68	138,792	226,091	13,735	78,350	—	151,914	— 49.9	24
25	Charleston, S. C. ...	13	20	25	55	29,380	186,171	8,685	13,926	—	162,032	— 81.0	25
26	Columbia, S. C.	14	15	22	76	333,463	52,900	342,253	73,167	549,649	436.0	26	
27	Greenville, S. C.	12	9	24	21	71,750	180,800	12,220	6,180	—	103,010	— 55.1	27
28	Spartanburg, S. C. ...	35	22	24	26	127,187	220,667	34,785	11,265	—	69,960	— 30.2	28
29	Washington, D. C. ...	162	230	444	459	5,520,385	8,061,685	543,595	777,697	—	2,775,402	— 31.3	29
	Totals.....	1,939	2,030	2,481	2,393	\$16,971,602	\$17,729,399	\$2,218,969	\$2,145,695	\$— 684,523	— 3.4%		

* 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.

The number of building permits for new construction issued in twenty-eight Fifth District cities in June totaled 1,939, with estimated valuation of \$16,971,602, compared with 2,030 permits and valuation of \$15,008,503 issued by the same cities in May this year and 2,030 permits and \$17,729,399 valuation for June 1925. Total valuation figures for both new and alteration or repair work totaled \$19,190,571 in June 1926 and \$19,875,094 in June 1925, a decrease this year of \$684,523, or 3.4 per cent. Sixteen of the twenty-eight reporting cities sent in higher total valuation figures for June this year than for June last year, increases of more than 100 per cent being reported by Frederick, Charleston, W. Va., Clarksburg, Asheville, Charlotte, Greensboro, High Point, and Columbia. Baltimore reported approximately the same valuation as in June last year, Richmond reported a decrease of over half a million dollars, and Washington reported a decrease of two and three-quarter million dollars.

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

Percentage increase in June 1926 sales over sales in June 1925:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
— 2.0	13.2	.02	6.1	.8
Percentage increase in cumulative sales from January 1st through June, over sales during the corresponding six months in 1925:				
1.0	4.0	6.5	4.1	3.6
Percentage increase in June sales over average June sales during the five years 1920-1924, inclusive:				
— 6.2	39.0	11.7	.2	5.5
Percentage increase in stock on hand June 30, 1926, over stock on June 30, 1925:				
— .1	3.9	7.2	— 1.5	2.6
Percentage increase in stock on hand June 30, 1926, over stock on May 31, 1926:				
— 4.6	— 5.5	— 4.1	— 3.7	— 4.4
Percentage of sales during June 1926 to average stock carried during that month:				
26.0	29.8	29.2	22.2	27.0
Percentage of cumulative sales since January 1st to average stock carried during each of the six months:				
152.6	160.2	166.1	134.0	156.0
Percentage of outstanding orders on June 30th to total purchases of goods in 1925:				
5.6	3.4	7.8	4.5	6.1
Percentage of collections in June to total accounts receivable on June 1st:				
23.9	27.8	39.1	31.0	28.4

— Denotes decreased percentage.

Retail trade, as indicated by sales in thirty-one leading department stores in the Fifth Federal Reserve District, was eight-tenths of 1 per cent larger in June 1926 than in June 1925, and 5.5 per cent greater than average sales in June during the five years 1920-1924, inclusive. Total sales during the first half of 1926 exceeded sales during the first half of 1925 by 3.6 per cent.

Stocks on hand at the end of June, at retail prices, averaged 2.6 per cent above stocks a year ago but were 4.4 per cent less than stocks on May 31st this year, a seasonal decrease. The increase over last year's stocks was due chiefly to store expansion in Richmond and Washington, average stock in Baltimore and Other Cities being below those of 1925.

The percentage of sales in June to average stock carried during the month averaged 27 per cent, and the percentage of total sales since January 1st to average stocks carried during each of the six months was 156 per cent, indicating business at an annual turnover rate of 3.12 times.

Collections in June were not quite so good as in May this year or June last year. The percentage of total collections in June to receivables outstanding on the first of the month was 28.4 per cent, compared with 29.3 per cent of outstanding receivables collected in May 1926 and 29.6 per cent collected in June 1925.

WHOLESALE TRADE, JUNE 1926

Percentage increase in sales in June 1926, compared with sales in June 1925:					
<i>34 Groceries</i>	<i>13 Dry Goods</i>	<i>10 Shoes</i>	<i>17 Hardware</i>	<i>5 Furniture</i>	<i>12 Drugs</i>
.2	—13.6	9.6	7.2	4.2	— 2.8
Percentage increase in sales in June 1926, compared with sales in May 1926:					
3.0	—11.6	—19.2	.5	1.4	— 2.7
Percentage increase in sales from Jan. 1, 1926, through June, compared with sales during the same six months in 1925:					
— 1.2	— 3.2	6.5	— .6	— 1.8	3.2
Percentage increase in stock on June 30, 1926, compared with stock on June 30, 1925:					
7.6(9)	—17.9(5)	6.7(5)	8.0(5)
Percentage increase in stock on June 30, 1926, compared with stock on May 31, 1926:					
— 4.9(9)	13.3(5)	7.0(5)	.4(5)
Percentage of collections in June to total accounts receivable on June 1, 1926:					
63.1(20)	30.8(9)	31.4(8)	35.6(11)	37.7(3)	57.8(8)

— Denotes decreased percentage.

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

Ninety-one wholesale firms reported on their June business in comparison with the preceding month this year and the corresponding month last year. Grocery, shoe, hardware and furniture firms sold more merchandise in June 1926 than in June 1925, while dry goods jobbers and wholesale druggists reported declines in sales last month. In comparison with May sales, those of June were greater in groceries, hardware and furniture, but sales of dry goods, shoes and drugs were less. Total sales during the half-year just closed exceeded sales in the first six months of 1925 in shoes

and drugs, but grocery, dry goods, hardware and furniture sales were less than in 1925. Stocks on hand increased last month in dry goods, shoes and hardware lines, but grocery stocks declined during June. At the end of June stocks of dry goods were smaller than those of June 30th last year, but larger stocks than a year ago were reported for groceries, shoes and hardware. Collections, in most lines were a little slower in June than in May, the percentage of collections to outstanding receivables on June 1st being lower than the corresponding figures for May in all lines except hardware and drugs.

(Compiled July 20, 1926)

BUSINESS CONDITIONS IN THE UNITED STATES.

Industrial activity was at the same level in June as in May and was slightly above the level of a year ago. The average of commodity prices advanced further between May and June.

PRODUCTION. The Federal Reserve Board's index of production in basic industries remained unchanged in June. Production of iron and steel and activity of woolen machinery continued to decline, and there were also reductions in the output of copper, zinc and petroleum, while cotton consumption, the manufacture of food products, and the output of coal and cement increased. Production of automobiles was smaller in June than in May and for the first time this year was less than in the corresponding month of 1925. Declines took place in June in employment and payrolls for all textile industries except woolen and worsted goods and men's clothing, and some of these industries were less active than at any time since 1924. Building contracts awarded during June were slightly less than in May and for the first time since early in 1925 were smaller than in the corresponding month of the preceding year. Crop reports issued by the Department of Agriculture indicated a slight improvement during June. The composite condition of all crops on July 1st was reported at 6.4 per cent below the average July condition during the last ten years. The production of winter wheat was estimated at 568,000,000 bushels, or 172,000,000 more than in 1925, and that of spring wheat at 200,000,000 bushels, or 71,000,000 less than last year. A production of 2,661,000,000 bushels of corn, or 8.3 per cent less than last year, is indicated in the same report. Cotton production, on the basis of the July 16th condition, was estimated at 15,368,000 bales, or 718,000 bales less than the production of last year.

TRADE. Total volume of wholesale and retail trade in June was larger than for the same month in 1925. Department store sales declined seasonally in June, and wholesale trade in all leading lines except groceries also decreased during the month. Sales of mail order houses increased more than usual in June, and were 5 per cent larger than in June 1925. Stocks of merchandise carried by wholesale firms at the end of June were smaller than a year earlier, department stores continued to reduce their stocks, and their inventories, which had been considerably above last year's level earlier in the year, were at the end of June only about 1 per cent larger than a year ago. Freight car loadings showed seasonal increases during June and continued through the first half of July at higher levels than in previous years. Loadings of grains in the Southwestern states have been particularly large.

PRICES. The general level of wholesale prices, according to the index of the Bureau of Labor Statistics, increased from May to June by less than half of 1 per cent. Prices of livestock and meats advanced and there were small increases for silk, petroleum products, nonferrous metals, and chemicals and drugs. Price decreases occurred in grains, cotton, textiles, building materials and house furnishings. In the first two weeks of July prices of grains, flour, cotton, wool and hides increased while those of cattle, hogs, silk and rubber declined.

BANK CREDIT. Loans and investments of member banks in leading cities at the end of June were in larger volume than at any previous time, and after declining during the first half of July were still \$900,000,000 above the level of a year ago. Of this increase about \$385,000,000 was in loans on securities, \$340,000,000 in commercial loans, and \$175,000,000 in investments. Since the beginning of 1926 an increase in commercial loans together with the growth of investments has more than offset the reduction in loans on securities. The demand for credit at the end of the fiscal year and the increased currency requirements over the holiday were reflected in a growth of member bank borrowing at the Reserve banks and on July 7th total discounts were near the highest point of the year. With the return flow of currency from circulation after the holiday, discounts declined, and on July 21st were in about the same volume as in the last half of June. The Reserve bank holdings of acceptances and of United States securities changed little during the period, and the total volume of Reserve bank credit outstanding in the third week of July was close to the June level. Money market conditions were firmer in July, as indicated chiefly by increases in rates on call and time security loans. Rates on acceptances and on commercial paper were also slightly higher.

NOTE: Due to the unusual length of the National Summary this month, the accompanying charts were omitted. The charts illustrate the text, but do not contain additional information.